PREFACE

Introduction

The changing market dynamics and heightened competition of the global economy has amplified the role of brands to an unsurpassed level. Brand marketers seek ways to achieve growth while reducing both the cost of new product introductions as well as the risk of new product failure. A popular way of launching new products has therefore been to leverage the equity of an existing brand into a new sector, market, or product category through brand extensions.

Research Objectives

Firstly, this study proposes to empirically test whether there are differences in consumers' evaluations between brand extensions in non-service sector and service sectors. This study aims to lay greater stress on the service sector as not much research has been devoted to this aspect. Moreover, this study aims to lay greater emphasis on customers using existing brands than students and fictitious brands so that market behavior can be studied more closely.

Secondly, to investigate how the antecedents of similarity, reputation, perceived risk and consumer innovativeness influence consumer evaluations of brand extensions.

Research Hypothesis

H1 The higher the perceived similarity between the parent brand and the extended brand, the more positive will be the evaluation of extended brands. This should hold true for brands in FMCG, durable goods and service sectors.
H2: The higher the perceived reputation of the parent brand, the more positive will be the evaluation of the extended brand. This should hold true for brands in FMCG, durable goods and service sectors.

H3: The lower the perceived risk associated with the extension category, the more positive will be the evaluations of the brand extensions.

H4: The higher the consumers' innovativeness, the more positive will be the evaluations of extended brands.

Research Methodology

The current research follows the approach used in the quantitative analysis in Aaker and Keller's (1990) study and replication studies. In these studies, qualitative analyses are also performed prior to the quantitative analysis. The quantitative part tries to formally assess the consumer's evaluation of brand extensions through measuring attitude for different variables. The conceptual definitions of different authors were used for identifying the determinants of the above variables. Based on these variables a questionnaire was developed that contained 227 questions. A sample size of 800 was selected for the survey. Convenience sampling was used for drawing 800 samples. Based on focus groups discussion the following five different brand extensions were finalized each brand hypothetically extended to two brand each: Jet Airways viz. Jet Resorts and Jet Computers, ICICI Bank viz. ICICI Financial Service and ICICI Mobile Manufacturing, Apollo Hospitals viz. Apollo Health Spa and Apollo Shampoo, Maruti Automobiles viz. Maruti Cooking Oil and Maruti Readymade Garments, and Bisleri Packaged Drinking Water viz. Bisleri Beer and Bisleri Potato Chips.
Analysis of Data & Research Findings

Univariate Analysis

An analysis of the means of the Dependent Variable, OVERALL EVALUATION OF THE BRAND EXTENSION, and the Independent Variables, PERCEIVED SIMILARITY between the parent brand and the brand extension, PERCEIVED REPUTATION of the parent brand, PERCEIVED RISK associated with the brand extension and CONSUMER INNOVATIVENESS, reveal that all parent brands, Jet Airways, ICICI Bank, Apollo Hospitals, Maruti Automobiles and Bisleri Packaged Drinking Water, are moderately evaluated and consequently, their extensions, Jet Resorts and Jet Computers, ICICI Financial Service and ICICI Mobile Manufacturing, Apollo Health Spa and Apollo Shampoo, Maruti Cooking Oil and Maruti Readymade Garments, Bisleri Beer and Bisleri Potato Chips, are also moderately evaluated.

Bivariate Analysis

An analysis of the Correlations between the evaluation of the parent brands with their extensions reveal that Jet Resorts and Jet Computers have a mid level of correlation with Jet Airways, while ICICI Financial Service has a high level of correlation with ICICI Bank while ICICI Mobile Manufacturing has a mid level of correlation with ICICI Bank Apollo Health Spa has a high level of correlation with Apollo Hospitals while Apollo Shampoo has a mid level of correlation with Apollo Hospitals Maruti Cooking Oil and Maruti Readymade Garments has a mid level of correlation with Maruti Automobiles Bisleri Beer and Bisleri Chips have a mid level of correlation with Bisleri Packaged Drinking Water

Bivariate analysis was employed to determine the correlations between the dependent variable i.e. the overall evaluation of the brand extension and the independent variables. This reveals positive correlation coefficients between similarity, reputation, perceived risk, consumer innovativeness and the overall evaluation of the brand extensions. The correlation coefficients between similarity and the overall evaluation of the brand extension are significant for all the brand extensions, supporting H1. The correlation coefficients...
between reputation and the overall evaluation of the brand extension are also significant supporting H2. However, all the correlation coefficients between perceived risk and the overall evaluation of the brand extensions are not always significant. Thus, only limited support can be drawn for H3. The correlation coefficients between innovativeness and overall evaluation of extensions are significant for all the brand extensions, supporting H4.

**Multivariate Analysis**

To more thoroughly test the hypotheses multiple regression analysis was employed. The rationale for this is that the scaling of the items, as well as the construction of the aggregated variables, are of a multiple nature.

All models are highly significant and suggest a reasonable "model fit." Moreover, the standardized regression coefficients indicate significant relationships between some of the independent and dependent variables.

Perceived similarity between the parent brand and the brand extension, perceived reputation of the parent brand and the consumer innovativeness are significant determinants of consumer evaluations of brand extensions. Perceived risk is not a significant determinant of consumer evaluation of all the brand extensions.

**Analysis of Socio Demographic Variables**

The Dependent Variable, OVERALL EVALUATION OF THE BRAND EXTENSION, is analyzed vis-à-vis the Independent Variables, PERCEIVED SIMILARITY between the parent brand and the brand extension, PERCEIVED REPUTATION of the parent brand, PERCEIVED RISK associated with the brand extension and CONSUMER INNOVATIVENESS, taking into consideration the socio-demographic variables, Consumer type-Student and Non Student, Age, Education, Income and Occupation. An analysis of these variables reveals that there is no difference in the evaluations of the brand extensions in the samples of CONSUMER TYPE (STUDENT and NON STUDENT), AGE (20-34...
YRS, 35-49 YRS and MORE THAN 50 YRS), Education (GRADUATE and POST GRADUATE), INCOME (MORE THAN 100K, BETWEEN 50 AND 100K and LESS THAN 50K) and OCCUPATION (SERVICE CLASS, BUSINESS CLASS and SELF EMPLOYED PROFESSIONAL).