

An Empirical Study on Brand Extension in Marketing Enterprises in India

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Abstract: *Brand Extension is a highly competitive business landscape, companies are constantly seeking innovative strategies to stay ahead and capture the attention of their target consumers. One such strategy that has gained significant traction in recent years is brand extension. Brand extension refers to the process by which a company leverages its existing brand equity and reputation to introduce new products or enter different markets. This abstract provides an overview of brand extension as a powerful tool for marketing enterprises, emphasizing its potential for maximising growth and mitigating risks. The primary objective of brand extension is to capitalise on the positive associations, loyalty, and recognition built around an existing brand. By leveraging these assets, companies can reduce the time, cost, and effort required to establish a new brand from scratch. In conclusion, brand extension presents a valuable opportunity for marketing enterprises to expand their market presence and tap into new growth avenues. By leveraging existing brand equity and employing a strategic approach, companies can unlock significant benefits while managing the associated risks. Effective implementation of brand extension strategies requires careful planning, research, and ongoing evaluation, ensuring a successful integration of new offerings within the brand portfolio. The data is collected through a questionnaire and the sample size is 203. The convenience sampling method is adopted in the study to collect the data. The samples were collected from Friends, relations through google form The independent variables are gender and education level of respondents. The aim of the study is to help the marketing enterprises in extending their brand.*

Keywords: Brand, Competition, Growth, Consumer, Strategies

I. INTRODUCTION

Brand Extension is a highly competitive business landscape, companies are constantly seeking innovative strategies to stay ahead and capture the attention of their target consumers. One such strategy that has gained significant traction in recent years is brand extension. Brand extension refers to the process by which a company leverages its existing brand equity and reputation to introduce new products or enter different markets. By extending their established brands, companies can benefit from the familiarity, trust, and loyalty associated with their existing offerings. Governments can provide financial support through funding programs and grants specifically designed to encourage brand extension activities. These initiatives can offer financial assistance for research and development, product design, marketing campaigns, and market entry strategies. The factors affecting brand extensions are Fit with the Parent Brand, Consumer Perception and Acceptance, Brand Equity and Reputation, Market Analysis and Competition, Cannibalization and Portfolio Management. Brand extension can take various forms, including line extensions, category extensions, and even co-branding partnerships. Line extensions involve introducing new variations or flavors within an existing product line, such as different flavors of a soft drink. Category extensions, on the other hand, involve expanding into a new product category while retaining the core brand identity. An example of category extension is a cosmetic brand expanding into skincare products. Factors affecting brands extension are brand equity, Fit between the Extension and the Core Brand, Consumer Perception and Acceptance. To execute an effective brand extension strategy, marketing enterprises must undertake thorough market research, identifying viable opportunities and understanding consumer needs and preferences. They should also evaluate their internal capabilities, resources, and competencies to ensure



alignment with the extended product or service category. Additionally, enterprises need to develop a coherent communication plan that clearly communicates the value proposition of the extension while maintaining the core brand's essence. Successful brand extensions can lead to numerous benefits for marketing enterprises. Firstly, it enables them to diversify their product portfolio, reducing dependence on a single product or market segment. This diversification helps companies mitigate risks and adapt to changing market conditions. Additionally, brand extensions can lead to increased revenue streams and market share, as well as improved overall brand equity. The aim of this study is to find the ways to extend the brand .

OBJECTIVES

- To find what are the difficulties faced by marketing enterprises while extending the brand
- To find the factors affecting brand extensions and to find the ways to stop it.
- To find the difficulties faced by the business while extending their brand .

II. REVIEW OF LITERATURE

Aaker, D. A. (1990)This article is a seminal work on brand extensions. Aaker provides a framework for evaluating brand extensions and identifies the key factors that determine whether an extension is likely to succeed or fail. He also discusses the potential risks and benefits of brand extensions and offers some guidelines for managers considering this strategy. **Kevin Keller (1998)**book "Strategic Brand Management" is a comprehensive guide to building and managing strong brands. One chapter of the book is devoted to brand extensions, in which Keller explains the different types of extensions and the strategic considerations involved in making them. He also provides examples of successful and unsuccessful brand extensions. **Rangaswamy, A., Burke, R. R., & Oliva, T. A. (1993)**.This article provides a detailed review of the literature on brand extensions up to 1993. The authors summarize the key findings from previous research and identify gaps in the literature that need further investigation. They also provide a conceptual framework for understanding brand extensions and offer some recommendations for future research. **Klink, R. R., & Smith, D. C. (2001)**.This article examines the external validity of previous research on brand extensions. The authors identify several factors that can affect the generalizability of research findings, such as the type of product category, the nature of the brand, and the characteristics of the extension. They also discuss some methodological issues that need to be addressed in future research. **Loken, B., & John, D. R. (1993)**This article investigates the conditions under which brand extensions can have a negative impact on brand beliefs. The authors argue that brand extensions can dilute consumers' beliefs about the core brand when the extension is perceived as not being relevant to the core brand or when it is perceived as being of lower quality than the core brand. They also provide some recommendations for managers to mitigate these negative effects. **Aaker, D. A., & Keller, K. L. (1990)**This paper provides an overview of consumer evaluations of brand extensions and the factors that influence them. The authors found that the fit between the brand and the extension product is a crucial factor in determining consumer evaluations. **Broniarczyk, S. M., & Alba, J. W. (1994)**This study examines the role of the brand in brand extension and found that consumers rely heavily on the brand name when evaluating the extension product. The authors also found that the fit between the brand and the extension product is essential. **Chen, Y., & Liu, Y. (2018)**This study investigates the effect of brand extension strategies on brand image in the Chinese automobile industry. The authors found that brand extension strategies have a positive effect on brand image, and that perceived quality is a critical mediator in this relationship. **Park, C. W., Jun, S. Y., & Shocker, A. D. (1996)**This paper examines the effects of composite branding alliances, where two or more brands are combined to create a new product or service. The authors found that the fit between the brands and the extension product is critical in determining consumer evaluations. **Vida, I., Obadia, C., & Abratt, R. (2018)**This study examines the influence of brand extension strategies on brand image in the South African banking industry. The authors found that brand extension strategies have a positive effect on brand image, and that perceived fit and perceived quality mediate this relationship. **Amit Kumar Jain and Dr. Mukesh Kumar (2018)**This literature review provides an overview of the concept of brand extension and the factors that influence its success. The authors highlight the importance of brand equity, consumer perceptions, and fit between the brand and the new product or service. The review also discusses the



different types of brand extensions and the challenges companies face when implementing this strategy. **Xiaoyan Deng(2011)**This review examines the research that has been conducted on brand extension and identifies key themes and findings. The author discusses the factors that influence brand extension success, including brand familiarity, perceived quality, and fit between the brand and the new product or service. The review also explores the impact of brand extension on consumer behavior and the challenges companies face when extending their brands. **Chandan Deep Singh and Divya Upadhyay (2020)** This literature review focuses on the impact of brand extension on brand personality. The authors discuss the relationship between brand personality and brand extension success and highlight the importance of maintaining consistency between the brand and the new product or service. The review also explores the role of brand personality in shaping consumer perceptions and behavior. **Pradip Kumar Sahu, Sandeep Kumar Panda, and Kunal Gaurav (2020)** This systematic review examines the factors that influence brand extension success and identifies gaps in the existing research. The authors highlight the importance of brand equity, brand familiarity, and perceived fit between the brand and the new product or service. The review also discusses the role of consumer perceptions, brand personality, and marketing strategies in brand extension success and proposes future research directions. **Keller, K. L., & Lehmann, D. R. (2006)**This paper by Kevin Keller and Donald Lehmann offers a comprehensive review of the literature on branding, including brand extension. It provides an overview of the different types of brand extensions and their success factors, such as brand fit, brand loyalty, and brand equity. The paper also discusses the challenges of managing brand extensions and provides recommendations for future research. **Martínez, E., Montaner, T., & Pina, J. M. (2015)** This paper by Eva Martínez, Teresa Montaner, and José M. Pina investigates the role of product complexity in consumers' responses to brand extensions. The authors find that consumers are more likely to accept brand extensions when the new product is perceived as simple and consistent with the brand's core values. The paper also discusses the implications of these findings for brand managers. **Broniarczyk, S. M., & Alba, J. W. (1994)**This paper by Susan Broniarczyk and Joseph Alba examines the role of the brand in brand extension. The authors find that the strength of the brand name is a critical factor in determining the success of brand extensions. The paper also provides insights into the factors that influence brand name strength and suggests ways for brand managers to enhance their brand's strength. **Kumar, V., & Steenkamp, J. B. E. (2007)**This review article by Kumar and Steenkamp provides a comprehensive analysis of brand extension research, including the different types of extensions, the factors that influence their success, and the challenges that companies face when implementing this strategy. **Tauber(1981)** paper provides a comprehensive review of the literature on brand extension and proposes a new perspective based on the concept of brand franchise. Tauber argues that successful brand extensions are based on the development of a brand franchise, which consists of a set of products or services that are associated with a particular brand and share a common set of characteristics. **Völkner, Franziska, and Henrik Sattler** The research presented in this article addresses the issue of the significance and relative importance of the determinants of extension success by simultaneously investigating ten success factors. The empirical analysis considers the direct Relationships between success factors and extension success the structured relationship among investigated factors and moderating effects.

III. METHODOLOGY

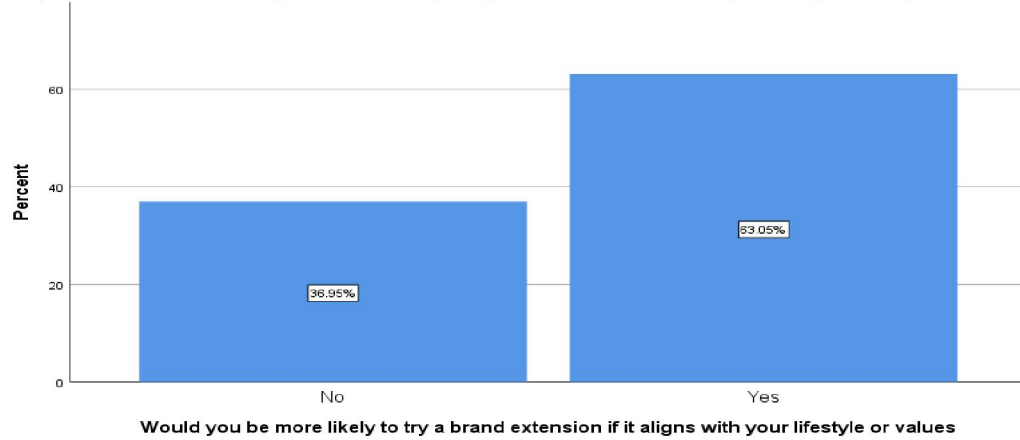
The study is Non-Doctrinal and Empirical in nature. Descriptive research is used to study the perspective of the research. Questionnaires were used and sent to people via google forms and the sample size is 202. Convenience sampling method is being adopted in the study to collect the data. Samples were collected from General public specifically from the Chennai region. The Independent variables are Gender, Age, Educational Qualification, Marital Status, Occupation. The researcher used graphs to analyse the data collected. The Dependent variables are the difficulties faced in brand extension.. Tools used by the researcher are correlation analysis and graphical representations. The dependent variable are factors affects brand extension.



IV. ANALYSIS

FIGURE 1

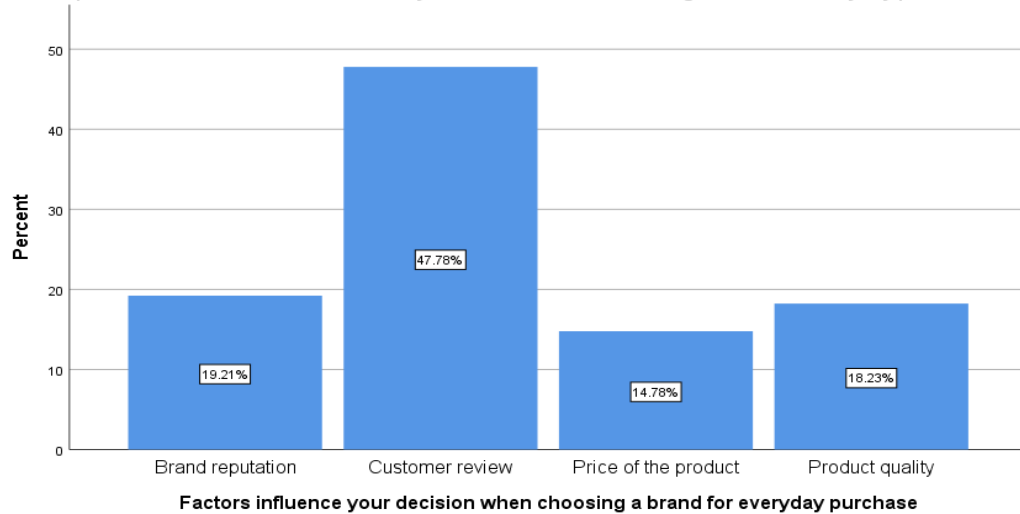
Simple Bar Percent of Would you be more likely to try a brand extension if it aligns with your lifestyle or values



LEGEND: Figure 1 represents would you be more likely to try a brand extension if it aligns with your lifestyle or values.

FIGURE 2

Simple Bar Percent of Factors influence your decision when choosing a brand for everyday purchase

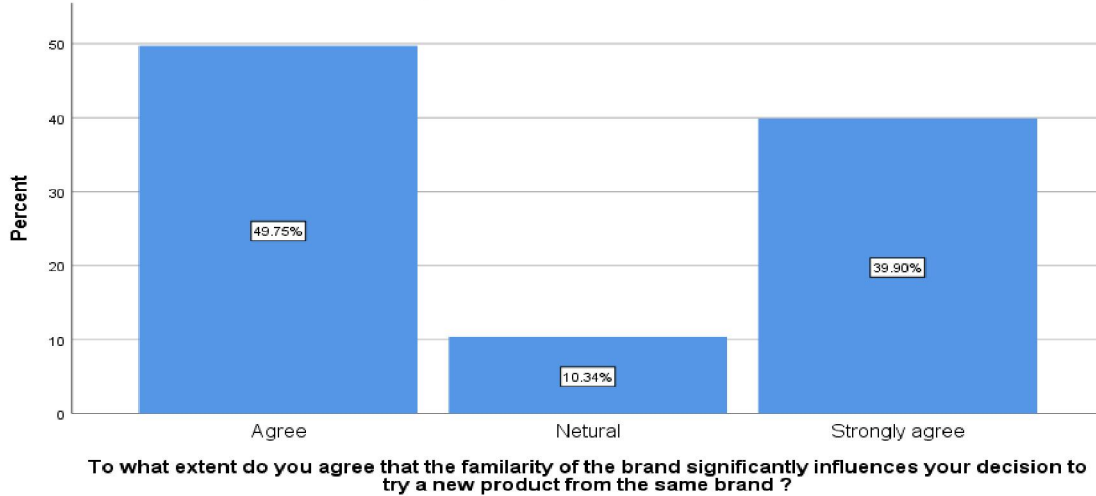


LEGEND: Figure 2 represents factors influence your decision when choosing a brand for everyday purchase



FIGURE 3

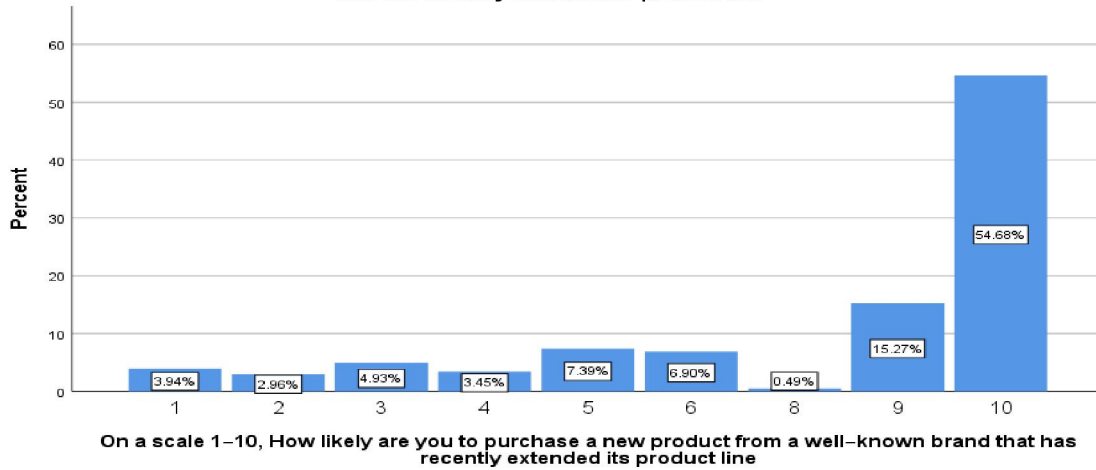
Simple Bar Percent of To what extent do you agree that the familiarity of the brand significantly influences your decision to try a new product from the same brand ?



LEGEND: Figure 3 represents To what extent do you agree that the familiarity of the brand significantly influences your decision to try a new product from the same brand .

FIGURE 4

Simple Bar Percent of On a scale 1–10, How likely are you to purchase a new product from a well-known brand that has recently extended its product line

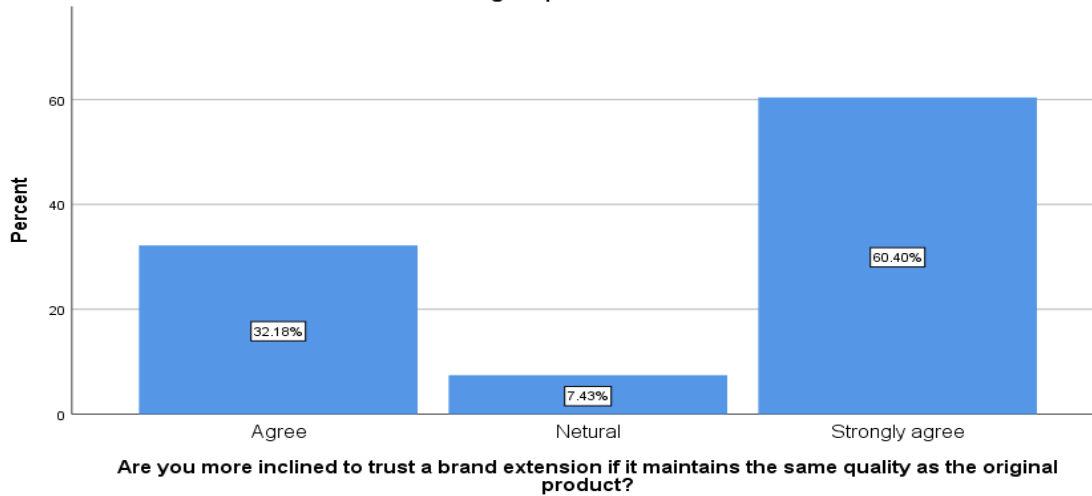


LEGEND: Figure 4 represents on a scale 1–10, How likely are you to purchase a new product from a well-known brand that has recently extended its product line.



FIGURE 5

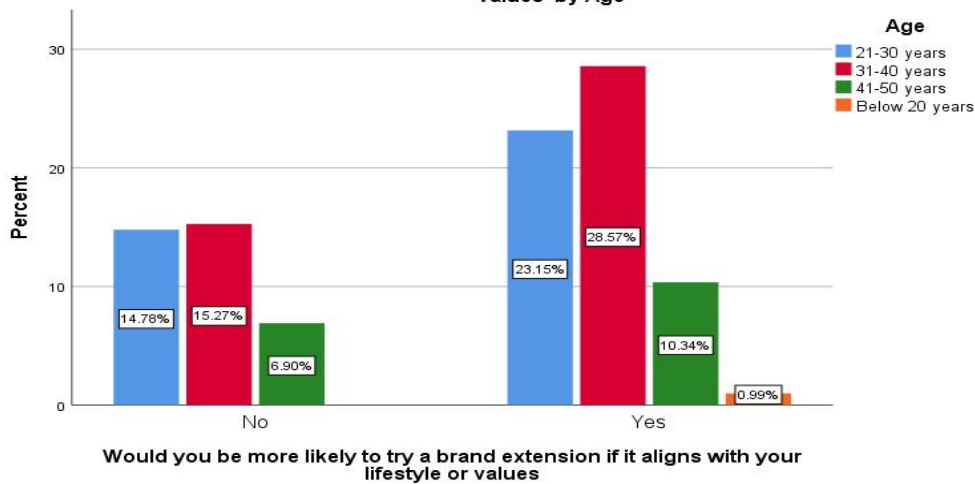
Simple Bar Percent of Are you more inclined to trust a brand extension if it maintains the same quality as the original product?



LEGEND: Figure 5 illustrates whether consumers tend to have greater trust in a brand extension when it upholds the same level of quality as the original product.

FIGURE 6

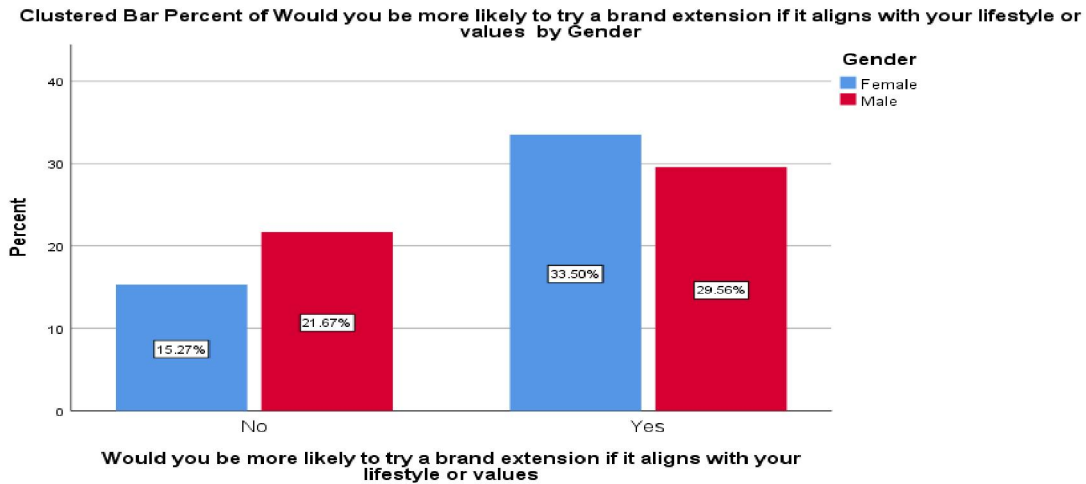
Clustered Bar Percent of Would you be more likely to try a brand extension if it aligns with your lifestyle or values by Age



LEGEND: Figure 6 represents would you be more likely to try a brand extension if it aligns with your lifestyle or values with respect to age of the respondents.

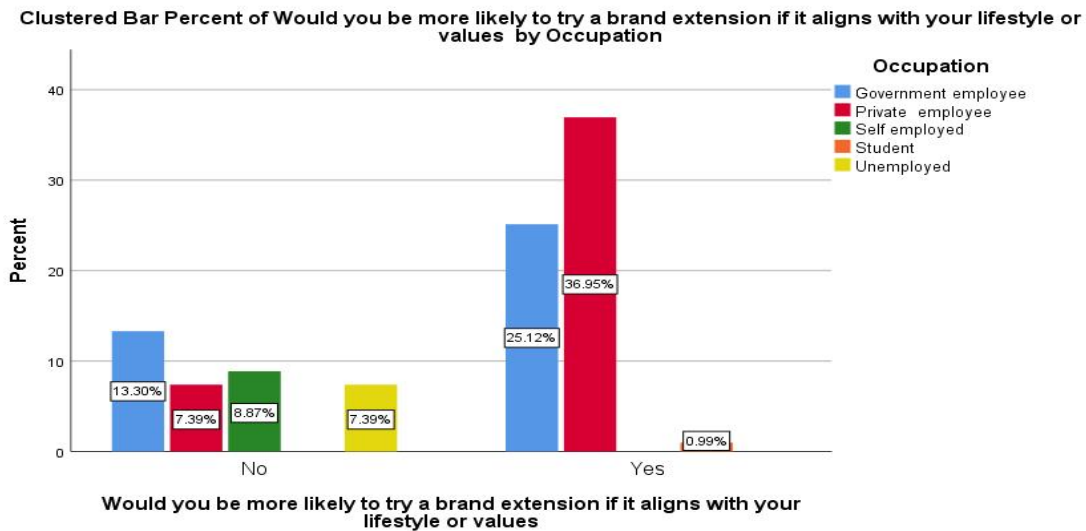


FIGURE 7



LEGEND: Figure 7 represents would you be more likely to try a brand extension if it aligns with your lifestyle or values with respect to gender of the respondents.

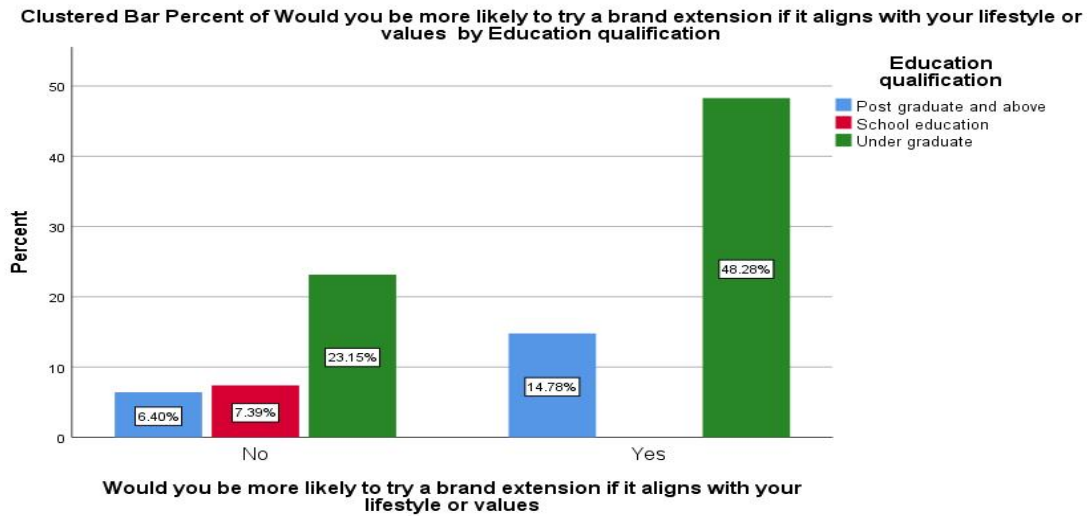
FIGURE 8



LEGEND: Figure 8 represents would you be more likely to try a brand extension if it aligns with your lifestyle or values with respect to occupation of the respondents.

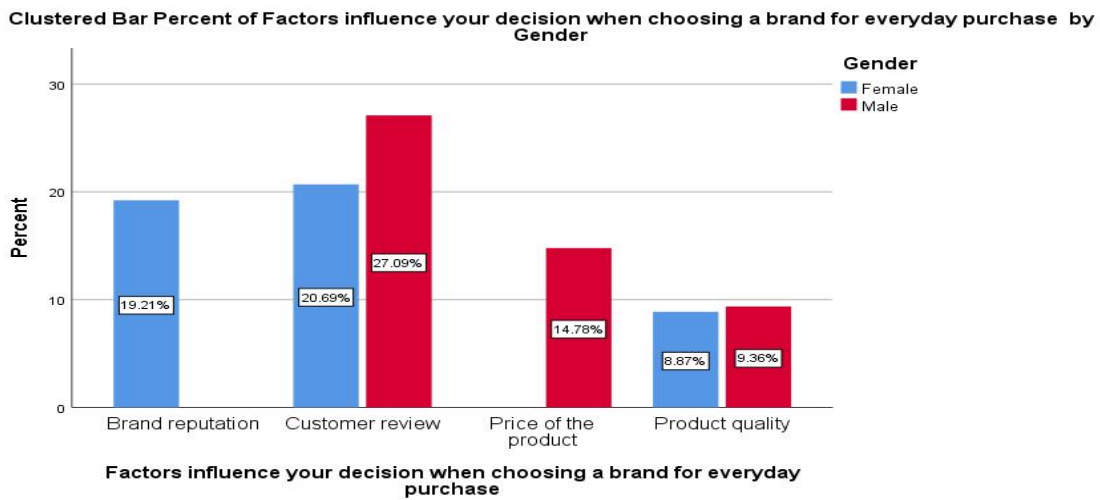


FIGURE 9



LEGEND: Figure 9 represents would you be more likely to try a brand extension if it aligns with your lifestyle or values with respect to education qualifications of the respondents.

FIGURE 10

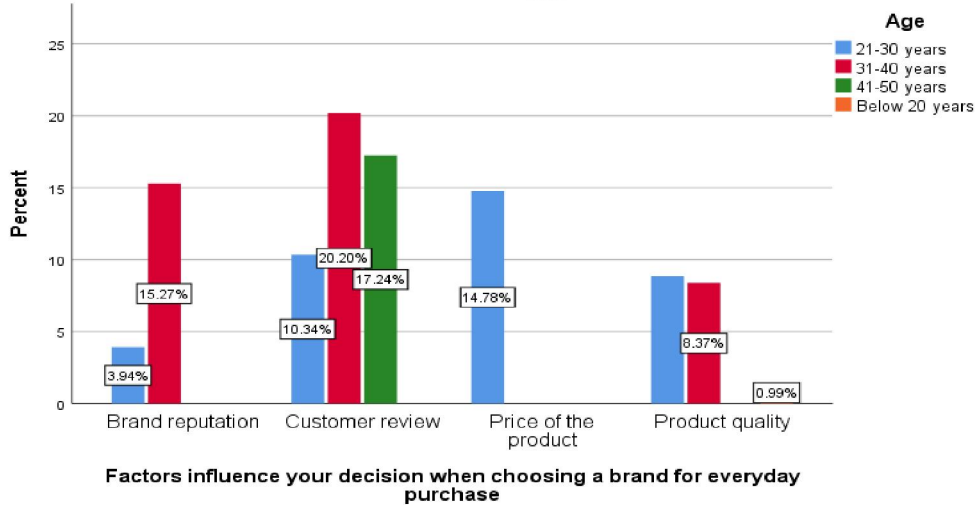


LEGEND: Figure 10 represents factors that influence your decision when choosing a brand for everyday purchase with respect to gender of the respondents.



FIGURE 11

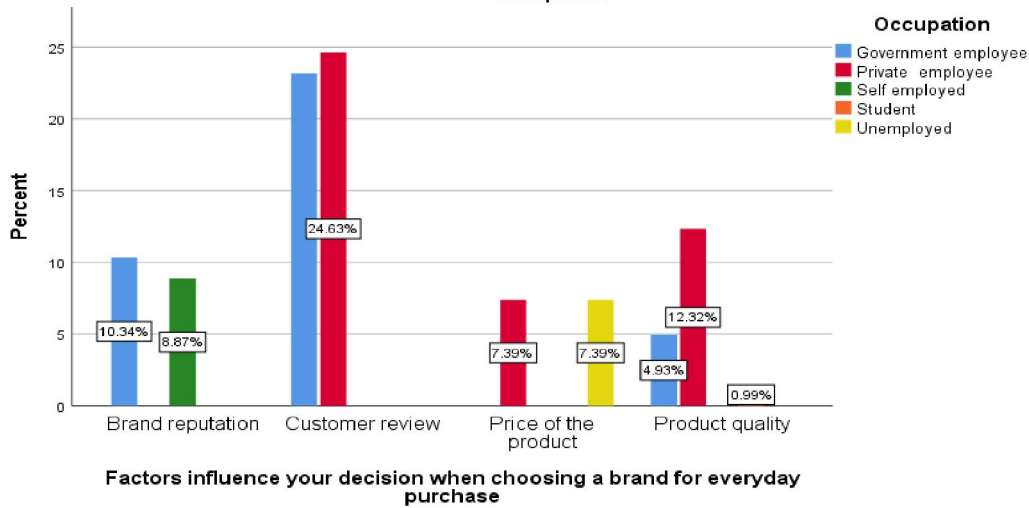
Clustered Bar Percent of Factors influence your decision when choosing a brand for everyday purchase by Age



LEGEND: Figure 11 represents factors that influence your decision when choosing a brand for everyday purchase with respect to age of the respondents.

FIGURE 12

Clustered Bar Percent of Factors influence your decision when choosing a brand for everyday purchase by Occupation



LEGEND: Figure 12 represents factors that influence your decision when choosing a brand for everyday purchase with respect to occupation of the respondents.



V. RESULT

In Figure 1, 63.05% of the respondents are likely to try a brand extension if it aligns with your lifestyle or values. **In figure 2**, 47.78% of the respondents states that customer reviews continue to play a significant role in influencing consumer decisions when choosing a brand for everyday purchases. **In figure 3**, 49.75% of the respondents agree that the familiarity of the brand significantly influences your decision to try a new product from the same brand. **In figure 4**, Approximately 54.68% of respondents indicated a high likelihood of purchasing a new product from a well-known brand that has recently extended its product line, giving it a rating of 10 out of 10 on the scale. **In figure 5**, Approximately 60.40% of the surveyed individuals express confidence in a brand extension as long as it upholds the same level of quality as the original product. This indicates a substantial portion of respondents who believe that maintaining consistent quality is a crucial factor in establishing trust for brand extensions. **In figure 6**, Among respondents aged 31-40 years, 28.57% expressed a positive inclination to try a brand extension if it aligns with their lifestyle or values. Additionally, 23.15% of respondents aged 21-30 years and 10.34% of those aged 41-50 years also indicated a likelihood of trying a brand extension that resonates with their lifestyle or values. **In figure 7**, 33.50% of females and 29.56% of males indicated a positive inclination, expressing a willingness to try a brand extension if it aligns with their lifestyle or values. **In figure 8**, 36.95% of those employed in the private sector and 25.12% of those working in government positions expressed a readiness to try a brand extension if it resonates with their lifestyle or values. **In figure 9**, 48.28% of undergraduates and 14.78% of postgraduates expressed a likelihood of trying a brand extension if it resonates with their lifestyle or values. **In figure 10**, 27.09% of male respondents and 20.69% of female respondents cited customer reviews as a significant factor influencing their decision when selecting a brand for everyday purchases. The options provided were brand reputation, customer reviews, price of the product, and product quality. **In figure 11**, Among respondents aged 31-40 years, 41-50 years, and 21-30 years, the majority cited customer reviews as a significant factor influencing their decision when choosing a brand for everyday purchases. Additionally, brand reputation, product quality, and price of the product were also acknowledged as important considerations, albeit to varying degrees among different age groups. **In figure 12**, Among government and private employee respondents, 24.63% highlighted customer reviews as a significant factor influencing their decisions when selecting a brand for everyday purchases. These individuals considered customer reviews alongside other options such as brand reputation, price of the product, and product quality when making their purchasing decisions.

VI. DISCUSSION

In Figure 1, most of the respondents are likely to try a brand extension if it aligns with your lifestyle or values because when customers see their values mirrored in a brand, they're likely to form an emotional attachment to that brand, seeing it as an extension or representation of their identity. **In figure 2**, most of the respondents states customer reviews continue to play a significant role in influencing consumer decisions when choosing a brand for everyday purchases because customer reviews still hold substantial influence in shaping purchasing decisions. Online platforms, social media, and dedicated review websites often serve as valuable sources of information for consumers seeking insights into the quality, reliability, and overall satisfaction with a particular brand or product. **In figure 3**, most of the respondents agree that the familiarity of the brand significantly influences your decision to try a new product from the same brand because the familiarity of a brand creates a foundation of trust and positive associations, making consumers more comfortable and willing to explore new products from that brand. Brands invest in maintaining this positive image to capitalize on consumer loyalty and encourage them to continue choosing their products. **In figure 4**, the reasons behind the high likelihood of purchasing a new product from a well-known brand with a recently extended product line involve a combination of trust, loyalty, familiarity, positive brand image, perceived lower risk, and effective marketing strategies. These factors collectively contribute to the strong positive response from the surveyed individuals. **In figure 5**, The reason behind the significant percentage (60.40%) of respondents expressing trust in a brand extension when it maintains the same quality as the original product lies in the importance consumers place on consistent quality. The trust is intricately linked to the brand's reputation, the fulfillment of consumer expectations, risk mitigation, brand loyalty, positive associations, competitive advantage, and positive word of mouth. **Figure 6**, the reasons behind the expressed likelihood to try a brand extension among respondents in various age groups are rooted in the alignment of



the extension with their lifestyles, values, brand identity, personalization preferences, cultural relevance, authenticity, and the creation of a meaningful emotional connection. Brands that understand and cater to these aspects have the potential to appeal to a broader consumer base. **Figure 7**, the variance in responses between male and female respondents regarding their willingness to try a brand extension aligned with their lifestyle or values reflects the nuanced interplay of several factors. Gender-specific preferences, tailored marketing and branding strategies, perceived relevance of the extension, social influences, and personal connections to the brand all contribute to shaping individuals' attitudes and behaviours. **Figure 8**, the reasons behind the differing responses between private and government employees likely involve a combination of workplace culture, income levels, risk perception, brand perception, and the effectiveness of marketing strategies. **Figure 9**, the differing responses between undergraduates and postgraduates likely stem from a combination of demographic differences, awareness levels, financial considerations, psychological factors, educational influences, and social dynamics within their respective academic contexts. **Figure 10**, the differing percentages between male and female respondents regarding the influence of customer reviews on brand selection likely stem from variations in information gathering preferences, trust in peer opinions, emphasis on social proof, attention to detail, relationship-building tendencies, and risk reduction strategies. **Figure 11**, the prevalence of customer reviews as a key factor in brand choice for everyday purchases underscores their influential role in shaping consumer behaviour. As consumers seek validation, transparency, and risk reduction in their buying decisions, customer reviews continue to serve as a valuable source of information and guidance. **Figure 12**, the consideration of customer reviews by government and private employee respondents reflects the importance of peer feedback, transparency, risk reduction, relevance, comparison, trust, and brand perception in shaping consumer behaviour and decision-making processes.

VII. LIMITATIONS

The Major limitation of the study is the sample frame. The sample frame Collected mostly through online platforms like sending mail, sending links via WhatsApp is the limitation of the study. The sample size is another drawback of the research. Collection of data via online platforms is limiting the researcher to collect data from the field. Since the data is collected on an online platform wherein the researcher does not know the real opinion of the respondents .The researcher could only come to an approximate conclusion of what the respondent is feeling to convey.

VIII. CONCLUSION

Brand Extension is a highly competitive business landscape, companies are constantly seeking innovative strategies to stay ahead and capture the attention of their target consumers. One such strategy that has gained significant traction in recent years is brand extension. Brand extension refers to the process by which a company leverages its existing brand equity and reputation to introduce new products or enter different markets. By extending their established brands, companies can benefit from the familiarity, trust, and loyalty associated with their existing offerings. This strategic approach allows them to expand their reach, diversify their product portfolios, and tap into new customer segments, all while minimizing the risks and costs typically associated with launching entirely new brands. Brand extension is a strategic approach employed by companies to leverage their existing brand equity and enter new markets or introduce new products. When executed effectively, brand extension can lead to increased market share, enhanced customer loyalty, and overall business growth. However, it requires meticulous planning, market research, and a deep understanding of the brand's core values to ensure a successful extension while maintaining the brand's integrity.

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