The research study makes an effort to find out consumer’s and brand manager’s perception of Brand Extension in the FMCG segment. The present survey has been conducted in the city of Kolkata, covering all the 141 municipal wards of Kolkata. The Brand Managers are from various companies who dealt with various FMCG products. The data collected from the survey has been analysed with the help of statistical tools using the SPSS 16 application software to find out the outcome of this primary research study. In the conclusion of the study the researcher examine how far the hypotheses formulated by the researcher have been validated. Brand Managers views and suggestions have been incorporated to understand the reasons for brand extension strategy and how far it is successful. This chapter concludes this research study by providing the conclusions, implications and recommendations for further research.

5.1 Conclusions and Implications: Similarity and Fit between the parent brands and extended brands are important for consumers’ evaluation in FMCG segment

a) While analysing the data collected for the research study it has been observed that the Kolkata population are very much brand loyal and stick to the brands which they are familiar with and trust most. The research has considered those respondents who are aware of brand extensions, because it is important to understand how they perceive the concept of brand extension in FMCG segment. The hypothesis formulated (as stated in 5.1) by the researcher is fully supported by the survey data. The demographical variables like respondents
Age, Gender, Family Income, Profession and House Hold Size, all have been significantly dependent on the believe that similarity and fit between the parent brand and extended brand are important in the FMCG segment. The demographical variables like Age, Gender, Family Income and House Hold Size are all associated with the formulated hypothesis that similarity and fit between parent brand and the extended brand are important factor for choosing the extended FMCG product (Table 4.20).

b) The survey also strives to observe the behavioural patterns and perceptions of consumers of Kolkata with regard to Parent Brand similarity with its Extended Brand in FMCG segment. As stimuli, eleven parent brands and their extended brands have been considered to understand how consumers have evaluated and perceived the extensions. To understand this, a cluster analysis revealed that the respondents fall into three clusters (1, 2, 3). The consumers belonging to Cluster 1 (50% of respondents) consider most brand extensions taken as subjects in the survey are similar to or better than the parent brand but not as overwhelmingly as Cluster 3. The Cluster 1 consumers of Kolkata do not always buy the branded products blindly. They choose the products intelligently and are prudent consumers. The consumers of Kolkata in the Cluster 2 (only 15.1% of respondents) are mostly experimental group. These consumers consider the brand extensions (as considered in the study) either not very similar or better than the parent brand. The consumers of Kolkata grouped in Cluster 3 (34.9% of respondents) consider most brand extensions are similar or better than parent brands. They are very steady in nature, neither very experimental nor critical in nature. They are completely brand loyal and purchase extended brands more often.

c) A very large proportion (79%) of respondents from Kolkata who normally buy branded FMCG products feel that similarity between parent brands and extended brands are very important for perceiving the extension more positively. It is not
that all the extensions as have been exhibited in the research studies, are found to be similar, for example Maggie Noodles and Maggie Sauce, Pond’s Cream and Pond’s Powder. But overall the brand loyal Kolkata consumers find perceived similarity and fit between parent and its extended brand necessary for selecting the extended branded product. There is an association between the brand purchased and similarity and fit in the brand extension.

d) In the survey it has been found that a significantly large proportion (74.8%), of Kolkata population likes to buy the same brands of FMCG products which they like or satisfied with the quality of the product. These consumers of Kolkata think that the existence of similarity and category fit are important to buy extended products. The association between the brand loyal consumers and their perceived similarity and fitness in the extended brand is very close.

e) The consumers of Kolkata who normally purchase follow up brands of the parent brands, a significantly (75.8%) of respondents believe that there should be similarity or fitness between the parent brand and the extended brand. There is a positive association between the consumers who normally buy follow up brands and their perception of similarity in the brand extension.

f) The perceptions of Kolkata consumers regarding similarity between eleven FMCG parent brands and their extended brands are as follows:

i. *Maggie Noodles and Maggie Sauce*: The majority of the respondents (41.4%) cannot say whether there is any similarity between Maggie Noodles and Maggie Sauce. 39.5% of the respondents find no similarity between the two products but find there is category fit and 18.8% of the respondents say that the parent brand and the extended brand are similar.

ii. *Lifebuoy Soap and Lifebuoy Hand Wash*: The majority of the respondents (89.1%) find the parent brand and the extended brand very similar and only 0.8% respondents feel there is no similarity between the parent and its extended brand.
iii. **Dettol Antiseptic and Dettol Soap**: The majority of the respondents (82.8%), find the parent brand Dettol Antiseptic and Dettol Soap to be very similar as against 9% of respondents who feel otherwise.

iv. **Pond’s Cream and Pond’s Powder**: In this case, 43.6% of respondents feel that there is no similarity between the parent and the extended brand; whereas 39.7% of respondents find the parent brand Pond’s Cream and the extended brand Pond’s Powder to be very similar. The consumers’ perception of similarity appears to be polarised in this case.

v. **Knorr Soup and Knorr Soupy Noodles**: The majority of the respondents think that the parent and the extended brand are very similar to each other.

vi. **Dove Soap and Dove Shampoo**: A significant proportion of respondents 79.4%, agree that there exits similarity between the parent and the extended brand, only negligible 19.3% of respondents think there is no similarity between the parent and extended product.

vii. **Lux Soap and Lux Body Gel**: In this case also it has been observed that majority of respondents (71.4%), opine that the parent brand and its extended brand has similarity between them.

viii. **Vivel Soap and Vivel UltraPro Shampoo**: The majority of respondents 73.6%, feel that the parent brand and its extended brand are very similar to each other, and only 7% of respondents feel otherwise.

ix. **Keo-Karpin Hair Oil and Keo-Karpin Hair Vitalizer**: A large proportion (70.2%) of respondents find the parent brand and its extended brand are similar, only 1.7% of respondents feel otherwise.

x. **Amul Milk and Amul Butter**: Here it has been observed that 45.1% of respondents feel that the parent brand Amul Milk is not at all similar to its extended brand Amul Butter, as against 39.9% of respondents who find them very similar. Though there is no similarity between the parent brand and the extended brand, there is category fit with each other.

xi. **Boroline Cream and Boroline Suthal**: In this particular case, 69.1% of respondents find the extended brand Boroline Suthal better than its parent
brand Boroline Cream. Only 23% of respondents feel that the parent and the extended brands are similar to each other.

Therefore, from the above it has been observed that in most of the cases the similarity and the fitness in the category extended exist. Whenever, similarity and category fitness exist between the parent brand and the extended brand, the extension become meaningful and logical.

Thus the relevance of similarity and fit in the category between parent brand and extended brand has been considered as very important factor for acceptance of FMCG extended products.

5.2 Conclusions and implications: Reputation of the Parent Brand influences the consumers to buy Extended Brand

a) The survey explores that a formidable proportion of respondents has been influenced by the reputation of parent brand to buy its extended products. They feel that parent brand’s reputation give the extended brand an added advantage of familiarity, assurance of good quality and easy association with the new product that have launched. They feel more safe and secure to choose parent brand’s extended product. A significantly large proportion of respondents from Kolkata (83.8%), believe that reputation of parent brand is a very crucial factor while selecting the extended products of the parent brand.

b) The population of Kolkata who belonged to higher income group (family income more than Rs. 50,000), are influenced by the reputation of the parent brand to buy follow-up brand. The population of Kolkata belonging to various income groups more or less feel similarly that the reputation of the parent brand convince them to buy the extended products. However, the population in the income group of below Rs. 20,000/- are the least among all
to believe that the reputation of the parent brand always influence them to buy extended product.

c) Majority (92%) in the age group between 18 to 22 years of Kolkata population, believe that it is the parent brand’s reputation that influence them to buy parent brand’s extended product. This phenomenon also exits in the age group between 33 to 37 and 53 years of age and above. However, age group 48-52 shows least inclination towards purchasing extended FMCG brands on the basis of reputation of the parent brand.

d) While analysing the survey data it has been found that both male and female respondents have agreed that reputation of the parent brand has influenced them to buy the follow up FMCG brands.

e) The population of Kolkata who are engaged in the professional practices, teaching and other services have good faith in the reputation of the parent brand and believe that the strong, reputable parent brands influence them to buy the extended brand products. The students also look up to the reputation of the parent brands to buy the extended products of parent FMCG brands. However, compared to the population belonging to the business occupations are least in considering the reputation of the parent brand for purchase of follow-up products of the parent brand.

f) The reputation of the parent brand also gives a positive impact in the consumers mind. The stronger the parent brand, the easier for it to extend, especially among the people who generally go for branded products. A significantly large proportion (94.9%) of the Kolkata population surveyed feel that reputation of the parent brands influence them to buy its extended products.
g) Consumers’ evaluation of parent brand’s reputation and their loyalty towards the parent brand positively influences their purchase preference of extended brand products. Majority of the respondents (97.30%), who are loyal towards parent brand and stick to that brand always think that reputation of the parent brand induces to buy the follow-up FMCG products of the parent brand than those (48.2%) who buy branded goods when quality is important. To them not only reputation of the parent brand matters but they go for purchase on the basis of quality of the extended products.

h) Though majority of the Kolkata population are very much brands loyal and they stick to the brands which they like and enjoy most, offers and displays occasionally induce them to shift to new brands but normally they do not experiment much with the new brands. The consumers’ shift to other brands are temporary, it depend on the offers available at that time.

i) From the survey and research study it is evident that an interaction between parent brand characteristics and consumers’ style of thinking in response to brand extension in FMCG segment is essential. The respondents of Kolkata, who feel that similarity and fit between parent brand and its extended brand products are important (98.2%), also have agreed that reputation of the parent brands help them to justify the purchase of extended products.

j) The survey also reveals that the majority of the respondent population (99.6%), who would have ignored the new product, if extended totally different from its parent brand, believe that reputation of the parent brands would have influenced the decision to buy extended products.

k) A significantly high proportion (89.8%) of Kolkata population who buy branded goods for safety and security perceive that the reputation of the good FMCG brands influences them to buy the parent brand’s extended products.
However, the factor reputation of parent brand has no effect on the respondents who do not buy branded goods for safety and security.

I) The respondents have been asked to rate the reputation of eleven FMCG products’ parent brand which have been chosen as subjects, which help them to extend in different categories, and they have responded as follows:

i. The reputation of Maggie Noodles has been highly rated by the 92.8% of respondents. The Kolkata consumer’s perception of Reputation in case of Maggie Noodles helps the consumers to buy Maggie Sauce.

ii. The next FMCG brand Lifebuoy Soap’s reputation has also been rated very high by 78.3% respondents compared to insignificant proportion of 1.6% of respondents who feel otherwise. 18% of respondents feel its extended product Lifebuoy Hand wash is better. The reputation of the parent brand influences the consumers to buy its extended product Lifebuoy Hand wash.

iii. The parent brand Dettol Antiseptic Lotion has been considered as a highly reputed brand by 93.4% of respondents and the reputation of the parent brand helps the consumers to accept the extended brand Dettol Soap.

iv. In case of parent brand Pond’s Cream it has been observed that while 43.5% of respondents rated reputation very highly, 43.4% of respondents have felt just the opposite. Therefore, the extended brand Pond’s Powder has not been accepted very highly. The parent brand Pond’s Cream has extended successfully in the anti-aging and rejuvenating cream segment. The reputation of the parent brand has not totally influenced the consumers to buy the extended product Pond’s Powder. Perhaps the consumers have found the similarity and fit in the category lacking or absent.

v. The parent brand Knorr soup has been rated highly by 67.2% respondents as against 16.7% of respondents who have rated their reputation very low. The Knorr soup being related to soups, it has extended to Knorr Soupy
Noodles to leverage their reputation in soup category and successfully accepted by the consumers.

vi. The reputation of parent brand Dove Soap and its extended product Dove Shampoo, have been highly rated by the respondents of Kolkata (92.4%). The success of Dove Brand’s Extension largely depends on the reputation and innovation of the brand.

vii. In case of Lux Soap, the parent brand and its extended brand Lux Body Gel, majority of the respondents have not rated it highly in respect of reputation. Only 44.7% of the respondents rated the reputation highly, whereas, 37.8% rated the reputation very low. It has been observed since the respondents do not rate highly the reputation of the parent brand and its extended product, Lux Body Gel is not a successful extension.

viii. In case of parent brand Vivel Soap and Vivel Shampoo, 41.7% of respondents rated reputation highly, as against 37.8% of respondents who have rated reputation not so high.

ix. The parent brand Keo-Karpin Hair Oil is popular in Kolkata and 79.2% of respondents have rated very highly the reputation of Keo-Karpin Hair Oil and Keo-Karpin Hair Vitalizer. Though the products are not very well known all over India, as we see the brand is not in the list of ‘Top 100 Most Trusted Brands’, the locally produced Keo-Karpin brand’s reputation influences the consumers of Kolkata to buy the extended product, Keo-Karpin Hair Vitalizer.

x. The reputation of the parent brand Amul Polypack Milk and its extended brand Amul Butter has been rated highly by significant proportion (54.6%) of respondents. The success of Amul’s brand extension has made the co-operative to be in the list of top FMCG players.

xi. In case of Brand Boroline, which is a local brand, 77.8% of the respondents from Kolkata have considered Boroline Suthal, the extended brand better than the parent brand Boroline Cream. Only 19.5% of
respondents rated reputation of parent brand and extended brand very highly.

5.3 Conclusions and implications: Kolkata consumers’ perception of risk and uncertainty involved in buying newly launched brands

a) The present survey reveals that a formidable proportion of respondents from Kolkata (89.6%), buy reputed and well known brands for safety and security. Basically Kolkata consumers want to avoid perceived risks involved in the new or not so well known FMCG brands in the market. This implies that majority of the consumers’ in Kolkata are risk avoiders.

b) The Kolkata consumers’ in the age group between 23 and 32 years are the most risk averse, followed by the age group between 33 - 37 years. These age groups buy reputed brands to avoid any risk of uncertainty. The age group beyond 48 years do not buy well known brands for safety and security.

c) The consumers’ of Kolkata in the income group of Rs. 20,000-30,000 are the majority who buy well known brands for safety and security, followed by the consumers in the income group less than Rs. 20,000. It has been observed that there is a weak association between the income and the buying of well known brands for safety and security.

d) A significantly high proportion of male consumers of Kolkata (67.5%), buy well known and reputed brands for safety and security compare to only 22.1% of female counter part. But there is no association between the gender and the buying of well known brands for safety and security.

e) The consumers of Kolkata who always buy branded products, a significantly large proportion (54.6%), feel that to avoid the risk of uncertainty and safety their brand loyalty drives them to buy well known and branded products.
which they can trust. There is an association between the safety and security feeling and buying branded FMCG products.

f) A large number of consumers of Kolkata normally who buy extended or follow up brands do so as they feel safe and secure to buy reputed parent brands extended products. The reputation of the parent brand influences them to buy follow up brands and they feel safe and secure to buy such products. Therefore, it may be concluded by saying that Kolkata consumers do not try out or experiment with new brands but stick to the brands which are well known and comfortable & satisfied with it. They also try out extended branded products of the parent brands with which they are associated with. The safety and security of products quality, price and reputation of the brand are important for them. Hence Kolkata consumers are low risk takers. This phenomenon exists irrespective of age, income group and gender.

5.4 Conclusions and implications: Brand Managers’ views on brand extension strategies in FMCG segment

a) The majority of the brand managers who have been interviewed (97%), feel that image similarity with the parent brand helps positively in the brand extension.

b) The brand managers who have been interviewed majority (79%) of them have viewed that after brand extension the collective performance of both the parent brand and its extended brands have been reasonably well. The brand managers also opined that after extension the market share has also increased.

c) The majority of the brand managers who have been interviewed have agreed that extension in different categories work well. The failure of extended brand does not have much negative impact on the parent brand.
d) The factors that the brand managers feel most relevant for brand extensions are:

1. Consumers brand loyalty towards the existing parent brand.
2. Leveraging the reputation of the existing parent brand.
3. Image similarity between the parent and extended brands are important.
4. All the factors stated above are to be considered.

e) The brand managers viewed that it is not only cost reduction important for brand extension, but also increasing consumer base is important.

f) The majority of the brand managers (72.7%), feel that image similarity of parent brand is important to leverage the reputation of parent brand name while extending the parent brand. There is a strong relationship between image similarity of parent brand and its extended brand and leveraging reputation of the parent brand at the time of extension.

g) The brand managers also feel that reduction in cost of launching a new product is not the only purpose of brand extension but image similarity, reputation of the parent brand name and consumers’ brand loyalty have to be considered before extension. There is a strong association between image similarity for successful brand extension and reduction in cost while launching a new product through extension.

h) Consumers’ positive association with the parent brand, their brand loyalty and parent brand reputation are strongly related to each other, which help to extend the brand further. Consumers’ positive association with the brand helps to leverage the parent brand.
i) Brand extensions help in improving the overall imagery of the Brand Portfolio. It gives an impression of an expertise image in the minds of the consumers and builds confidence in them.

j) The brand managers feel that the extensions become successful when the extended products are based on core essence of parent brand.

k) The brand extensions are sometimes used to support parent brand’s any weak area.
LIMITATIONS OF THE STUDY AND SCOPE FOR FURTHER STUDIES

5.5 Limitations

a) Limitations Regarding the Literature Review

An abundant literatures, books, journals, periodicals are available on brand management, brand strategy, brand equity, brand extensions and various aspects related to brand. All the literatures available could not be covered in details. However, little literatures are available on brand extensions strategy in FMCG segment in India.

b) Limitations Regarding the Empirical Research Phase of the Study

i) The limited scope of the study does not permit generalizations. For instance, the data are collected from very few people of each ward and a very few selected FMCG products were chosen. The analysis is limited to the examination of bivariate relationships. Though the study made an effort to understand the consumers’ behaviour of Kolkata through cluster analysis but lacks consumers behavioural research over a long period of time.

ii) The study is confined to Kolkata only. Hence, perceptions of the consumers are restricted to Kolkata’s consumer only. The present sample is not representative of all the consumers of Kolkata. Although the sample shares some characteristics such as age, occupation, income, house hold size etc. a study with a larger sample from different parts of the state and which is representative of diverse population has not been considered. The result may vary in other parts of the country.

iii) In the survey only 11 FMCG products have been considered. There are many FMCG products available in the market. The analysis and the results and conclusions are based on those selected FMCG products. The conclusions and results may change if different products are taken.
iv) The study covered 141 wards. But the people who come to Kolkata for jobs or other purpose but stay outside Kolkata have been ignored.

5.6 SCOPE FOR FURTHER STUDIES

The present research study has been carried out in Kolkata on brand extension of FMCG segment. Similar study may be carried out in other segments like Durable Goods, Industrial Products, and Services and their outcome may be compared the outcome of FMCG segment.

The study being confined to Kolkata, similar research may be carried out in other parts of the country and may be compared. The consumer’s behaviour pattern of different parts of the country will vary. Therefore, before brand extensions, consumers’ behaviour patterns have to be considered. The demographical factors, cultural difference, varieties in tastes in different parts of the state itself are different. Hence, further studies may be carried out in different parts of states, especially differentiating the urban and rural population. The FMCG market in the rural sector is still to be explored. The research may be carried out in rural area, to find out how extension strategy can be implemented. The changing environment and income pattern in the rural sector will offer further scope to carry out research on how to explore market through brand extension strategy.

The brand extension is a branding strategy to leverage the reputation of the parent brand. Since the concept of Shopping Malls is in vogue, Brand extension through shelves and its impact may be studied. The middle class population in the city is increasing and their buying habits are also changing. Hence, research may be carried out on how brand managers are adopting brand extension strategies to capture this phenomenon for their growth and to retain consumers’ loyalty for their products.