Chapter II

Review of Literature
CHAPTER - II

REVIEW OF LITERATURE

Aaker, David A and Kevin Lane Keller (1990), in their study on "Consumer Evaluations Of Brand Extensions" obtained insights on how consumers form attitude toward brand extensions. The first study showed that attitude toward the extension was higher when:(i). there was a perception of "fit" between the two product classes along one of three dimensions and a perception of high quality for the original brand (ii). the extension was not regarded as too easy to make. A second study examined the effectiveness of different positioning strategies for extensions. The findings showed that negative associations can be neutralized more effectively by elaborating on the attributes of the brand extension than by reminding consumers of the positive associations with the original brand.

Aaker, David (1990), in their article on "Brand Extensions: The Good, The Bad, And The Ugly" found that extensions enhanced the core brand, but there was a risk that an extension could stimulate negative attribute association. A meaningful association that was common to the brand and the extension provided the basis of fit. An extension usually created new brand associations, some of which could hurt the brand. Possibly, the worst potential result of an extension was a foregone opportunity to create new brand equity.

Kardes and Allen (1991), in their research on “Perceived Variability and Inferences about Brand Extensions” investigated the effect of two types of perceived variability on consumer inferences about brand extensions.(i). the perceived variability of a firm’s current offerings and (ii). perceived variability of brands in an entry category. The firms adopting umbrella strategy (using single brand name to a wide variety of products in several categories) were perceived to have requisite knowledge and skills for entering into new markets than the firms adopting niche strategy (using different brands for different offerings). The second type of perceived variability was about entry category. The consumers felt good about extensions when the perceived variability of an entry category was low.
Jean B. Romeo (1991), in his research on "The effect of negative information on the evaluations of brand extensions and the family brand" indicated that when extensions were in the same product category as the family brand, it increased the consumer acceptance but at the same time negative information were most detrimental to extension evaluations and evaluations of the family brand image.

Kent Nakamoto et.al., (1991), “Advertising claims and Evidence as bases for brand equity and consumer evaluations of brand extensions” studied how the advertisement and evidence (i.e) genesis of brand equity influenced the types of product categories to which brands extended. They tested that attribute-based advertising and quality-based advertising for hypothetical brands. They concluded that attribute-based advertising and attribute-based evidence benefitted only if that attribute was valued in the extension category. Similarly quality-based advertising and quality-based evidence benefitted for only irrelevant brand extensions.

Park et.al., (1991), in their study on “Evaluation of Brand Extensions: The Role of Product Feature Similarity and Brand Concept Consistency” examined two factors that differentiated between successful and unsuccessful brand extensions: product feature similarity and brand concept consistency. For both function-oriented and prestige-oriented brand names, the most favorable reactions occurred when brand extensions were made with high brand concept consistency and high product feature similarity. When a brand's concept was consistent with those of its extension products, the prestige brand seemed to have greater extendibility to products with low feature similarity than the functional brand.

Byron M.Sharp (1991), “The Marketing Value of Brand extension” found that the use of an existing brand name on a new product was an exceedingly popular marketing tactic as companies attempt to economise on new product launches and managers attempt to improve short run sales results. Review and analysis of current marketing research concluded that popular claims for general benefits of the practice were contradicted both by marketplace evidence and logical argument. Directions of future research to determine whether any specific conditions exist where brand extension might be an appropriate brand management tactic were outlined.
Keller, Kevin Lane and David A. Aaker (1992), in their study on "The Effects of Sequential Introduction of Brand Extensions" examined factors affecting evaluations of proposed extensions from a core brand that had or had not already been extended into other product categories. The perceived quality of the core brand, number, success and similarity of intervening brand extensions, by influencing perceptions of company credibility and product fit were hypothesized to affect evaluations of proposed new extensions and evaluations of the core brand itself. The results indicated that evaluations of a proposed extension when there were intervening extensions differed from evaluations when there were no intervening extensions only when there was significant disparity between the perceived quality of the intervening extension and the perceived quality of the core brand. A successful intervening extension increased evaluations of a proposed extension only for an average quality core brand. An unsuccessful intervening extension decreased evaluations only for a high quality core brand.

Bridges (1992), in his report on “A Schema Unification Model of Brand Extensions” found that with increasing fit between core brand and the extension product, the probability of success of the brand extension would increase. The results demonstrated that firms might be able to improve evaluations of poorly rated extensions by providing consumers with information that helped them understand how the brand and the new product fit together.

Smith and Park (1992), in their study on “The Effects of Brand Extensions on Market Share and Advertising Efficiency” indicated that brand extensions captured greater market share and realized greater advertising efficiency than individual brands. The strength of the parent brand was related positively to the market share of brand extensions but had no effect on advertising efficiency. Neither the market share nor the advertising efficiency of extensions was affected by the number of products affiliated with the parent brand. Advertising efficiency effects were elevated when similarity was high, but only when it was based on intrinsic attributes. Market share and advertising efficiency effects were elevated when the extension was composed primarily of experience attributes and competed in markets where consumers had limited knowledge of the product class.
Aaker, David A and Kevin Lane Keller (1993), in their article on "Interpreting Cross-cultural Replications Of Brand Extension Research" found that extension evaluations would be a function of the interaction of the core brand perceived quality and extension fit and perceptions of the difficulty of making the extension product does not emerge in the replication. The quality fit interaction was clarified by noting that it depended upon the amount of stretch that was involved in the extension. In addition, other possible explanations for the apparent discrepancy such as differences in procedure, stimuli, and culture were discussed.

Sunde and Brodie (1993), in their study on “Consumer Evaluations of Brand Extensions: Further Empirical Results” found that "Fit" between the original and extension product classes had a direct positive association with the attitude toward brand extension. The three dimensions of fit variables i.e transfer (the perceived applicability of the skills and assets of a competent manufacturer in the original product class for making the product extension), complement (the perceived product class complementarity) and substitute (the perceived product class substitutability) had strong positive effect on consumers' attitude towards brand extensions.

Nijssen and Hartman (1994), in their conference paper on “Consumer Evaluations of Brand Extensions: An Integration of Previous Research” replicated the original model in the Netherlands. Contrary to Aaker and Keller’s (1990) findings, their results provided the strong evidence of the parent brand quality’s direct effect on consumers’ attitude towards the brand extension.

Roux (1995), in his conference paper on “Consumer Evaluation of Luxury Brand Extensions” indicated that attitude formation constructs remain elusive and failed to clarify which constructs were important to consumer attitude formation towards the brand extension.

invest elsewhere viii. pressures for short-term results. He also stressed on the need of developing brand identities for success.

Lane and Jacobson (1995), in their research on “Stock Market Reactions to Brand Extension Announcements: The Effects of Brand Attitude and Familiarity” found that brand equity components, brand attitude and brand name familiarity influenced not only the positive benefits but also the adverse consequences that follow brand leveraging. The authors assessed whether and how the stock market return (a measure of the change in expected future cash flows) associated with a brand extension announcement depended on these brand equity components. The empirical analysis indicated that stock market participants’ responses to brand extension announcements, consistent with the trade-offs inherent in brand leveraging depended interactively and non-monotonically on brand attitude and familiarity.

Henrik Sattler Grit Satloikal (1996), in his study on “Work in progress Success of Brand Extensions” identified seven factors for the success of brand extensions i.e fit between the core brand and extended products, quality associations with the core brand, history of previous extensions of the core brand, characteristics of the product category to which the core brand was extended, kind of information which was extended by the core brand, characteristics of the firm which implemented the brand extension, communication and advertising of brand extension.

Bottomley and Doyle (1996), in their study on “The Formation of Attitudes towards Brand Extensions: Testing and Generalising Aaker and Keller’s Model” found that high perceived quality brands can be extended further and receive higher evaluation than low perceived quality brands. Brand reputation was one of the major factors for the higher success of brand extensions.

Chen (1996), in his research on “The Measurement and Building of Customer Based Brand Equity” concluded that brand associations of all brand-related thoughts, feelings, perceptions, images, experiences, beliefs and anything linked in memory to a brand would influence the preference of the consumers.
Mather, Damien W & Sunde, Lorraine J (1996), in their study on “Reproducing, validating and Changing inferences about Brand extensions using mixed Models with nested subject Random effects” found that fit between the two product classes has a direct positive association with the attitude toward the extension whereas quality of the original brand and the difficulty of making the brand extension has no direct influence on the attitude to the brand extension.

Milberg et.al.,(1997), in their research on “Managing Negative Feedback Effects Associated with Brand Extensions: The Impact of Alternative Strategies” investigated the relationship between alternative brand extension strategies and negative feedback effects of such extensions. They found negative feedback effects when (a) extensions were perceived as belonging to a product category dissimilar from those associated with the family brand and (b) extension attribute information was inconsistent with image beliefs associated with the family brand. A sub-branding strategy mitigated these negative feedback effects and improved consumer evaluations of extensions belonging to dissimilar product categories.

Han and Schmitt (1997), in their study on “Product-Category Dynamics and Corporate Identity in Brand Extensions: A Comparison of Hong Kong and US Consumers” found that US consumers placed more emphasis on brand extension fit than do East Asian consumers, who relied more on certain corporate identity. Company size was not a concern for high fit extensions by Hong Kong consumers.

Aaker (1997), in his research on “Dimensions of Brand Personality” developed a theoretical framework of the brand personality construct by determining the number and nature of dimensions of brand personality (Sincerity, Excitement, Competence, Sophistication and Ruggedness). To measure five brand personality dimensions a reliable, valid and generalizable measurement scale was created. The cross-cultural difference in symbolic use of brands was also discussed.

Sheinin (1998), in his study on “Positioning Brand Extensions: Implications for Beliefs and Attitudes” found that when the new extension was launched, consumers evaluated it on the basis of their attitude towards the parent brand and the extension category. If a consumer did not know the parent brand and its products at
all, she/he would evaluate the new extension solely on the basis of his/her experience with the extension category. Conversely, if the extension product category was new to her/him, an attitude towards the extension would be formed only on the basis of her/his attitude towards the parent brand. If the consumer knew the parent brand and the extension category, a third effect aroused: the perception of fit between the parent brand and the extension category.

Keller (1998), in his book on “Strategic Brand Management” noted that more innovative consumers evaluated service brand extensions more favourably. Building on the diffusion of innovation literature, targeting more innovative consumers could be an efficient way of developing brand extension strategies. A common observation was that individuals with high innovativeness were more venturesome and more willing to try new brands. The response between highly innovative and less innovative consumers reflected the differences in risk-taking propensity.

Erdem (1998), in his research on “An Empirical Analysis of Umbrella Branding” stated that a strong parent brand and a good fit did not ensure preference if the quality of the extension did not match consumer expectations. It could be seen that strong brand names and their perceived quality might help to create more successful products.

Kevin Pryor (1998), in his study on “How advertising slogans can prime evaluations of brand extensions: further empirical results” found that a brand extension would be rated as more similar to existing family-branded products if the advertising slogan primed attributes that the brand extension shared with existing products.

Jin K. Han (1998), in his study on “Brand Extensions in a Competitive Context: Effects of Competitive Targets and Product Attribute Typicality on Perceived Quality” indicated the three key factors that a company considered in the implementation of a brand-extension strategy: (1) competitive brands in the extension categories; (2) the attributes of the extension brand; and (3) the perceived fit between the brand and the extension. The low-fit brand extensions were generally...
judged to be of lower quality than high-fit brand extensions and neither the ad format nor the type of attribute could overcome the negative effects of low fit.

Zeynep Gurhan-Canli; Durairaj Maheswaran (1998), in their study on “The effects of extensions on brand name dilution and enhancement” found that typicality of the extension and consumers' level of motivation determined the effect of extensions of family brand name.

Deborah Roedder John et.al., (1998), in their study on “The Negative Impact of Extensions: Can Flagship products be Diluted?” studied the potential risks associated with the extensions of flagship product. They found that brand name dilution occurred for congruent extensions than incongruent extensions.

Kirmani et al (1999), in their study on “The Ownership Effect in Consumer Responses to Brand Line Stretches” examined how ownership status moderated the effects of stretch direction (up or down), brand image (prestige or non-prestige) and branding strategy (sub brand name or direct) on consumer responses to price-based line stretches. They found that owners of prestige brands were less receptive to low-fitting extensions than non-owners. They also suggested that there was a boundary condition for the attachment effect.

Keller and Aaker (1999), in their research paper on “The Impact of Corporate Marketing on company's Brand Extensions” found that corporate marketing activities differentially affected consumer evaluations of brand extensions. Specifically, corporate marketing activity related to product innovation produces more favorable evaluations for a corporate brand extension than corporate marketing activities related to either the environment or the community. The findings also revealed that corporate marketing activities influenced evaluations of an extension even in the presence of product-specific advertising.

Sheri Bridges, Kevin Lane Keller and Sanjay Sood (2000), in their study on “Communication Strategies for Brand Extensions: Enhancing Perceived Fit by Establishing Explanatory Links” indicated that extensions were poorly rated when the parent brand’s dominant association was inconsistent with the extension’s
dominant association. Brands with dominant attribute-based extensions (physical features) received lower evaluations than the brands with non-attribute based extensions (brand users) when extended to the category with no physical attributes in common. The elaborational communication strategy helped to improve the extensions evaluations. On the other hand, brands with dominant non-attribute based extensions received lower evaluations than the brands with attribute based extensions when extended to the category with physical attributes in common. The relational communication strategy helped to increase the salience of the physical relationship between the categories.

Yoo et.al., (2000), in their research on “An Examination of Selected Marketing Mix Elements and Brand Equity” explored the relationship between selected marketing efforts and brand equity. It was found that brand loyalty, perceived quality and brand awareness/associations were positively related to brand equity.

Aaker and Joachimsthaler (2000), in their published work on “Brand Leadership” pointed that the credibility of a company was important to the success of its marketing and branding strategies. Lack of credibility led consumers to question the validity of claims by a company, making consumers less likely to buy its products. Conversely, high credibility enhances brand equity and brand loyalty.

Ko de Ruyter and Wetzels (2000), in their study on “The Role of Corporate Image and Extension Similarity in Service Brand Extensions” examined the role of corporate image and extension similarity in service brand extensions. It was found that consumers evaluated the service extensions of companies with innovative late mover image more favourably than service extensions by companies with pioneer image. Thus image (whether pioneer or innovative late move) was information cue consumers used to judge matters such as credibility, perceived quality and purchase intentions. It was also found that consumers preferred service brand extensions in related rather than unrelated markets.

Michael J. Barone, Paul W. Miniard, and Jean B. Romeo (2000), in their study on “The Influence of Positive Mood on Brand Extension Evaluations”
examined how positive mood influenced consumer evaluations of brand extensions. They integrated findings from prior research on brand extensions with those concerning the effect of mood on similarity and evaluative judgments. The results indicated that positive mood primarily enhanced evaluations of extensions viewed as moderately similar (as opposed to very similar or dissimilar) to a favorably evaluated core brand. The evidence supported a mood process in which the influence of positive mood on extension evaluations was mediated by its effects on perceptions of the similarity between the core brand and the extension as well as the perceived competency of the marketer in producing the extension.

Vanitha Swaminathan, Richard J.Fox & Srinivas K.Reddy (2001), “The Impact of Brand Extension Introduction On Choice” investigated the reciprocal impact of brand extension trial on parent brand choice among users and non-users of parent brand. They also examined the role of category similarity as a moderator of reciprocal effects. They investigated the impact of experience with parent brand on trial and repeat of brand extensions. The results showed positive reciprocal effects of extension trial on parent brand choice among prior non-users and non-loyal users of the parent brand and market share.

Bottomley and Holden (2001), in their study on “Do We Really Know How Consumers Evaluate Brand Extensions? Empirical Generalizations based on Secondary Analysis of Eight Studies” evaluated eight previous studies on consumer experiments with mostly hypothetical brand extensions which were conducted in different countries. The authors found that both quality and fit have significant direct effects. Furthermore, they came to the conclusion that cultural differences did not change the fact that the main effects of quality and fit contributed significantly to evaluation of brand extensions but they influenced the relative importance of these factors.

Catherine Viot (2001), “Effect of Inner and Social Dimensions of Brand Image on Consumer Attitude Toward Brand Extension” suggested that personal dimension and social dimension of brand image helped the managers to determine more coherent extensions. Brand personality and brand symbolic values were related
to the inner dimension of brand image and that brand-consumer relationship and
typical consumer of the brand were related to social dimension of brand image.

Klink and Smith (2001), in their research paper on “Threats to the External
Validity of Brand Extension Research” found that if the fit between the new
extension and the parent brand was low, advertising messages that focused on
congruency with the brand were unlikely to compensate for products that were
obviously not congruent. Because no specific extension information was provided
and the brand was made highly accessible, the perceived fit between the brand and
extension would be expected to determine many inferences made about the product.

Sandar J.Milberg (2001), in his study on “Positive feedback effects of brand
extensions: Expanding Brand Meaning and the Range of Extendability” identified
and examined conditions under which brand extendability was enhanced by
expanding product category associations. When extensions and the existing product
shared a more abstract super ordinate level product category, it led to increased
product category associations with this product category and favourable evaluations
of new extensions.

Dr. Leif E.Hem et.al., (2001), in their study on “Factors influencing
successful brand extensions” tested the difference in consumer evaluation between
brand extensions in FMCG, durable goods and service sectors. They also
investigated how the antecedents of similarity, reputation, perceived risk and
innovativeness influence consumers’ evaluations of brand extensions. They
demonstrated that perceived similarity between the parent brand category and the
category of the brand extension enhanced the evaluations of FMCG, durable goods
and service brand extensions. It was also noted that the impact of perceived risk
might encourage consumers to prefer brand extensions from well known parent
brands. Also there was positive relationship between the extent to which consumers
are innovative and the extent to which service brand extensions were favourably
evaluated.

Park and Kim (2002), in their study on “Acceptance of Brand Extensions:
Interactive Influences of Product Category Similarity, Typicality of Claimed
Benjamin, and Brand Relationship Quality” used BRQ to explore the role of consumer relationship with a brand in brand extensions and to investigate the acceptance of brand extensions by looking at the interactive influences of product category similarity, typicality of claimed benefits and brand relationship quality. Results indicated that overall, the perceived brand relationship quality had a significant and positive impact on the extent to which consumers accepted the proposed extensions. In addition, the brand relationship quality significantly interacted with benefit typicality and category similarity. Specifically, when the extension category was similar to the original brand category, for subjects in a weak relationship with the brand, an extension appeared to be evaluated more positively when the claimed benefit was typical of the original brand association than when it was not.

Henrik Sattler et.al., (2002), in their study on “Factors affecting consumer Evaluations of Brand Extensions” investigated the empirical generalizability of prior findings concerning factors affecting consumer evaluations of brand extensions. The similarity and quality are two important factors influencing consumer evaluation of brand extensions. They also found the differences concerning the effect of success factors among consumer segments.

Kalpesh Kaushik Desai & Kevin Lane Keller (2002), in their study on “The Effects of Ingredient Branding Strategies on Host Brand Extendibility” discussed the branding strategy based on ingredient attributes. They studied two particular type of brand expansions (i). slot-filler expansions in which the level of one existing product attribute changes (ii). new attribute expansions in which entirely new attribute was added to the product. The results indicated that with slot-filler expansions, a cobranded ingredient facilitated initial expansion acceptance, but a self-branded ingredient led to more favourable subsequent category extension evaluations. With more dissimilar new attribute expansions, a cobranded ingredient led to more favourable evaluations of both the initial expansion and the subsequent category expansions.

Taylor and Bearden (2002), in their study on “The Effects of Price on Brand Extension Evaluations: The Moderating Role of Extension Similarity” explored the
effects of price information on brand extension evaluations across different levels of similarity. The results indicated that a high price introductory strategy used to suggest a high quality product would be more effective for dissimilar extensions than similar extensions.

Valerie A Taylor (2002) in his study “Price effects on Brand Extension Quality Evaluations” reported that when extension was perceived to be dissimilar to the core brand, price had a significant positive effect on extension evaluations. When consumers have less information about new product quality, consumers may be more likely to make price-quality inferences regarding dissimilar extensions.

Duncan (2002), in his book on “IMC: Using Advertising and Promotion to Build Brands” stressed that perception was the result of communication through advertisement, it provided a window on the success of the message strategy. In other words, tracking customers’ perceptions was an important source of feedback in evaluating brand messages and for this use of public relation comes on a fore front.

S. Sreejesh in his study on “Consumers' Evaluation of Brand Extensions: An Application of Multiple-Group Causal Models in Assessing Cross Product Category Measurement Equivalence” identified the relative importance of factors in durables, non-durables and services. It was found that reputation and consumer innovativeness had more impact on durables and quality on non-durables and similarity in case of services.

Joost Loef (2002), in his research on “Incongruity between Ads and Consumer Expectations of Advertising” found that if consumers did not realize that these informational advertisements were relevant to the brand, the unfavorable advertisements evaluations may transfer to the brand. This implied that advertising should try to focus on the brand schema such that consumers were not only aware of the brand’s characteristics but also used this knowledge to evaluate advertisements. The brand schema can be primed by showing the brand at the beginning of the advertisements. If the brand was shown only at the end of the advertisements, it might be too late for consumers to make the connection with the brand schema.
Patro and Jaiswal (2003), in their research on “Consumer evaluations of brand extensions: Evidence from India” analyzed consumer evaluations of brand extensions in the Indian market and revealed that both quality and fit have a strong direct effect, but found only limited evidence of an interaction between these two.

Eva Martinez & Jose M Pina (2003) in their article on “The negative impact of brand extensions on parent brand image” studied the influence of brand extensions on brand image. The distant extensions negatively affected the brand image after the extension and also the low perceived quality of the extensions damaged the brand image.

Manthana Järlhem & Raluca Mihailescu (2003), in their study on “The study of consumer perception of the parent brand and its extended brand personality” studied the correlation between the perception of the parent brand and its extended brand’s personalities. He found that the consumers accepted the brand extension if the extended brands represented a strong brand personality association which already existed in the consumer mind.

Subramanian Balachander and Sanjay Ghose (2003), in their study on “Reciprocal spillover effects: A strategic benefit of brand extension” provided strong and consistent support to the hypothesis of positive spillover effects from advertising of a child (extended product) on choice of a parent brand (reciprocal spillover effect). However they did not find evidence to support the existence of forward spillover effect (i.e) advertising of a parent increasing the choice of probability of a child.

Czellar (2003), in his research report on “Consumer Attitude towards Brand Extensions: An Integrative Model and Research Propositions” found that the four key processes of the model were: (1) the perception of fit (2) the formation of primary attitudes towards the extension (3) the link between extension attitude and marketplace behaviour and (4) the reciprocal effect of brand extension attitude on parent brand/extension category attitude. He also concluded that consumers’ extension attitude would be more of a matter of affect transfer from the parent brand and the product category. For brands/categories with a functional or experiential
positioning, positive (negative) product related information would weigh more than non-product related information. Further, it was proposed that the size of this effect was dependent upon the characteristics of the consumers in terms of expertise, self-monitoring and age.

Scott Weaven in his study on “Exploring brand extensions in the context of franchising” showed that although many consumers of franchise brand extensions perceived and reacted to the extension in similar ways to the original franchise brand, consumers were not inhibited from evaluating the brand extension more favourably than the original franchise brand. The results would suggest that consumers’ had more faith in difficult franchise brand extensions than they do with non-franchise brand extensions. This research provided some evidence that franchise brand extensions were more likely to transform existing negative perceptions of franchising brands to positive perceptions, rather than reinforcing negative preconceptions.

Eva Martinez and Leslie de Chernatony (2004), in their article on “The effect of brand extension strategies upon brand image” demonstrated that brand extension diluted the brand image by changing the beliefs and associations in the consumers’ mind. This was greater for product brand image rather than on general brand image. The results also showed that perceived quality of the parent brand and attitude towards the extended products had a positive effect on general and product brand image after the extension. However the familiarity with the parent brand’s products influenced the general brand image whereas the level of fit influenced the product brand image.

Jenni Romaniuk et.al., (2004), in their study on “Brand and Advertising awareness: A Replication and extension of a known Empirical Generalisation” explained that building brand awareness was the way of ensuring the potential consumers to know the brand categories in which it competes. The three widely used measures were top of the mind, spontaneous and aided. The brands varied substantially in salience (the propensity of the brand to come to mind in purchase situations). They found that low salience brands score low on any awareness measure where as high salience brands score high.
Tom Meyvis & Chris Janiszewski (2004), “When Are Broader Brands Stronger Brands? An Accessibility Perspective on the Success of Brand Extensions” found that broad brands (i.e., brands offering a portfolio of diverse products) had more accessible benefit associations than narrow brands (i.e, brands offering a portfolio of similar products) and therefore the broad brands engaged in more successful brand extensions than narrow brands, even when the narrow brands were more similar to the extension category.

Abhishek Dwivedi et.al., in their article “Feedback Effects in Brand Extensions: Evidence from India” aimed to fill the gap by investigating extension feedback effects in the Indian market. The feedback effects’ produced by brand extensions might either enhance or diminish the equity of the parent brand. Fit was not only the most important influence on attitude to the brand extension, it was also the most important influence on the feedback effect on the parent brand.

Francesca Dall’Olmo Riley et.al.,(2004), in his study on “Dove vs. Dior: Extending the Brand Extension Decision-Making Process from Mass to Luxury” contributed managerial process model for the extension of luxury brands. It is found that luxury brands are considered to differ significantly from mass FMCG brands in terms of balance between functional and symbolic characteristics, targeting and positioning. These characteristics are considered by researchers to make difference in their managerial decision process and extension strategy of luxury brands.

Zimmer and Subodh (2004), in their research on “The Reciprocal Effects of Extension Quality and Fit on Parent Brand Attitude” concluded that positive attitude towards the parent brand, quality and fit of the brand extensions would increase the purchasing behaviour of the consumers.

Chen and Liu (2004), in their research on “Positive Brand Extension Trial and Choice of Parent Brand” found that there was positive influence of the parent brand on the trial of the extension. Successful trial also helped the parent brand on a reciprocal basis, particularly among non-loyal users and non-users of the parent brand. There was also an indication that prior parent brand experience acts as a moderator of reciprocal effects.
Adamantios Diamantopoulos et.al., (2004), in their article on “The impact of brand extensions on brand personality: experimental evidence” showed that how brand personality was potentially affected by the introduction of brand extensions. He demonstrated the role of extension fit in influencing brand personality dimensions. The higher consumers’ evaluations of core brand quality, the lesser the impact of fit on brand personality dimensions.

Wen-chang Fang et.al.,(2004), in their article on “Can advertisement for brand extensions revitalize flagship product?” suggested that transfer effects on the image of the flagship products were measured immediately after exposure to extension advertisements and again one week later. It suggested that advertisements for concept extensions (new products in new category) had greater upward potential in terms of positive transfer effects and less downward risk in terms of dilution, than advertisements for line extensions (new products in same category).

Byeng-Hee Chang et.al., (2004), in their article on “Exploring Factors Affecting the Evaluation of Cable Network Brand Extension” tried to find the factors affecting evaluation of brand extension of cable network. The explanatory variables included perceived fit, evaluation of original brand/channel, perceived number of extended brand, and perceived quality variance, consumption of overall television as well as of original channel, and number of channel repertoire. The results showed that among all the variables, perceived fit, evaluation of original brand/channel and perceived quality variance were strong predictors of the success of cable network’s brand extension. The cable network might try the brand extension based on the strong brand power of the original brand instead of the perceived fit. However, they were strongly recommended to consider the quality variance factor for successful brand extension.

Yun Ma (2005), in his study on “The role of consumer knowledge in consumer evaluations of Brand Extensions” claimed that both product and brand knowledge has an impact on consumer perceived fit between brand extensions and its parent brand. The product knowledge affect more on the fit perception between functional brand and its brand extensions while the brand knowledge affect more on the fit perception between prestige brand and its brand extensions.
Wilfried R. Vanhonacker (2005) in his study “Brand extension naming strategies: An exploratory study of the impact of brand traits” suggested that faith, dependability and predictability as brand traits both influenced extension consideration. They focused on how the brand’s perceived expertise in the extension category and various brand traits affected the decision and how these interacted with particular extension naming strategies. The results suggested that brands with good predictability benefitted by using a direct extension naming strategy.

Catherine W.M. Young et al (2005), in their study on “Does loving a brand mean loving its products? The role of brand elicited affect in brand extension evaluations” showed that people formed an initial impression of an extension based on core brand and this impression influenced their subsequent extensions evaluations.

Tariq Jalees & Tahir Ali (2005), in their study on “A Modular Approach to study the Impact of Brand Extension in Pakistan” identified 8 factors (1) Similarity (2) Reputation (3) Innovativeness (4) Perceived risk (5) Multiple extensions (6) Parent brand characteristics (7) Concept and consistency (8) Brand extension fit that affected the consumer evaluation of brand extensions.

Innocent Nkwocha (2005), in their study on “Product Fit and Consumer Attitude Towards Brand Extensions: The Moderating Role of Product Involvement” examined the moderating effect of product involvement on the relationship between product fit and consumer evaluations of the extensions.

Volckner and Sattler (2006) in their paper on “Drivers of Brand Extension Success” found that fit, marketing support, retailer acceptance, parent brand conviction and parent-brand experience are relevant success factors while history of previous extensions, consumer innovativeness, linkage of the utility of the parent brand to specific product attributes and moderating effects are less relevant factors.

Christopher Joiner (2006), in his article on “Existing Products and Brand Extension Judgments: Does Brand Category Context Matter?” examined judgments of the same extension from the same brand in different brand category context
conditions. He investigated that the salience of product category and individual product in making brand extension evaluation.

Catherine Viot (2006), in her publication on “Brand Extension: Concept and Measurement” considered that the customer was expecting to transfer his information from the brand to the extension. If the general opinion about the brand was favourable, the behaviour regarding the extension should be the positive as well. She added that a successful brand extension could enable to get the customer loyalty. A satisfied consumer by an extension would be more willing to repurchase the same brand.

Nicole Stegemann (2006), in his study “Unique Brand Extension Challenges For Luxury Brands” addressed the impact of brand extensions of luxury brands on the parent brand’s equity (brand awareness, brand image, consumer perceived attitude and consumer perceived benefits). It was found that luxury brand extensions might damage luxury brand’s image by increasing knowledge. Further, brand extensions decreased overall brand attitude towards luxury brands due to decreased brand image and decreased benefits of attributes intrinsic to luxury brands.

Wenchin Tsao Couchen Wu (2006), in his study on “Exploring the Moderating Effects of the Hedonic/Utilitarian Value on Brand Extension Evaluations” investigated that hedonic/utilitarian characteristics possessed by the extension played the key strategic role in brand extension promotion strategies. He also explored both direct and moderating effects of perceived quality of the parent brand, perceived fit between the parent brand and the proposed extension, and consumers’ knowledge of the extension-product class on brand extension evaluations, which in turn influenced purchase intention toward the extension value of proposed product extensions.

Alexander (Sasha) Fedorikhin (2006), in their paper on “How Far Do Feelings Go? How Attachments Influence Brand Extensions” studied the role of attachment to the parent brand that went beyond both fit/similarity and attitude in determining brand extension success.
Lenny H Pattikawa (2006), in his study on “Modelling Brand Extension as a Real Option: How Expectation, Competition and Financial Constraints Drive the Timing of Extensions” found that firms were driven by uncertainties concerning firm’s value, competition and financial resources for introducing brand extensions. Firms extended their brands in response to increase in competition pressure, uncertainty concerning their stock prices and decrease in financial resources.

Kwon Jung et.al., (2006), in his study on “Cross-Gender Brand Extensions: Effects of Gender of the Brand, Gender of Consumer and Product Type on Evaluation of Cross-Gender Extensions” examined consumers’ evaluations of cross-gender extensions in an attempt to identify conditions for successful cross-gender extensions. They identified three factors (i.e) gender of the brand, gender of consumers and product type that might influence the success of cross gender extensions. They found that the acceptance of a cross-gender extension was higher when an extension was made from a masculine brand to target female consumers. They also found that the acceptance of cross-gender extensions was lower for the symbolic product category than for the functional product category.

Volckner and Sattler (2007), in their study on “Empirical Generalizability of Consumer Evaluations of Brand Extensions” addressed the various limitations of the original study such as its constricted product categories and sample composition. However, cultural differences were not taken into account even though consumers from different cultures might vary in their evaluations of brand extensions and thus might differ in their appreciation of specific factors for success of brand extension.

Michael Musante (2007) in his study on “Brand portfolio influences on vertical brand extension evaluations” studied the factors that influence consumer evaluations of up-market vertical brand extensions (priced above the traditional price points of the brand). The findings indicated that extensions that were closer in price point to existing core offerings were evaluated more favorably than extensions at a higher price point. It was demonstrated that an intermediate up-market extension would be viewed more favorably if the brand previously introduced an extension at a higher price point.
Byung Chul Shine, et.,al (2007), in their study on “Brand Synergy Effects in Multiple Brand Extensions” demonstrated in three experiments that simultaneous introduction of two brand extensions could have a positive influence on their evaluations independently of parent–extension similarity. This “synergy” effect occurred when the extensions were complementary (e.g., a digital camera and a digital photo printer) but was not evident when they belonged to the same category (two models of digital cameras) or to unrelated categories (a digital camera and a snowboard). In addition, the effect was restricted to extension products that were introduced by the same manufacturer. Finally, it occurred only among participants who were promotion focused and therefore were disposed to consider the benefits of owning the extensions rather than disadvantages of doing so. The results suggested that synergy effect was due to the appeal of completing a set of related products from the same manufacturer rather than physical or functional similarity of their features to those either the parent or each other.

Roman Henryk Cylkowski (2007), in his paper on “Consumer Evaluations of Brand Extensions in an FMCG Environment” identified that perceived fit between the extension category and the core brand; the perceived quality of the core brand; strength of the core brand image; congruency & incongruency of the extension categories relative to the core brand product category and the relative degree of establishment of the core brand within its core product category were essential components within the context of the topic of brand extension evaluation.

Alokparna Basu Monga & Deborah Roedder John (2007), in their article on “Cultural Differences in Brand Extension Evaluation: The Influence of Analytic versus Holistic Thinking” confirmed that the existence of cultural differences in brand extension response. Easterners (Indians) perceived higher fit and had more favorable evaluations than Westerners (Americans). Differences were expected to emerge as a result of cultural differences in styles of thinking, with Easterners portrayed as holistic thinkers more likely to see relationships between parent brands and brand extensions.

Franziska Vöckner & Henrik Sattler & Gwen Kaufmann (2007), in their study on “Image feedback effects of brand extensions: Evidence from a longitudinal
field study” indicated that strong brands were more vulnerable to negative image feedback effects because consumers had a higher reference level for their extensions than for those of weaker brands. He found that negative image feedback effects occurred when the perceived quality of the extension failed to meet the quality level of the parent brand. He also demonstrated that the feedback effects of a new extension product on parent brand image diminish over time.

Fedorikhin, et.al., (2008), in their research on “Beyond Fit and Attitude: The Effect of Emotional Attachment on Consumer Responses to Brand Extensions” found that brand attachment goes beyond attitude and fit in determining consumers' behavioral reactions to brand extensions such as purchase intentions, willingness to pay, word-of-mouth and forgiveness. The paper also showed that attachment had an impact on the extent to which the extension was categorized as a member of the parent brand family, which partially mediates attachment effects.

Ahluwalia (2008), in his research on “How Far can a Brand Stretch? Understanding the Role of Self-Construal” proposed that consumers with a more independent self view might be endowed with a superior ability to uncover relationships between an extension and its parent brand, leading to a higher perception of fit. The author showed that consumers with a high interdependent self-construal were likely to approve brand extensions that represented moderate to farther levels of brand stretch.

Tariq Jalees & Tahir Ali (2008), in their article on “Consumer Evaluation of Distance and Close Extension” found that brand evaluation was positive for those brands that have more concept consistency. The similarity between original and extended brand was vital for brand extension evaluation. In case of non-similarity (extension into the unrelated product category), parent brand reputation was vital in evaluating brand extensions.

Narendra K.Sharma & Kavita Sivastava (2008), in their conceptual study on “Brand extension strategy for New product introduction” suggested that the knowledge of consumer based brand equity which would increase managerial understanding of marketing managers towards the value and potential of specific
products. A thorough understanding of consumer evaluations and also associations for core products and new extension could avoid mistakes and reduce risk.

Hakkyun Kim and Deborah Roedder John (2008), in their article on “Consumer response to brand extensions: Construal level as a moderator of the importance of perceived fit” supported the idea that construal level influenced the importance of extension fit in consumer evaluations of brand extensions. High fit extensions were evaluated more favorably than moderate fit extensions for high-construal consumers; evaluations did not differ by low-construal consumers. Additionally, the weight placed on perceived extension fit as input into brand extension evaluations was much greater for high-construal than for low-construal consumers.

Gemini V Joy (2008), in their study on “Perception and Extension of Gender-images on Talcum powder Brands: Evidence from Indian Market” found that the consumers of all gender groups and age categories perceived gender images in selected seven talcum powder brands but they were not specific in purchasing their same gender imaged talcum powder brands. The extension studies of talcum powder brands to shampoo segment showed that there was a significant difference between male and female consumers regarding the acceptance of shampoo from masculine brands and there was no significant difference in the acceptance of shampoo from uni-sex and feminine brands.

Chen You-Xing et.al., (2009), in their article on “Fuzzy qualitative measure on brand extension of Agricultural products” selected five factors to evaluate the brand extensions of agricultural products including consumer attitude towards original brand of agricultural products, relevance between original products and extended products, association of agricultural brands, difficulties in making extensive products and cultural compatibility of original brand.

Eva Martínez (2009), in their article on “Brand extension feedback: The role of advertising” revealed that favoring the introduction of extensions through adequate advertising constituted an efficient way of protecting brand image.
Simon George (2009), “Leveraging Brand Equity for Developing appropriate Brand Extension Strategies” developed a systematic and structured approach to brand extension for identifying the parent brand for extension and factors of associations of the parent brand and also product categories with which associations fit.

Song Yang and Wan Li Yen in their study on “Determinants of brand extension success: A case of e-brand extensions in Taiwan” examined six factors empirically as the significant antecedents of brand extension success for media products in Taiwan, namely perceived quality of parent brand, emotional experience of parent brand, innovativeness of customers, social responsibility of parent brand, perceived value for brand extension and customer satisfaction of brand extension. Customer satisfaction had played a key role in brand extension success, which not only contributed to brand extensions directly, but also indirectly mediated the roles of perceived quality, parent brand’s experience, perceived value and fit in success of brand extensions.

Baazeem et.al., (2009), in their conference paper on “The Effect of Brand Extensions on Parent-Brand Relationship Quality” investigated the effects of brand extensions on the parent brand either strengthening or weakening quality relationship with the parent brand. A related brand extension positively influenced the parent brand relationship whereas an unrelated brand extension negatively influenced it. Brand extensions might have a positive or a negative influence on the parent brand, so it was important to understand the specific impact on dimensions such as brand image, brand awareness and customer-brand relationship.

Devon Del Vecchio (2009), in their study on “Brand-Extension Price Premiums: The Effects of Perceived Fit and Extension Product Category Risk” manipulated perceived fit between a brand and extension products and three dimensions of extension product category risk (i.e) extension category financial risk, performance risk and social risk. They found that brand extension price premiums were positively related to the perceived fit between the brand and the extension category.
Bless and Greifeneder (2009), in their book chapter on “Brands and Successful Brand Extensions: A Social Psychology Perspective on Economic Questions” noted that consumers preferred product based on the quality, brand name and price. If a company knew that their consumers were brand loyal and perceived their products as high quality, it was easier to introduce another product.

Tom Meyvis, Goldsmith, Kelly & Ravi Dhar (2009), in their study on “Beyond Survival of the Fittest: The Influence of Consumers’ Mindset on Brand Extension Evaluations” discussed the malleability of consumers’ reactions to extension evaluations which depended on the mindset that was activated by the decision context. The concrete mindset (presenting brand extensions in the context of other competing options or accompanied by visual information) reduced the consideration of the fit of the extension, but increased the consideration of the quality of the parent brand. On the contrary, the abstract mindset (extensions without comparison brands or visual information) resulted in an increased focus on fit rather than quality.

Nadim Jahangir & Noorjahan parvez (2009), in their study on “The relationship between Brand affect, Brand quality and Customers’ brand Extension attitude: exploring The mediating role of Customer loyalty” proposed that the conceptual framework that investigated the effects of brand affect and brand equity on customer brand extension attitude mediated through customer loyalty. The brand affect and brand quality were positively related with brand loyalty which in turn mediated the relationship between brand affect and brand extension attitude and also brand quality and brand extension attitude.

Francesca dall’olmo Riley (2009), “Step-down vertical brand extensions of luxury and prestige Car brands: exploratory results” showed a general decline of the two brands’ images after the introduction of a step-down extension of any size, which supported the general belief that vertical downward brand extensions harmed the parent brand. Prestige brands appeared to be more sensitive to dilution effects resulting from the vertical extension than luxury brands.
Joseph Eric Massey (2010), in his study on “An Empirical Test of Brand Extension on IMC Effectiveness” addressed the relationship between organisational image, branding and brand extension. They found that brand extensions and integrated marketing communication positively influenced the image of the organisation.

Franziska Volckner, Henrik Sattler et al (2010), “The Role of Parent Brand Quality for Service Brand Extension Success” found that parent service brand quality was the dominant success driver rather than perceived fit between the parent brand and its extensions. It was also found that though three parent brand quality dimensions of the service outcome, customers’ interactions with service employees and the physical service environment were influential, outcome quality had the strongest impact on service brand extension success.

Yuan Zhou (2010), in his research on “A Study of The Effectiveness of Marathon Sponsorship as an Enabler of Brand Extension” found that marathon sponsorship enhanced their awareness of the sponsor’s brand and product. Therefore, marathon sponsorship could be used as a marketing communication tool as means to achieve effective and successful brand extension. The quality of the products, fit and familiarity and personality traits of marathon celebrities had the positive impact towards purchase intentions of the brand extensions.

M Sayeed Alam et.al., (2010), in their article on “Evaluation of brand extension (similar and distance product category) with respect to degree of fit and quality of the core brand” found that fit between the core brand and the extension was one of the major variable of brand extension success but brand quality would not guarantee to extend the brand to a product category which is dissimilar to the core brand.

Jean-Michael te Heesen (2010), in his article on “Perceived fit of brand extensions: a comprehensive approach” investigated the impact of consumer evaluation of brand extensions on the success of Volkswagen group. They found that product-feature similarity was of high importance to make a brand extension a
success for function-oriented brands whereas brand-concept consistency was of high importance for prestige brands.

Afzal and Akif Hassan (2010), in their conference paper on “To Analyze the Factors Influencing the Acceptability of Brand Extension into Related and Un-Related Product Categories” pointed that brand reputation, perceived risk, perceived similarity and consumer innovativeness were the key factors for successful brand extension in FMCG in Pakistan. This study provided support for parent brand reputation and consumer innovativeness, had powerful positive effect on consumers’ mind set towards the brand extension in related and unrelated product category.

Gilles Laurent et.al., (2010), in his study on “Why do older consumers buy older brands? The role of attachment and declining innovativeness” studied the consumer behavior towards brand choice. They suggested that older consumers exhibited a propensity to remain attached to the same preferred brand for a longer duration than younger consumers.

Nathalie Dens et.al., (2010) in his study on “Advertising for extensions: Moderating effects of extension type, advertising strategy and product category involvement on extension evaluation” investigated the relative importance of attitude towards the advertisement, parent brand quality and fit between the extension and parent brand for extension evaluations. The moderating effect of extension type (line or brand extension), advertising strategy (informational, positive emotional, negative emotional) and product involvement (low or high involvement) was also studied. It was found that advertisement was more important for low product involvement conditions and fit for high involvement conditions. The informational appeal reduced the effect of parent brand quality and fit.

Chung K. Kim et.al., in their study on “Consumer evaluation of vertical brand extensions and core brands” indicated that the introduction of any vertical brand extension (either step-up or step-down) has a negative impact on consumer evaluation of the core brand. However, increasing the perceived distance between the core brand and the brand extension, via the use of graphical and linguistic distancing techniques, reduces this negative impact on the core brand. Increased
distancing (close, medium, far) also benefits step-up brand extension evaluations, but step-down brand extensions are evaluated less favorably when distancing techniques are used.

Abhishek Dwivedi (2010), in their study on “Brand extension feedback effects: A holistic framework” studied the impact of brand extensions on parent brand attitudes. First, it explained inter-relationships among major determinants of feedback. Second, it presented a rank-order of major determinants of feedback. Third, it presented a fresh perspective on the integrating role of fit. Fourth, it modeled the effect specifically on the change in parent brand attitude. Results indicate that two strongest effects on brand extension feedback were perceived fit and parent brand image.

Hilgenkamp and Shanteau (2010), in their study on “Functional Measurement Analysis of Brand Equity: Does Brand Name Affect Perceptions of Quality?” studied the effect of brand name on product quality. They concluded that the brand name associated with a product led people to prefer and evaluate quality of that product as either higher or lower depending on the strength of the brand name.

Julio J. Rotemberg (2010) in his study on “Quality Provision, Expected Firm Altruism and Brand Extensions” concluded that quality sensitive customers had an advantage in introducing a product relative to a firm that was expected to be more widely altruistic.

Zain-Ul-Abideen and Salaria (2011), in their conference paper on “Consumer Attitude toward Brand Extensions: A Five Factor Approach” studied a more prominent role of parent brand attributes and characteristics than brand extension that had been acknowledged in the literature. Furthermore, this study also documented the importance of an extension’s fit with the parent brand’s image. It also showed that as perceived appropriateness between the extension and the core brand decreases, attitude toward the core brand on brand-extension evaluation decreases.
Yekta, et.al., (2011), in their study on, “An Exploratory Study of Critical Success Factors of Brand Extension Strategies using Fuzzy Analytical Hierarchy Process” identified critical factors of brand extension strategy. They used Fuzzy AHP approach to measure relative weights for evaluating success factors. They found that “Quality”, “Services after sale”, “Determining the suitable strategies in Brand field”, “Top management commitment and support” and “Advertisement” were the top five critical success factors of brand extensions.

Kotni (2011), in his research paper on “The Banned Surrogate Marketing as Brand-New Brand Extension Advertising” found that the companies stopped promoting the products but started promoting the brand name of the banned products through Brand Extension Advertising. In India, the liquor was prohibited to be promoted in media. Promoting a product through another product of the same brand, was called surrogate advertising. But the companies were practicing it by the name of brand extension advertising because they could not lose the big markets like liquor and tobacco.

Punyatoya (2011), in his study on “How Brand Personality affects Products with different Involvement Levels?” concluded that since brand personality was the human characteristics associated with the brand, the positive association with consumer mind would definitely help in building strong bond with consumer base. By purchasing a brand or wearing a brand or driving a brand, consumer would feel a sense of attachment to it. Brand association and personality affected both consumer preference and purchase intention. Whether the product was of high or low involvement type, the importance of brand personality was still there. Establishment of strong and distinctive brand personalities for different product lines helped to establish their separate identities.

Ayesha Anwar et.al., (2011), in their article on “Impact of Brand Image, Trust And Affect On Consumer Brand Extension Attitude: The Mediating Role of Brand Loyalty” investigated the mediating role of customer loyalty on the relationship between brand image, brand trust, brand affect and customers brand extension attitude in cosmetics. The results revealed that brand image, trust and affect were positively associated with the brand extension attitude. Further, it was
found that brand loyalty mediated the relationship of brand image, trust and affect to brand extension attitude.

2.2 RESEARCH GAP

Only few brand extensions studies were made in Indian context. The research studies on consumer’s evaluation of brand extensions of various consumer products were carried out in different types of companies in various parts of the country. But there is no in-depth study on consumer’s evaluation of brand extensions in specific body care products of Hindustan Unilever Ltd in Chennai. The researcher has also tested the hypothetical products to be extended in future.