



Brand Extension and Customer Assessment- A Study on two Wheel Market In India

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ABSTRACT

The easiest and most fruitful way to think of a brand is as an image that the audience remembers. This means that successful branding of a service or product is a matter of creating an image that is Positive, Relevant, and Memorable. In today's two wheeler market, consumers tend to view a brand's image as an integral part of the product or service they are purchasing. They are not only buying the actual product or service, but the status, prestige and perceived benefits associated with the organization that is doing selling - intangible qualities that differentiate the item of choice from all other similar offerings in the marketplace. So, creating a brand image that sets an association apart from others offering similar services is a key factor in retaining and expanding one's share of the market. In order to create such associations' organizations go for brand extensions. This paper is an effort to find out factors which effect brand extensions in two wheeler markets.

KEYWORDS : Brand Image, Brand Extension, Factor analysis

INTRODUCTION

The act of associating a product or service with a brand has become part of pop culture. Most products have some kind of brand identity, from common table salt to designer clothes. In non-commercial contexts, the marketing of entities which supply ideas or promises rather than product and services (e.g. political parties or religious organizations) may also be known as "branding". Marketers engaged in branding, seek to develop or align the expectations behind the brand experience, creating the impression that a brand associated with a product or service has certain qualities or characteristics that make it special or unique. A brand image may be developed by attributing a "personality" to or associating an "image" with a product or service, whereby the personality or image is "branded" into the consciousness of consumers. A brand is therefore one of the most valuable elements in an advertising theme. The art of creating and maintaining a brand is called brand management.

Brand Image

Sengupta defines 'brand image' as the totality of the impressions about the brand. This according to him includes its physical, functional and psychological aspects of the brand. Therefore it can be interpreted that the perceptions and beliefs about a brand held by consumers, as reflected in the association held in consumer memory is its brand image. Brand associations are the other informational nodes linked to the brand node in memory and contain the meaning of the brand for consumers.

Brand Extension

Brand extensions are a familiar phenomenon for most marketers. Organizations see them as the easiest way of entering new markets or segments. Establishing a new consumer brand internationally costs at least 100 million rupees. Thus brand extensions are seen as an easy and possibly inexpensive way of entering new business lines or strengthening old ones if done with caution. Broadly speaking, there are three types of brand extensions: Product related extensions, Image-related extensions and Unrelated Extensions

Type of Brand Extension

Brand extensions are of two types

1. Extension into related categories
2. Extension into unrelated categories

Co-branding and brand extension

Co-Branding, extending your brand into new markets geographic, demographic or otherwise by complementing or supplementing another brand's strengths can also contribute to growth.

Buyer assessment towards brand extension

Consumer perceptions of the quality of the original brand and the relationship or 'fit' between the original and extension product were found to have an effect on the attitude towards the extension. The perceptions of the overall quality of the extension and consumers

'willingness to try the extension were positively and significantly related to their perceptions of the original brand, the extension complementarily, substitutability and transfer of skills. Consistent with all replication studies, our results do not support a relationship between 'difficulty' and consumer attitudes towards the extension.

LITERATURE REVIEW

Brand Image

Marketers and advertisers recognize that products (and services) have symbolic images that are often more important to a product's success than are its actual physical attributes and characteristics (Aaker, 1991; Pettijohn et al., 1992; Triplett, 1994). Marketers try to create images for their brands so that they are positioned to fit a distinct market segment occupied by no other brand. They strive to create a brand image that is similar to (congruent with) the self-image of the target consumers (Aaker and Biehl, 1993; Kapferer, 1992). For example, Revlon, which had long targeted older women with advertising campaigns featuring such celebrities as the late Audrey Hepburn decided to reposition the image of their cosmetics to appeal to younger women. Choosing younger models to advertise their products was necessary because the image associated with Audrey Hepburn was not consistent with the self-image of younger women.

Murphy (1990) describes the life cycle of a brand in terms of three stages. First, a new brand may enjoy a "proprietary" period where it is seen as unique in the market. Second, the brand enters the "competitive" stage where competitors match the functional characteristics of the brand and new ways must be found to sustain a significant product advantage. Third, the "image stage" of the brand life cycle is one in which any unique product and functional advantages have been eroded and symbolic values (brand images) have much greater importance in differentiating the brand from its competition.

OBJECTIVES OF THE STUDY

1. To study factors which effect consumer evaluation of brand extension
2. To identify and suggest new vistas for further research.

RESEARCH METHODOLOGY

The study was exploratory in nature and was aimed at evaluating the impact of main factors effecting brand extension. Simple Random sampling technique was used to identify responses for the study and a sample size of 100 respondents was taken to conduct the study. Self-designed questionnaire was used for evaluating parent brand image and brand extension. Data was collected on a Likert type scale, where 1 indicated minimum agreement and 5 indicated maximum agreement.

RESULTS AND DISCUSSIONS

Reliability Test: Cronbach's Alpha reliability method was applied to check the reliability of all items in the questionnaire. The reliability coefficient value was highly significant i.e. 0.899 and depict high

reliability of the questionnaire. Reliability test was applied using SPSS 21 software and the reliability test measures are given below:

Table 1: Cronbach's Alpha Reliability of the scale

Cronbach's Alpha	No. of items
0.8884	32

The results showing reliability when item dropped indicated that the reliability could improve if item numbers 11, 18 and 29 are dropped. However the improvement was less than .003 and therefore, ignored and all the 32 statements were retained in the final questionnaire.

Factor Analysis

Kaiser - Meyer - Olkin Measure of Sampling Adequacy and Bartlett's Test of Sphericity: The Kaiser - Meyer - Olkin Measure of Sampling Adequacy value was 0.857 indicating that the sample was adequate to consider the data as normally distributed.

Table 2: KMO and Bartlett's Test Results

KMO and Bartlett's Test			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.857	
Bartlett's Test of Sphericity		Approx. Chi-Square	8234.061
df	496		
Sig.	.000		

Principle component factor analysis with Varimax rotation and Kaiser Normalization was applied. The factor analysis resulted in 7 factors. The details about factors, the factor name, Eigen value, Loadings, Variance% are shown follows:

Table 3: Showing Exploratory Factor Analysis Results

Factor Name	Eigan Value	Variance Explained	Factor Loads
Compassionate	4.925	35.389	0.808
19. Familiar	0.711		
1. Emotional	0.706		
5 Unique	0.702		
14 Friendly	0.614		
6 Affectionate	0.543		
22 Imaginative	0.526		

20 Empathetic	0.505		
Intricate	3.437	10.74	0.72
9 Pleasant	0.675		
27 Existing	0.668		
10 Lively	0.661		
8. Honest	0.604		
24 Business Like	0.407		
Irreplaceable	2.605	8.141	0.753
15 Adventure	0.583		
16 Carefree	0.552		
23 Confident	0.529		
2 Trustworthy	0.453		
Lively	2.394	7.482	0.716
29 Gentle	0.708		
13 Energetic	0.637		
12 Creative	0.621		
Magnetic	2.228	6.962	0.682
21 Well known	0.619		
25 Formal	0.585		
3 Attractive	0.523		
Upright	2.136	6.674	0.803
30 Complicated	0.679		
32 Economic	0.669		
Negative	1.463	4.571	0.677
18 Ugly	0.501		

CONCLUSION

Factor Analysis was applied to identify the factors which effect consumer evaluation process. A total of 7 factors were extracted from the factor analysis namely Compassionate, Intricate, Irreplaceable, Lively, Magnetic, Upright, and Negative. All these factors together explained about 65%variance in the data which indicates that factor analysis is the right tool for this data analysis. From this it can be said that the above said factors strongly influence consumer evaluation process of brand extension in two wheeler sector of Hyderabad market.

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