Chapter II

Review of Literature
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REVIEW OF LITERATURE

In this chapter, a detailed review of literature has been done adequately in order to reveal the significance of this study and to find out the research gap. For this purpose previous studies relating to our core area of the research have been reviewed. These studies have been taken from journals, articles, Ph.D thesis and unpublished research work.

Park, Jaworski and Mac Innis\(^1\) made an attempt to study the brand extension opportunities and risks. They found that the brand extension offer consumers the benefits associated with the known brand, by extending the brands to other products the firm can strengthen and expand the customer franchise, which helps to build the overall business. But when the brand is extended too far, even when it is successful, risk is there that will dilute the core brand and the customer.

Kenneth D. Bahn\(^2\) in his study focused to find out the children’s Brand discrimination and preference formation using multidimensional scaling techniques to capture children’s perceptions and preferences for cereal and beverages, the study discovered several dimensions that underline these two processes. The study revealed that the number of dimensions that underline brand perceptions and brand preferences differ by cognitive stage (pre-operational vs. concrete – operation) and by product category.

Coben and Boush\(^3\) tried to find whether the positive and negative points of a brand will affect an extended brand. They revealed that the success and failure of an extended brands depend on the positive and negative features of the original brand and the similarity between the original brand and the extended brand.

A study was conducted by Simonson, Ttamar\(^1\) to explore the reasons of choice and they found that consumers tend to choose the alternative supported by the test reasons under preference uncertainty and shows that brands tend to gain share when they become compromise alternatives.

Aaker and Kevin Lane Keller\(^2\) made a study to find out the bases for successful Brand Extensions. The study pointed out that the similarity between original and extension product and the brand image of the parent brand as the bases for successful brand extension.

Romeo\(^3\) made a study on how negative information or failure of brand extensions feedback and similarity between the extended brand and parent brand effects consumers' attitudes towards the family brand name. The study revealed that no evidence that negative information about brand extensions diluted the family brand name and subsequent brand extensions.

Frank Kandes and Chris Allen\(^4\) made a research in consumer reactions to brand extension and they extend their research by investigating the effects of two types of perceived variability on consumer's inferences about brand extension that is the perceived variability of a firms current offerings and the perceived variability of brands in entry category. Inferences about the potential quality of the brand extension, and about the manufacturer's reasons for attempting to enter the new product category were measured. The study suggested that brand extension can tarnish global evaluations of a parent brand. Even when favorably evaluated parent brand are paired with favorably evaluated brand extensions, a less favorable overall impressions of the parent brand can result. When a parent brand name is stretched too far, additional extensions can have negative impressions on judgments about the parent brand. The results also revealed that

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when perceived variability is high, generalization is difficult and consumers tend to form conservative, moderate judgments. In contrast, when the perceived variability of apparent brands' current offerings is low and when perceived variability of existing products in an entry category is low, there appears to become opportunity for brand image.

Kevin Lane Keller and David Aaker\(^1\) examined the factors affecting evaluations of proposed extensions form a core brand that has or has not already been extended into other product categories specifically, the perceived quality of the core brand and the number, success and similarity of intervening brand extensions, by influencing perceptions of company credibility and product fit, are hypothesized to affect evaluations of proposed new extensions, as well as evaluations of the core brand itself. The study revealed that a successful intervening extension increased evaluations of a proposed extension only for an average quality core brand, a successful intervening extension decreased evaluations of a proposed extension only for a high quality core brand. Though a successful intervening extension also increased evaluations of an average quality core brand, an unsuccessful intervening extension did not decrease core brand evaluations regardless of the quality level of the core brand. The relative similarity of intervening extension had little differential impact, but multiple intervening extensions had some different affects than a single intervening extension.

Martin Roth\(^2\) made a study on the global depth and breadth strategies for brand management. An image that clearly communicate the needs satisfied by the brand contributed to brand equity and helps combat brand parity. The normative model of brand image management suggest that marketers should haze their images on a single set of consumer needs (depth strategy), rather than multiple sets of needs (breadth Strategy). The extent to which depth strategies outperformed breadth strategies was investigated for U.S. consumer goods exported into international markets. These markets varied in terms of level of economic development, cultural context, and competition. While the results indicated that depth strategies do tend to perform best, there are conditions under which breadth strategies perform just well.

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Smith and Whan Park\(^1\) in their research tried to find out the importance of brand extension to have or develop a brand value. The main objective of the study was to find out how to maintain the brand value by brand extension to meet the customer needs. The finding of the study was that a major part of a brand's value is derived from its contribution to launching new products. The study also revealed that brand name was the main asset of any firm for maintaining the brand and that has to be maintained for which brand extension is needed.

Yigang Pan and Donald Lehmann\(^2\) in their article explored the impact of a new brand entry on consumers subjective brand judgements. Three specific effects were hypothesized and tested, namely range, frequency and categorization. Result from the experiments demonstrate that the new entrant has a significant impact on subjective brand judgments, brand preference and choice. Further they found that changes in brand choice and preference are consistent with judgement changes.

George Low and Ronald Fullerton\(^3\) have examined the history of Brand Management by tracing its development in the context of marketing environment for 1870-1994. They developed six theses regarding the evolution of brand management and its implementations and substantiate them utilizing a historical approach, they demonstrated that the brand manager system originated well after the leadership of branded products was established and it was adopted following a conventional adoption curve pattern. Further it has proven that it was quite adaptable to differing firm and marketing environments over the past several decades.

Aaker and Robert Jacobson\(^4\) in their study examined the effect of perceived quality on stock price movement and found that the brand managers should convey Wall Street analysis information about the brand quality image as well as financial information to depict long-term prospect for their brands.

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Allan Shocker, Rajendra Srivastava and Robert Ruckert\textsuperscript{1} attempted to find out the major environmental forces affecting market behavior of a brand. The study observed that brand managers should have acknowledged the evolving needs of the buyers, global competitors and the opening of territorial markets, technological changes, growing power and independence of the channels of distribution, pressure from the investors to produce more predictable growth in the revenues, profits and cash flows and thus benefit from cost reduction.

Scott Davis\textsuperscript{2} in his study suggested two new practical mechanisms on how best to ensure a brand's future viability: developing a key brand insurance strategy and measuring return on brand investments (ROBI). A key brand insurance strategy is a defensive strategy companies should use to help combat a number of threats a brand may face over its lifetime. This strategy allows companies to take a proactive, not reactive, stance. Measuring return on brand investment gives companies a simple formula for charting their brand's success internally and externally. ROBI forces companies to look regularly at their brand from several different perspectives. These two tools will ultimately help to strengthen the future of the brand.

John Milewicz; Paul Herbig\textsuperscript{3} made a research to see whether a brand's reputation can be transferred successfully to other products and to know the importance of a firm's reputation to the success or failure of its brands and what is the effect on the firm's brands when a firm's reputation, through either acquisition or restructuring, decays. The study brought out a model of reputation creation and destruction and showed as to how the brand extension decision can be addressed using the model.

Simin Knox\textsuperscript{4} presented the study on the notion of redefining branding policy and practice as fundamental and arguably the dominant core process in business redesign. He found that the integrated brand as a core process requires a multi functional management

cohesion if the new doctrine of customer retention strategies may vary. By also managing system costs and building primary customer share for revenue, the integrated brand organization can emerge with a balanced financial performance and brand equity managed as an asset.

Martin Hoth\textsuperscript{1} made a study to know what market conditions do managers consider when deciding whether to standardize or customize their global brand image? To what extent do those market conditions moderate the effects of brand image customization/standardization strategies on brand performance? To answer these questions, the author reported that the results from a research study based on both secondary environmental data and survey responses from international marketing managers. The results showed that although managers consider some cultural and socio-economic conditions of foreign countries in forming international brand image strategies, those conditions moderate the market share effects of their brand image strategies. Managers can enhance the brand performance by broadening the information they use in making global brand image strategy decisions.

Chung Koo Kim\textsuperscript{2} in his study examined how brand- and country-related intangible assets influenced the market shares of brands and their marketing effectiveness (particularly price effectiveness). Using the case of the small car segment, seems to provide some interesting implications for brand management in global markets where the intangible assets associated with brand and country names are important. The study found that a country name (e.g. Japanese name) produces positive value to brands originating from particular countries and the documents that long-term popularity positively influences brands' short-term market shares and marketing effectiveness. Also it discovered that a brand can generate positive brand-specific assets, i.e. brand popularity, without a positive country name equity. Discussed the managerial implications and recommendations within the context of global competition.

\textsuperscript{1} Martin S. Roth “Effects of global market conditions on brand image customization and brand performance” Journal of Advertising Vol. XXIV No.04 Winter 1995 p.15.
Joseph Arthur Rooney\(^1\) in his study observed that branding is an effective marketing strategy tool that has been used with frequent success in the past. Today, branding is experiencing a new popularity resulting from new, innovative applications. Although there have been instances where branding has been less than successful, marketers are beginning to find the appropriate applications in a given setting. Issues and problems concerning branding strategy today include the selection of a brand name. This fundamental issue will impact on the success of a branding strategy. Once a name is selected, marketers have to choose the advertising strategy to support and communicate the name. Finally, keeping the brand in a strong position is a critical concern. New areas of branding include corporate, industrial, and service branding. These nontraditional branding environments are becoming the future for marketers using branding strategy. To add to the new branding areas, there are new branding techniques. These techniques include brand extensions and ingredient branding. New strategies, techniques, and arenas for branding have to be managed. The organization must support and identify with the strategy. The goals, objectives, and mission of any organization should be in line with the branding strategy employed.

Diane Halstead and Cheryl Ward\(^2\) in their research assessed the vulnerability of private lable brands. They found that private label brands may be in danger as a result of recent changes in the marketing strategies used by private label firms. The primary competitive advantage of private label brands, good quality at low prices, may be lost if private label firms continue to modify and expand how their brands are marketed. Specifically, changes in private label brands' advertising, packaging, sales promotion, and product improvement strategies indicate that private label brands are moving closer than ever to manufacturer brand status. To the extent that these changes result in higher average retail prices and/or lower gross margins for retailers, the advantages of private brands to both consumers and distributors will diminish, illustrating that the historical "wheel of retailing" hypothesis may be applicable to private label brands. Investigates the aforementioned trends and provides suggestions for manufacturers and retailers for future brand management strategies.

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Amit Ghosh, Goutam Chakraborty and Debra Bunch Ghosh\(^1\) pointed out that since consumers are seldom familiar with all the competing brands or the attributes of these brands, brand uncertainty exists in every market. Presents theoretical and empirical evidence from several disciplines to demonstrate that brand uncertainty affects brand attitudes and preferences, and consequently affects brand performance. It also demonstrated the importance of actively managing brand uncertainty and identified marketing tools that can be used to reduce brand uncertainty at different stages in the consumer decision process. Further the study also discussed how managers can modify these tools to deal with high-involvement versus low-involvement products, how these tools should be scheduled for maximum impact, and the amount of control managers have over each tool.

Lassar, Wafried, Banwari, Mittal and Sharma Arun\(^2\) focused their study on how brand equity is measured by the customers and found that five dimensions configure brand equity, that is, performance, value, social image, trustworthiness and commitment.

Vicki Lane and Robert Jacobson\(^3\) observed in his study that brand equity components, brand attitude and brand name familiarity influence not only the positive benefits but also the adverse consequences that follow brand leveraging. Making use of event study methods, the authors assessed whether and how the stock market returns—a measure of the change in expected future cash flows which is associated with a brand extension announcement—depend on these brand equity components. It was found that the stock market response to brand equity announcements depend interactively and nonmonotonically in brand attitude and familiarity. A key finding of the study was that given the trade-offs which exist, under certain conditions the stock market responds negatively to brand extensions.

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Jung Lee made an experiment that investigated the role of consumers’ attitude towards brand advertising on the accessibility and perceived appropriateness of the brand attributes in their perception of a brand extension. Findings suggested that the positive advertisement significantly increases both the accessibility and the perceived appropriateness of the brand attributes. The effect on the perceived appropriateness of the brand attributes occurs more consistently for a moderately non comparable extension than for a comparable extension. Additional analysis indicated that advertisement strongly influences consumers overall attitude toward a brand extension with the effect being greater for a moderately non comparable extension than for a comparable extension.

Paul Herr, Peter Farqurhar, Russel Fazio in their research investigated over how a consumers cognitive structure for a brand in a given product category affects the possible transfer of associations to other product categories. One key factor in evaluating such possible brand extensions is dominance, which can be defined as the strength of the directional association between the parent category and the branded product. The second important factor is the relatedness of the brands parent category and the target category of the proposed extension. The research demonstrated that consumers response times to disconfirm the existence of product - brand pairs is related their transfer of affect from the brand to the proposed product category.

Chung Kim and Anne Lavack, examined the implication of vertical brand extensions for the perception of consumers on core brand image. They made a study on the forms of brand extensions; effectiveness of distancing technique and information cue in minimizing the dilution of the core brand image; methods in managing vertical brand extensions.

Sandra Milberg, Whan Park, Michael McCarthy investigated the relation between alternative brand extension strategies and negative feedback effects of such extensions. They examined the situations in which extensions may dilute family brand beliefs and create negative affect and how a sub-branding strategy (a new brand name in conjunction with a family brand name) may mitigate these effects. It was found that the negative feedback effects when extensions are perceived as belonging to a product category dissimilar from those associated with the family brand and extension attribute information is inconsistent with image beliefs associated with the family brand. Relative to a direct extension, a sub-branding strategy mitigated these negative feedback effects and improved consumer evaluations of extensions belongings to dissimilar product categories.

Tim Ambler and Chris Styles in their study considered the managerial processes that lead to the launch of successful line and brand extensions. Seeks to clarify the role, if any, that brand equity considerations have in the extension decision process. A case study approach is used. Data relating to 11 extension launches were collected from major fast-moving customer goods (FMCG) manufacturers in Europe, the USA and Australia by The Boston Consulting Group (BCG). The output of the analysis is a set of propositions about the extension process, summarized in the form of a process model. The overall conclusion is that extension decisions are more about brand development than new product development.

Wendy Lomax, Kathy Hammond, Robert East and Maria Clemente observed that the risk of cannibalization is a very real threat for many new product launches and that the risk becomes even more significant if the new product is launched under the same brand name as an existing product. The study pointed out that, since line extension is by far the most common branding strategy for new products, it is important that

managers develop their understanding of the effect and that little empirical work has been published on the subject. Defines cannibalization and examined three techniques which managers might use to measure it. The study revealed that, cannibalization of the parent brand by all three extensions and suggesting the need for managers to use multiple methods when evaluating the degree of cannibalization. Emphasized the need to sample over time, since the extent of cannibalization is shown to be dynamic. The prevalence of line extensions, as manufacturers struggle to maximize the leverage of their brand equity, is undoubted and well documented. Brand owners use existing brand names to reduce barriers to entry for the new line with the implicit assumption that additional profit will be earned as a result. But haunting the parent brand is the specter of cannibalization. The study further revealed that cannibalization is a very real threat for the vast majority of new product launches. But there has been little empirical work which quantifies this threat, or which examines the measures which can be used to define it. In this study, we use consumer panel data to examine three alternative techniques which managers might use to measure cannibalization - gains losses.

John Saunders and Fu Guoqun examined how corporate names add value to branded fast-moving consumer non-durable goods. The study used conjoint analysis to test combinations of brand names, corporate names and prices of confectionery count lines. The results showed that both brand names and corporate names add value although some add more value than others. The market is price sensitive so pricing above a threshold level wipes out much of the influence of corporate and brand names. The sensitivities to names and price do not vary with the a priori segment tested although natural clusters of customers show differences.

Jin. Han and Bernd Schmitt investigated the empirical generalizability of Aaker and Keller's model of how consumers evaluate brand extensions. The study has implications for the understanding of how brand extensions are evaluated and how empirical generalizations emerge. Aaker and Keller’s model hypothesizes that

evaluations of brand extensions are based on the quality of the original brand, the fit between the parent and extension categories, and the interaction of the two. The study revealed that for US consumer, perceived fit is much more important than the company size for extension of products and for Hong Kong consumer, company size does not matter for high fit extensions but it matters for low fit cases.

Simon Knox\(^1\) examined the deference toward brands that motivated yesterday’s consumers to purchase is no longer so evident in today’s shopping environment. As consumers become more sophisticated in their assessment of brands and more demanding in their requirements, brand management will need to develop more substantive market models to regain the initiative. The study outlined an empirical model of brand loyalty that provides diagnostic data to support the management of brand loyal behavior and customer equity in grocery markets.

Leslie de Chernatony\(^2\) in his study observed that how brand management is becoming a team-based activity, undertaken by senior managers from different backgrounds. While this results in a more experienced team, there is a likelihood that perceptions about the nature of the brand may differ between individuals due to large quantities of information presented and perceptual processes. New brand taxonomies, in particular those from DMB&B and Young & Rubicam, help managers quickly to appreciate the nature of their brand and thus the most appropriate strategies. These taxonomies can be a useful mechanism for surfacing diversity among the brand’s team, and helping to achieve a more coherent implementation of brand strategy. The study also presented a process to identify and resolve any diversity among the brand’s team.

Chris Macrae and Mark David Uncles\(^3\) revealed in their study that brand managers face many challenges (including questions of brand strength, world-class culture, “global” branding, seeded marketing channels, “service smart” integration, brand architecture and brand organizing). A framework is presented for thinking about the

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challenges and how to deal with them. This process, called "brand chartering", has three principal elements: creating and communicating the brand, managing the brand organization, and directing and structuring the brand. The study illustrated how this framework is of help in management practice and showed how it can be used as a stool for organizational learning. The purposes of this are threefold: first, to highlight some of the pressures facing those who are charged with the management of brands; second, to suggest a framework for thinking about these challenges and how to deal with them ("brand chartering") and third, to illustrate how this framework is of help in management practice.

Randi Priluck Grossman\(^1\) explained in his study how marketers have begun to pair their new brands with existing brands that have powerful images attached to them in the hopes of linking these positive images with their products. He recommends strategies for co-branding based on classical conditioning, a method for developing associations, and provided examples of firms that have found success when using these techniques.

Stan Maklan and Simon Knox\(^2\) outlined a new approach for managing brands that brings the process into line with recent advances in the management of flatter, customer-facing organizations. Argued that the traditional marketing and brand-building approach, characterized by a narrow, product-focused selling proposition, no longer adds sufficient customer value. As a result, a gap has arisen between the value offered by the brand and the value expected by its customers. The factors which contribute to this value gap are discussed in the context of the changing customer and the changing organization where customer value is increasingly generated by business processes traditionally outside the remit of brand management. Introduced a management tool, the Unique Organization Proposition (UOP) to bridge this value gap by integrating the company's core business processes into a visible set of credentials that adds customer value through the supply chain. The study also identified and discussed the ways in which the UOP links with each of five core business processes.

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Kevin Pryor and Roderick Brodie\(^1\) in their study provided evidence about how advertising slogans prime evaluations of brand extensions. Two hypotheses are investigated. First, that a brand extension was rated as more similar to existing family-branded products if the advertising slogan primes attributes that the brand extension shares with existing products than if the slogan primes attributes that the brand extension does not share with the existing family-branded products. Second, given a positively evaluated brand, a brand extension was evaluated more positively if the advertising slogan primes features that the extension shares with existing family-branded products than if the slogan primes attributes that the brand extension does not share with existing family-branded products. The research revealed that priming can play an important role in supporting or undermining a brand extension strategy by drawing attention to attributes either that a new product has in common with existing products or that conflict with existing products.

Erden Tulin\(^2\) made an attempt to study the consumers' perception to brand and found that the consumers' are having chance to experience the different brands and as a result their perceptions of product quality may change.

Jay Pil Choi\(^3\) in his research developed a theory of brand extension as a mechanism for information leverage in which a firm leverages off a good’s reputation in one market to alleviate the problem of information asymmetry encounter in other markets. It showed that brand extension helps a multi-product monopolist to introduce a new experience good with less price distribution.

Mark Glynn and Roderick Brodie\(^4\) in their paper reported a replication of Broniarczyk and Alba's study of the influence of brand-specific associations on brand extensions. The results broadly support the original study showing brand-specific

\(^3\) Jay Pil Choi “Brand extension as informational leverage” Review of Economic Studies Vol. LXV March 1998 pp 655-669
associations (i.e. attributes which differentiate a brand from the competition) can dominate the effects of the parent brand to the point where they reverse extension evaluations. Thus the study provided further evidence to challenge the commonly held assumption that the effect associated with the original brand name and product category is automatically transferred to the brand extension.

Fournier and Susan\(^1\) attempted to analyse how consumers develop a brand equity and it was found that the brand awareness and brand image are the important steps in building a brand equity.

Reza Motameni; Motameni, Reza; Manuchehr Shahrokhi; Shahrokhi, Manuchehr\(^2\). Made a research on brand equity valuation. It was observed that since late 1980s there has been a frenzy of mergers and acquisitions in which brands have played the primary role. It is no longer rare to find offers at a multiple of more than 25 times company earning, or two or three times its share value. In this paper an attempt was made to reach several objectives. First, the marketing and finance perspectives of brand equity are presented, and their interrelationships are shown. Second, the different measurements of brand equity are presented. Next, a comprehensive model of global brand equity, which it was hoped capable of both estimating the brand equity more accurately and show the sources of the equity will be proposed.

Gustav Puth, Pierre Mostert and Michael Ewing\(^3\) made a research on the processes of consumer perception and decision making. One way in which these processes may be influenced is through the explicit mentioning of product attributes in advertising. This study investigates consumer perceptions of mentioned product attributes in magazine advertising for a specific product category. Results confirm a clear relationship between attributes specifically mentioned in advertising for the three selected

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brands and respondents' rating of those attributes against evaluative criteria for the product category. Factor analyses of respondents ratings indicate a clear convergence of factors extracted and the mentioned attributes for each brand.

Momin and Maureen¹ attempted to study the impact of brand extensions on brand retrieval process and how brand extensions helps the customers to remember the parent brand and the study revealed that, a successful extensions can have positive reciprocal effect and can help to strengthen the memory structures for the parent brand. It also induced the non users of a parent brand to have a trial of it.

Mourien Morrin² in his study examined the impact of brand extension on consumer memory for parent brand information. He proposed that such exposure will strengthen parent brand memory structures and facilitate retrieval process, He hypothesizes that the impact of extensions will be moderated by parent brand dominance, extension fit, extension number, and product category crowdedness. The study demonstrated that longitudinal exposure to brand extension advertising facilitates parent brand recall but that both recall and recognition are facilitated to a lesser degree than that resulting form exposure to parent brand advertising.

Drew Fudenberg and Jean Tide³ observed in their study that firms sometimes try to "Poach" the customers of their competitiors by offering them inducements to switch. They analyze duopoly poaching under both short – term and long term contracts assuming either that each consumers brand preferences are fixed over time or that preferences are independent over time. With fixed preferences, short-term contracts lead to poaching and socially inefficient switching. The equilibrium with long term contracts had less switching than when only short-term contracts are feasible and it involves the sale of both short-term and long –term contracts. With independent preferences, short-term contracts are efficient, but long-term contracts lead to inefficiently little switching.

² Mourien Morrin “The impact of brand extension on parent brand memory structures and retrieval process” Journal of Marketing research Vol. XXXVI Nov. 1999 pp 517-525
Michael J. Barone\(^1\) examined to know positive mood influences consumer evaluations of brand extensions. The result indicated that positive mood primarily enhances evaluations of extensions viewed as moderately similar to a favorably evaluated core brand.

Sheri Bridges, Kevin Lane Keller and Sanjay Sood\(^2\) examined the proposition that high perceived fit of a brand extension results when consumers can establish explanatory links that connect the brand and extension. Explanatory links are created when silent parent brand associations are seen as relevant in the extension context. The relevance of associations depends, upon the dominant parent brand associations, the brand-to-extension relationship and the communication strategy used to introduce the extension. Results indicated that extensions were poorly rated when the parent brands dominant association was inconsistent with the extensions dominant association. Specifically, brands with dominant attribute-based association (e.g. Physical features) received lower evaluations than brands with dominant non-attribute-based associations (e.g. Brand users) when extended to a category with no physical attributes in common.

Ahumalia and Gurhan - Canli\(^3\) conducted a study to explore the dilution of the brand name by the negative information about the extended brands. The findings indicated that under higher accessibility, negative information about the extended brands will dilute the brand name, the brand image, brand attribute, and the results of the dilution effects rely on the information relevancy or accessibility of brand extension. The similarity of brand extension is important only when the information relevancy or accessibility is low.

Jong-won park and Keyong - Hervi Kim\(^4\) brought out the fact that consumer-based relationship is also important for brand extension as the quality of the original brand. The general proposition is that consumers having a strong relationship with a brand might react to its extensions more positively than those lacking such relationship.

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and that this effect is above and beyond the effect that the perceived quality might have on judgments about the extension. A survey was conducted with a sample of 430 male adult consumers. Findings from the analysis indicated that brand relationships directly influenced purchase intentions of the extension regardless of the extensions similarity to the original brand. In addition, brand relationships indirectly influenced purchase intentions via affecting the perceived quality of the extension.

Swaminathan, Vinitha, Richard Fox and Srinivas Reddy\(^1\) tried to analyse the impact of a new brand extension introduction on choice in a behavioral context. Particularly they investigated the reciprocal impact of trial successful and unsuccessful brand extensions on parent choice. In addition, the authors examined the effects of experience with the parent brand on consumers trial and repeat of a brand extensions. The results showed that positive reciprocal effects of extension trial on parent brand choice, particularly among prior non-users of the parent brand and consequently on market share. In addition, the study showed that experience with the parent brand has a significant impact on extension trial, but not an extension repast.

David A. Aaker\(^2\) made an attempt to study and assessed the extent to which brand attitude a key component of brand equity has a value relevance that it helps to predict future earnings and thus firm value in high-technology markets. It was found that equity has value relevance and also predicted that not only changes in brand attitude changes with stock return, but this association is also incremental to information contained in according financial measures.

Richard Klink and Daniel Smith\(^3\) in their study attempted to know the threats for the brand extension. The authors observed that the effects of fit disappear when attribute information is added to extension stimuli and are applicable only for later product adopters. The authors also found that perceived fit increases with greater exposure to an extension.


Paul Bottomly and Stephen Holden¹ conducted a study to find out how consumers evaluate brand extensions. The objective of the study was to find out the factors on which brand extensions are evaluated. The findings indicated that the brand extensions are based on the quality of the original brand, the fit between the parent brand and extension categories and the interaction between the parent brand and the extended brand.

Steve Hoeffler and Kevin Lane Keller² made an attempt to study why marketers have shown an increasing interest in the use of corporate societal marketing (CSM) and they gave six means by which CSM programs can build brand equity. They are building brand awareness, enhancing brand image, establishing brand credibility, evoking brand feelings, creating a sense of brand community and eliciting brand engagement.

Tamariselvan and David Jawahar³ tried to find out some of the factors considered to be important whenever the company pursues brand extension strategies. They found that the success determinants are reputation of the core brand, similarity between the core brand and the extended product, perceived risk involved in the extended product category and the quality of the parent brand.

Leif Hem and Nina Iversin⁴ have attempted to study the decomposed similarity measures in brand extension. The research was mainly focused on the judgmental effects of similarity between an established brand and a brand extension. They extended the research by investigating the effects of decomposed similarity. They found that similarities between an original brand and its brand extensions have to be measured using several items that better cover similarity construct for the success of brand extension. They furthermore found that brand personality impacts brand extension evaluations, when there is a high degree of congruity between an individual's self-image and salient personality traits of the brand extension.

Joseph Chang examines the dilution effects of unfavorable brand extensions on family and original brand images in direct experience situations. The research results indicated that a family brand image is diluted by an unfavorable brand extension, regardless of the category similarity of brand extension. However, an original brand image is not diluted by an unfavorable brand extension, regardless of the category similarity of brand extension.

Stephen Brown, Robert Kozinets and John Sherry examined the causes of retro Brand proliferation. It was revealed in their study that retro brands will have continuing appeal as a marketing strategy for the reason that technology and imitation quickly eradicate first-mover advantages, yet a competitive edge is gained by tapping into the wellsprings of trust and loyalty that consumers hold towards old brand.

Leif Hem and Nina Iversen in their article explored the effects of different dimensions of brand loyalty towards the original brand on the evaluation of brand extension. It was found that a high affective relationship towards the parent brand may reduce the evaluation of brand extension. The loyal behavioral intention towards the parent brand is important for reaching a positive evaluation of extensions. Finally self-image relationship towards the parent brands was found to increase the evaluation of brand extension.

Balachander, Subramanian and Sanjay Ghose made an attempt to analyse the benefits which are given by the brand extension to the parent brand. A study was conducted and it was found that the brand extension gives brands choice share and in reverse, the unsuccessful extension can diminish the specific beliefs that are associated with the parent brand and adversely affect its market share.

In an article by Mary Hilderbrand and Jacqueline Klosek discussed the key issues in brand management strategies, for the development, maintenance and growth and business. The key points are establishing and maintaining the brand, ensure consistency

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between brand licensing strategy and overall business goals, selecting profitable and innovative license partners, focus on maximizing leverage of the brand and license agreement. License agreements must include effective means for enforcing key provisions, pro-active on products and services, allocate ownership and control of IP assets equitably, successful brand licensing strategy requires dedicated staff, actively integrate the brand licensing strategy into product development and launch activities.

Amitav Aharavarti and Chris Janizewski\textsuperscript{1} made a research to find out how generic advertising influences on brand preferences and found that generic advertising increases the consumers sensitivity to changes in price and systematically alters brand preference. The results have implications for the public policy issue of how to effectively implement generic advertising without differentially benefiting certain brands and the managerial issue of how to integrate generic and brand advertising in order to achieve product category and brand differential goals.

Leif Hem and Nina\textsuperscript{2} Iverson explored the effects of different dimensions of brand loyalty towards the original brand on the evolution of brand extension. The objectives of the study was to find out the extent to which brand extension is positive when consumers have stronger affective relationships with the original brand and they found that a high effective relationship towards the parent brand may also reduce the evaluation of brand extension. It was also attempted to find out whether evaluation of brand extension is higher when consumers have a more positive behavioral intention towards the original brand and evaluation of brand extension is more positive when consumer’s self-image is closely related towards the original brand. It was found that loyal behavioral intention towards the parent brand is important for reaching positive evaluation of extension and self-image relationships towards the parent brand which is found to increase the evaluation of brand extension.

Ming - Hrei Hsien\textsuperscript{3} in his article presented a newly developed survey – based method for measurement of customer- based brand equity in Cross – national context. The proposed National Brand Equity (NBE) model decomposed customer – based Brand

\textsuperscript{2}Leif E. Hem and Nina M “Transfer of brand equity in brand extensions: The importance of brand loyalty” The ICFAI Journal of Brand Management Vol. 1 No.3 Sep 2004 p.45.
Equity into two components: measured and unmeasured brand equity. The measured component of brand equity identifies the effectiveness of individual benefit associations across the globe, the unmeasured component captures the value that is attached to the brand but not measured by a commonly elicited associations. The author applied the NBE model to 28 brands across the 16 worldwide automobile markets, which provided opportunities for assessing the applicability of the proposed model. Further more in response to tend of increasing brand globalizations, the author developed a model of global brand equity to assess a brands value relative to that of its global competitors. Based on the NBE model, the global brand equity model incorporates national weighing factors in the aggregation of NBE across countries. The resultant aggregation yielded a global brand equity index which provides practical applications for benchmarking against the best brand and serves as a good indicator of a brands relative value in the global market.

Piyush Kumar\textsuperscript{1} investigated the impact of a brand extension success versus failure on customer evaluation of brand counter extension. A counter extension is brand extension that is launched into category. The results showed that customers evaluate counter extensions more favourably when the preceding extension is a success rather than a failure. Furthermore, the evaluation of the counter extension is superior if it is launched by a major brand, especially if the previous successful extension was also launched by a major brand. Finally a successful extension indirectly diluted a brand and results in a greater loss in choice share to a counter extension that does a failed extension.

Ratna\textsuperscript{2} in his research attempted to know the various concepts associated with retro branding, its popularity and the reasons why companies go for retro brand. It was found that consumers tend to receptive to familiar things to which they have experienced sometime in past. They feel nostalgic when old brands are revived and this is more receptive and more likely to purchase revived brands. It was observed that retro brands are becoming popular because of two primary reasons. One is fear of imitation and another is leveraging nostalgia. Marketers have realized that technology and imitation quickly eradicated first mover advantage and that communal nostalgia increases during chaotic time

\begin{thebibliography}{9}
\bibitem{1} Piyush Kumar "Brand Counterextension: The impact of brand extension success versus failure" Journal of Marketing Research Vol. XLII May 2005 pp 183-194
\end{thebibliography}
Catherin Yeung and Robert Wyer\textsuperscript{1} in their study examined the influence of brand on consumers' evaluations of brand extension. The study revealed that when a Brand spontaneously elicits affective reactions, consumers appear to form an initial impression of the brands new extension based on these reactions. Their later evaluations of the extension are then based on this impression. This is true regardless of the similarity between the extension and the core brand. These results contrast with evidence that affect influences brand extension evaluations through its mediating impact on perceptions of core-extension similarity. This influence occurs only when consumers are explicitly asked to estimate the extensions similarity to the core brand before they evaluate it.

Subhadip Roy\textsuperscript{2} made an attempt to identify the need for brand valuation, the source of brand value and different methods of brand valuation practiced in the market place because in recent times, the companies felt that it is not only a need to include the brand in the balance sheet. it was found that since brand can act as an asset to provide competitive advantage in the long run, brand value will ultimately aimed at improving the financial performance of the company. The different methods were disussed. The study reveled that brand valuation may act as bridge to connect the marketing and finance people. Once a measured brand value is assigned, it may act as a common ground for the decision makers of the company and not only of the marketing department.

Franziska Volckner and Henrik Sattler\textsuperscript{3} addressed the issue of the significance and relative importance of the determinants of extension success. The empirical analysis considers the direct relationships between success factors and extension success, the structural relationships among investigated factors and moderating factors. They found that fit between the parent brand and an extension product is the most driver of brand extension success followed by marketing support, parent-brand conviction, retailer acceptance and parent brand experience also plays an important role in the extension success.

\textsuperscript{3}Franziska Volckner and Henrik Sattler “Drivers of brand extension success” Journal of Marketing Vol. LXX April 2006 pp18-34.
A study was conducted by Pappu, Ravi\textsuperscript{1} to explore the customer satisfaction and brand equity. The main objective was to examine the relationship between customer satisfaction with a retailer and the equity associate with the retail brand. The results indicated that the retail brand equity varies with customer satisfaction.

Christopher Joiner and George Mason\textsuperscript{2} made a research which highlighted how less accessible individual products and associations that are part of a brand category can influence consumers brand related judgments. Altering the brand category context in which a brand extension is introduced in the salience of these less accessible products and associations. The study revealed that in situations where this information is diagnostic, individuals base their extension judgments on different set of dimensions than they would if the extension had been provided evidence that these brand category context changes affected the temporary representatives to judge a new extension.

Sanjit Kumar and Balaji\textsuperscript{3} in their study analyzes brand proliferation. It was observed that in the recent times, the market is witnessing phenomena changes where companies in almost all industries have seen a rise in number of brands they manage. Companies are concerned since too many brands in their portfolio lead to inefficiency and complexity in their operations. Companies were in a dilemma as to whether to further increase the number of brands in their portfolio or go for pruning. It was observed that sustained portfolio performance can be achieved only when companies reinvest the funds form rationalization/ pruning into wither developing new brands or into the growth of the existing core brands. It means that the companies need to focus their resources and attention on few brands and get rid of other brands that are draining funds and not aligned with their business plan.

Md. Humayun\textsuperscript{4} in his article reported the effects of perceived quality, perceived fit and perceived difficulty and interaction between perceived quality and fir on consumer evolutions of Brand Extension. They used multi-item scales to measure these constructs.

\textsuperscript{1} Pappu and Ravi “Does customer satisfaction load to brand equity? An empirical examination of two categories of retail brands” Journal of Product and Brand Management Vol. XV issue 1 April 2006 pp 4 -14
Data were analyzed via structural equation models. Results show that both perceived quality and perceived fit have direct positive effects on consumer evaluation of extension. It was found that support for the chance of transferring the positive values of a brand to an extension is greater when consumers felt the extension as a good fit with the original brand and it is considered as of high quality.

Balaji1 in his study examined the ways in which consumers evaluate brand extensions based on factors like parent brand reputation, similarity or fit between the parent brand extension, consumer innovativeness and perceived risk or uncertainty. More importantly, the study explored the differences in the consumer's evaluation of FMCG, services, and consumer durables, brand extension and looked at the overall evaluation of the brand extension. The study has established that perceived similarity and fit between the parent brand and extension increased the evaluation of FMCG, services, and consumer durables brand extension. Perceived similarity or fit between the parent brand and brand extension appeared to be the most important factor for evaluation of the brand extension. The extension evaluations are higher for well-established FMCG parent brands but for service and consumer durables, the consumers evaluate extensions more on attributed and benefits of the extension.

Harish2 attempted to study the emerging trends in the marketing of consumer durables in India. Since the annual market for consumer durables in India is currently very high. In recent years, intense competition had led to a decline in prices; consequently, market growth has mainly been in terms of quantity rather than prices. It was found that Indian consumer is brand-conscious but not necessarily brand-loyal, and might even pick up a reliable private label if it offers good price and quality value. Domestic durable manufacturers are responding by expanding their product range to ensure higher bargaining and shelf power with the trade. However, as Indian consumers continue to attach a high degree of importance to value for money, both manufacturers and traders would be compelled to explore every conceivable method to improve operational efficiencies, in order to achieve sustainable and profitable business growth.

Dave Ulrich and Norm Smallwood\(^1\) observed that organizations can strengthen their leadership brands by working hard to translate what they stand for in the marketplace into a set of managerial behaviors. They say that by adapting the five principles outlined, a firm can create a leadership brand that differentiated the organization to employees inside and to customers and investors outside. The effort requires commitment form individuals throughout an organization. It was further observed that the Board of Directors needs to encourage the building of leadership brands, senior executives need to sponsor leadership initiatives, HR Professionals need to design and facilitate programs that foster leadership brands. The CEO of a company must function as its brand manager and be driving force behind building it as an organizational capacity.

Leonard Lodish and Carl Mela\(^2\) made a research to find out why brands are managed quarterly when they are building for a long period. It was observed that companies routinely over invest in promotions and under invest in advertising, product development and new forms of distribution. As a result, brands have been weakened often beyond recovery. Some powerful retailers have weakened some brands Changes in consumer behavior, Diluted Brand Equity and competitive response made brands appear less differentiated. It was also found that the use of short term sales data as a yardstick for brand performance can interact in unfavorable ways with the tenure of a brand manager – which is typically quite brief often less than a year. It was found that in the face of an increasingly fragmented media and powerful retailers, brand managers cannot afford to be steering their brands in the wrong direction. Mounting evidence suggested that a short-term orientation erodes a brands ability to compete in the market place. Accordingly managers are well advised to refocus their attention on the basic principles that once made their brands ascendant.

McEachern, Morven, Schröder, Monika, Willock, Joyce, Whitelock, Jeryl\(^3\); Mason and Roger in their article aimed to explore ethical purchasing behaviours and

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2 Leonard M. Lodish and Carl F. Mela “If Brands are build over years why are they managed over years?” Harward Business Research Review South Asia July – August 2007 pp 94-103.
attitudes, relating to the Royal Society for Prevention of Cruelty to Animals (RSPCA) and their brand-extension "Freedom Food". Design/methodology/approach - A mixed methodology was adopted. This involved both in-depth interviews with 30 consumers and a postal survey of 1,000 consumers. Beliefs, attitudes, normative and control issues were measured within the context of the theory of planned behaviour (TPB). Structural equation modelling was used to explore a series of dependence relationships simultaneously. Findings - Overall, consumers' moral obligations towards food-animals as well as consumer location are confirmed as influencing ethical brand choice. Both variables provided additional predictive capability improvements, raising the percentage of explained variance by 28 per cent to 80 per cent. The RSPCA's brand extension is clearly successful in terms of the positive, association value between the parent brand and the extended brand. However, market opportunities to increase market potential exist. These opportunities are discussed. Originality/value - Despite the plethora of brand extensions amongst conventional fast-moving consumer goods, the success of the brand extension concept remains unexplored amongst ethical products.

Gil, Bravo, Andrés, Fraj, Salinas and Martinez1 made a research work, the main purpose of the current work was to analyse the role played by the family on consumer-based brand equity. In the proposed model, information of a brand provided by both the family and the firm (via price, promotion and advertising spending) was analysed as a source of consumer-based brand equity and its dimensions. Design/methodology/approach - An empirical study was conducted in young adults (18-35) via structural equations model. Brand equity is analysed in six different brands of milk, toothpaste and olive oil. Findings - Results proved that positive brand information provided by the family has effects on the formation of brand awareness-associations and perceived quality, and this may lead in turn, to brand loyalty and overall brand equity. The effects of the information provided by the family are higher than those of the marketing variables studied. Results also show that brand loyalty is much closer to the concept of overall brand equity than brand awareness-associations and perceived quality.1

Yasin, Norjaya Mohd, Noor, Mohd Nasser, Mohamad and Osman\footnote{Yasin, Norjaya Mohd, Noor, Mohd Nasser, Mohamad and Osman “Does image of Country-of-Origin matter to brand equity” Journal of Product & Brand Management Vol. XVI Issue 1 Jan 2007 pp 38-48.} made a study to explore the effects of brand's country-of-origin image on the formation of brand equity. Design/methodology/approach - To accomplish this, the brand equity of household electrical appliances, particularly televisions, refrigerators and air-conditioners, in the Malaysian market is examined. A conceptual framework in which brand's country-of-origin image is postulated to influence the dimensions of brand equity, which is made up of brand loyalty, brand awareness, perceived quality, and brand associations. These dimensions, in turn, influence brand equity. Data were collected from consumers of household electrical appliances using probability sampling. Findings - Factor analysis conducted on brand equity dimensions, produced three factors namely, brand distinctiveness, brand loyalty, and brand awareness/associations. The regression analysis results showed that brand's country-of-origin image positively and significantly influences dimensions of brand equity. The results also show that brand's country-of-origin image influences brand equity, either directly or indirectly, through the mediating effects of brand distinctiveness, brand loyalty and brand awareness/associations. Research limitations/implications - The study further investigates brand equity of durable goods of three product categories namely television, refrigerator and air-conditioner. It only considered brand's country-of-origin image as one of the sources of brand equity.