OUTCOME OF BRAND EXTENSION STRATEGIES IN FMCG (FASTMOVING CONSUMER GOODS) SEGMENT- A SURVEY OF KOLKATA

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Abstract

Brand extension strategy is widely used by FMCG companies to leverage their core or parent brand names to launch new products. Substantial amount of literature has been developed over the past three decades in this area. Relevant empirical studies were not found on consumers’ perception and brand manager’s views on brand extensions in the FMCG segment, with none in Kolkata, leading to the research gap for this study. This study specifically examines the perceptions and purchase behaviour of the consumers of Kolkata with respect to products launched through brand extensions in the FMCG product category. The study determines how consumers perceive brand extension; whether consumers are risk takers; the attributes that influence consumers to accept brand extensions; how brand managers’ view and perceive extensions and their expectations from brand extensions.

Two questionnaires, one for survey of Kolkata Consumers, and the other for Brand Managers were used for this empirical study. In the consumer survey, the sample consisted of 1041 respondents covering all the 141 wards of Kolkata. For the brand manager’s survey, responses were sought from thirty-three brand managers. The study has analysed the responses regarding extensions of eleven FMCG brands.

The “concept of branding and brand extension strategy” and a “global and Indian perspective on branding and brand extension strategy in FMCG segment” have been covered in chapters 2 and 3 respectively. Data analysis and hypothesis testing have been done in detail in chapter 4. It has been found that the consumers of Kolkata are very brand loyal, they prefer to stick to the brands they like and are low risk takers. This pattern exists irrespective of age, income group and gender. The reputation of the parent brand also gives a positive impact on the consumers mind. From both the consumers and brand managers points of view, it has been found that image similarity between the parent brand and extended brand is important. These findings and conclusions have been detailed in chapter 5. As this study is confined to Kolkata, the perceptions are restricted to consumers belonging to this city only – the limitations have been covered in chapter 5. This chapter also lists the scope for carrying out further research, especially in other geographical areas as well as for other types of products or services.