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Consumer evaluation of brand extension: Pakistani context

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Brand extension strategy, based on the idea that the built-in value of the familiar brand name is transferable to new products. The major aim of this research paper was to find out that how consumer evaluate brand Extension. Authors have used four variables to establish the relationship with the dependent variable "consumer evaluation" of brand extension. The variables used in the study were listed as (1) Innovativeness (2) Multiple Brand extensions (3) Brand concept and consistency (4) Brand extension fit. In addition, four real life brands have been used as stimulus in this study. Questionnaire was developed and through Convenience sampling; it was administrated among sample population of 110. Regression analysis was used as statistical tool to analyze the relationship among dependent and independent variables. The findings showed that Consumer evaluation would be positive for those brand extensions that have a strong reputation for introducing multiple brands. Likewise, there was a positive relationship between consumer level of innovativeness and how consumer evaluates brand extension. Innovative consumers were more positive and favorably inclined towards brand extensions.

Key words: Brand extension, product management, regression analysis, consumer evaluation.

INTRODUCTION

As current reviews of the literature indicated (Czellar, 2003; Grime et al., 2002), there has been a plethora of research on consumer attitudes to and evaluation of brand extensions and on their impact on the 'equity' of the parent brand. Particularly much of this research has been of generalization and replication kind, particularly of Aaker and Keller's (1990) paper (Sunde and Brodie, 1993; Bottomley and Doyle, 1996). Aaker and Keller (1990) in the paper "Consumer Evaluations of Brand Extensions" conducted an exploratory research in the consumer product setting to gain knowledge on how consumers form attitudes toward brand extensions strategy by testing 4 hypotheses based on 6 deep-rooted successful brands, 20 hypothetical brand extensions (e.g. Heineken beer to Heineken wine and Heineken popcorn) and having sample size of 107 respondents. The authors concluded that the attitude was favorable toward the extensions when there was both a perception of "fit" between the original brand and the new extended products along one of three dimensions and a high quality perception for the original brand. However, the validity of the original brand extension studied in the FMCG setting conducted in North America has not been tested in the service and Pakistan's context.

However, quite a small amount of researchers have examined how managers choose whether to launch a new product as a line extension or as a second brand or the planning and decision process underlying such marketing decisions (Amber and Styles, 1997). In the last few decades, researchers have made noteworthy contributions and aid for explaining how consumers evaluate brand extension (Riley et al., 2004)

A well-established and successful brand name can be used to launch new products since it decreases the

chances of failure and the risk of introducing a product into a new territory by equipping consumers with the familiarity of and knowledge about an established brand (Aaker and Keller, 1990). Even, a well-known brand name will capture the consumer's awareness and may direct or guide to new product trial intention. The tactic of launching new products can be successful but it still possesses some threats. Undeniably, the launching from 30 to 35% of new products mostly fails and performs disastrously. Reason being few factors like the high cost of advertisement and marketing and the intense competition; therefore it becomes extremely difficult and tuff to launch new products in the market.

Brand extension strategy was extremely important decision. Primarily reason as it has some threat as well as opportunities associated with the strategy (Ries and Trout, 1981). The wrong decision and extension in wrong category could create damaging image that may be costly to change. The failure of launch affects the extension strategy and even disrepute existing brand name may be through brand dilution and this has been cited by authors like Ambler and Styles (1997) and also by Martinez and Chernatony (2004). Overall, if the judgement was wrong, one can lose substantial time and resources and other market opportunities lost (Aaker and Kelller, 1990). Therefore, in order to be on familiar terms with the factors that most affect the brand extension success was important matter for the scholastic researchers and the marketing practitioners. If marketers know the phenomena regarding how and which factors are considered by the consumers and that lead to positive and favourable attitude/perception towards "the extension" this secrete will steer companies to develop successful growth strategies in an blue oceans and untapped emerging market while keeping all pros and cons of extending.

Against this background, this research study seeks to make a number of important contributions to brand extension research by offering a large-scale empirical study that overcomes the discussed limitations of past research at least to a certain extent.

Problem statement

Over the last few decades failure rates of new product have increased tremendously; therefore, firms have reverted back to brand extension strategy to launch new brand, because of in-built advantages including its high acceptability, low promotion cost and comparatively less chances of failures. Despite these advantages still companies were facing trouble launching new brands through Brand extension. Therefore, various marketing researchers have been focusing in finding the factors that consumers use for "evaluating the brand extension", or the factors that invariably contributes towards the failure or success of brand extension strategy. The focus of this

study was to identify the variables that consumers uses for evaluating brand extension. The variables used in this study were (1) Innovativeness, (2) multiple brand extensions (3) Brand Concept Consistency (4) brand extension fit. The relationships of these independent variables, with the dependent variable "consumer evaluation" of brand extension will help and assist marketers to use brand extension strategy more effectively and successfully in the planning process.

PREVIOUS RESEARCH

The roots and traces of branding go way back in ancient history. In ancient Egypt, brick makers used to stamp symbols on bricks for identification and distinction purposes (Farghuhar, 1990). On the other hand ancient farmers even used burning method to put symbols on cattle with the help of hot iron (Nilson, 1998). In real meaning, a brand identifies the seller or maker. Brand can be name or noun, trademark, logo, or other symbol. Under the registered trademark or patent law, exclusive rights were given to the seller to use brand name in perpetuity. Branding should be used for creating brand awareness and developing associations in accordance with the firm's strategic goals (Keller, 1998).

Significance of brand equity, stress a need for a more realistic experience and relative research to asses and validate the usefulness of brand evaluation methods (Farquhar, 1990). The recent events of merger and acquisition trends have also inevitably improved the importance of measuring brand equity (Tauber, 1988). The task of brands was so far beyond product differentiation or competing for market share. They were gathered annuities which the firm can obtain from its balance sheet (Tauber, 1998).

Through brand equity organization can create a strong competitive edge over competitors, 'through building awareness, image, and linking associations' (Keller, 1998). A well-established brand would always have enhanced insight of needs, wants, and preferences of consumers than the brands that were not competitive at all in the market. Consequently strong and renowned brands would assist in creating effective marketing programs that could go past consumer expectations from the product offering (Keller, 1998).

Brand equity was one of the most important resources that a firm can have, and brand equity measurement/ calculations and management continue to be important fields of research in both academics and industry. Most of the research studies on brand equity have looked at the problem from the point of view of either the consumer or the company. Brand equity research from a consumer's viewpoint usually involves accumulating data on consumer frame of mind measures of brand equity from the consumer through assessment or experiments, and using the data to assess the consumer's perceptions,

feelings, and attitudes towards the brand. It may also involve gathering data on the consumer's exposed liking behavior, using self-reported or actual purchase data, and using it to assess the increasing value that the brand name has on the consumer's value and the consequential choice behavior. To increase the equity of the brand, a common and most obviously practiced strategy was to extend brands. This Brand extension strategy allows companies to reduce financial risks, risk of losing market, failure and costs of launching new products (Tauber, 1981, 1985); hence forth increasing sales/profit (Roedder et al., 1998) and market share of the company (Smith and Park, 1992); and be able to charge a premium price (Swait et al., 1993). Brand Extension strategy may also enhance and facilitate a brand's awareness, widen a brand's attributes and add value to a brand (Levy, 1997; Milberg et al., 1997) and increase the consumer perceived value too (Aaker, 1990; Keller, 2003). For successful brand extensions, consumers have to be able to expand the scope of the brands image and information signal to other part; suppliers have to be clever enough to increase the number of consumers that will accept the improved image and information function of the extension .

Brand development strategy includes decisions related to brand extension, line extension, multi branding, developing new brands and brand rationalization (Kotler and Armstrong, 2005).

Line extension

Line extension was extending the existing brand names to new forms, sizes and flavors of an existing product category under the same brand name For example, Colgate has extended its brand name in the toothpaste category from Colgate to Colgate gel, Colgate herbal, Colgate sensitive, Colgate calciguard and Colgate total (Kotler and Armstrong, 2005).

Multi brands

It involves introduction of additional brands in the same product category. For example, PNG in Pakistan markets many different brands in each of its product categories (Kotler and Armstrong, 2005).

New brands

It involves creation of new brand names especially when entering a new product category. For example, Coca Cola entered the mineral water bottle segment with a new band name Kinely and Honda created the Acura brand to differentiate its luxury car from its established Honda line (Kotler and Armstrong, 2005).

Brand extension

A brand Extension involves extending a successful brand name to launch another new product, either in the same or a different product category. As the cost of establishing a new brand was high, brand extension can be a useful tool for the cost effective launch of a new product. Familiarity with an existing brand also helps both customers and marketers. Customers extend the qualities associated with the existing brand to the new brand. Market acceptance of the new product becomes faster. Maggi has been extended from noodles to product lines in related categories like Maggi ketchup, Maggi soup, etc. (Kotler and Armstrong, 2005).

Quite a lot of methods were available for "accomplishing" brand extensions, including horizontal extension, distance extension, and vertical extension (Pitta and Katsanis, 1995). When organization uses the existing brand name for extending into a new product in the same product class or to a product category new to the firm product grid, termed as horizontal extension (Pitta and Katsanis, 1995). Horizontal extension further can be extended into two categories. First was line extension and second was franchise extension. According to Aaker and Keller (1990), the focus of these brand categories like line and franchise was diverse (Aaker and Keller, 1990). Using an existing brand name and same product class for entering a new market segment falls in the category of line extension. Examples of line extensions were Pepsi and Diet Pepsi. Another such example of line extensions were shampoos for different customers such as dry hair, oily hair, and dandruff hairs, etc. This line extension strategy was normally successful in the same category for extensions as the core product. In contrast, Franchise extension was a strategy of using current brand name for entering a product category that was new to the company (Tauber, 1981).

If the core brand was extended into related or similar category it was termed as "close extension". Extending to unrelated product category was called "Distance extension". In this scenario and circumstances overall quality association of core brand was vital for success of the extended brand. Distancing was a purposeful attempt to raise and improve the perception of the core brand and extension product (Kamal, 2003). Whereas using umbrella branding; same brand name was used for a number of products the firm must make sure and take care of that the quality perception of the core products has also been transmitted to all extensions of the firm (Erdem, 1998).

Similarly when organizations launch "related brands" in the same product category with visible differences in price and quality levels; this kind of extension was called vertical extension. The vertical extension has 2 directions. If the new product; was highly priced and of higher quality level, it will be termed as up-scaling. On the

other hand, if the extended brand quality was low and was also of lower pricing it will be called as down scaling (Kamal, 2003).

It was stated that perception was crucial in the decision-making process. In a market where branding was used, products were no longer only purchased for the functional characteristics, but primarily for the social or in some cases, psychological identity product expressed (Foxall, 1980). Building on these concepts, one can elaborate on these concepts by outlining two determinants that influence a consumer's perception of brands. These two factors were stimulus discrimination and stimulus generalization (Erdem, 1998).

Positioning was vital with brand extensions as it may alter the fit with their two relevant knowledge sources – the parent brand and extension's category. As brand extension knowledge can stem from the parent brand and category, its formation should be an inference process. Inferencing was the mixture of multiple sources of knowledge into one judgment formation (Sheinin, 1998).

HYPOTHESES

The problem discussed in this paper is how consumers evaluate brand extension. In order to address the concerned problem the following four hypotheses were formed and tested:

H1: Consumers' level of innovativeness has a positive impact on their evaluation of brand extension.
H2: Consumer evaluation is positive for those brand extensions that have a strong reputation for introducing multiple brands.
H3: The "consumer's brand evaluation" is positive for those brands that have more "concept consistency"
H4: The "consumer perception fit" between the core brand and extended brand has a positive impact on the "consumer evaluation of the brand"

RESEARCH METHOD

This research paper tried to find out that how consumers evaluate brand extensions. The research has been designed such that it fulfills the entire requirement and also does justice to the cause. In Pakistan there were more than 30 to 35 brand extensions associated to FMCGs. Thus from all the extensions so far, the following four brand extensions were finalized, each representing different level of synergy amongst them:

1. "Tapal Danedar namely, Tapal Family mixture"
2. "Lifebuoy Soap namely, Shampoo"
3. "Gillette shaving cream namely, Gillette cream for women"
4. "Dettol Antiseptic namely, Dettol hand washing Liquid"

In this study, primary and secondary sources were used. For data collection, instrument used for this research study consist of questionnaire and SPSS 17.0 statistical analysis as a tool. For data analyzes using SPSS, the regression model technique was used.

Multiple regression was carried out keeping in view the nature of the hypothesis and the data, and was used to explore the linear relationship between criterion (dependent variable) and predictor (independent variables).

Multiple regression analysis was a general statistical technique applied to examine the relationship among a single dependent variable and several independent variables. Questionnaire was developed based on Keller and Aaker's (1992) model. Questionnaire was utilized to collect the socio–economic information of sample respondents. Even respondents were asked to rate their perception regarding four independent variables having four different brand extensions. The Cronbach's Alpha was .702, which showed very good level of reliability of data. The target sample was the regular grocery shoppers. Research questionnaire was filled out by 110 respondents. Respondent did not have equal chance to be part of this research study and the sample respondents were drawn on the basis of convenience. Henceforth convenience sampling method was used. The dependent and independent variables of this study are presented as follows along with discussions on how they were measured.

Dependent variable

Consumer evaluation of brand

"Consumer evaluation" of brand extension was the dependent variable for this study. This variable was used by Keller and Aaker (1992) and they used the following statement for measuring overall evaluation: "I am very positive to the extension of the "XYZ." In this study, the same was used for measuring "Consumer Evaluation" of brand extension. Reference may be made to question No. 8 of the questionnaire attached as Appendix 1.

Independent variables

Innovativeness

In this research study, five statements have been used for measuring innovativeness: (1) "I am continuously seeking new ideas"; (2) "When things get boring, I like to find some new experiences"; and three other questions were developed. These questions were measure on 1 to 5 likert scale rating, 1 being "totally disagree" and 5 being "totally agree" with the statement.

Multiple brand extensions

Aaker (1992) has found a relationship between the brand extension history and the consumer evaluation of the brand. Respondents in this study were asked to rate the history of introducing multiple brand extensions.

Parent brand consistency

The independent variable, parent brand consistency was defined by Park et.al. (1991) in terms of "price perception" and "product design perception". The respondents in this study were asked to rate the four selected core brands in terms of "price perception" and "design perception".

Brand extensions fit

The independent variable was defined by Aaker and Keller (1990) and Keller, (1992), in terms of (1) Complimentary, (2)

Substitutability (3) Transferability and (4) Difficulty. In this context, the respondents were asked to rate the four brands in terms of these four sub dimensions.

HYPOTHESES TESTING AND RESULTS

Results of testing H1

H1: Consumers' level of innovativeness has a positive impact on their evaluation of brand extension.

The following methods were use to test H1: The impact of independent variable consumer level of "Innovativeness" was, also, measured with the dependent variable consumer evaluation of brand extensions that is "Tapal Danedar e.g., Tapal Family mixture", "Lifebuoy Soap e.g., Shampoo"," Gillette shaving cream e.g., Gillette cream for women" and "Dettol Antiseptic e.g., Dettol hand washing Liquid".

The multiple estimating regression equation for the above variables (Equation 1):

$$Y = \alpha + b_1 \text{Innovativeness} \qquad (1)$$

Where "Y" = average of consumer evaluation of Brand Extension, (1) "Tapal Danedar e.g., Tapal Family mixture", (2) "Lifebuoy Soap e.g., Shampoo", (3)" Gillette shaving cream e.g., Gillette cream for women" and (4) "Dettol Antiseptic e.g., Dettol hand washing Liquid"

The summarized multiple regression results for hypothesis 1 are presented in Table 1.

Table 2 gives the ANOVA of H1 which shows that F< 0, meaning it was significant. Moreover, all the P values were less than .05, further confirming the relationship of the model. The R^2 was .146, which indicated and showed that the combined and collective effect of the independent variable causes the dependent variable to increase by 14%, which was a very weak relationship.

Innovative consumers tend to evaluate brand extension more positively (coefficient of determination being .443) (Table 3). Firms that were extending their brands should target consumers that have high level of "innovativeness".

Results of testing H2

H2: Consumer evaluation would be positive for those brand extensions that have strong reputation for introducing multiple brands.

The following methods were use to test H2: The independent variable "Multiple brand extension" was measured using stimuli "Tapal Danedar e.g. Tapal Family mixture", "Lifebuoy Soap e.g., Shampoo"," Gillette shaving cream e.g., Gillette cream for women" and "Dettol Antiseptic e.g., Dettol hand washing Liquid". The multiple estimating regression equation for the independent variables is given in Equation 2:

$$Y = \alpha + b_1 \text{Multiple-Brand-ExtensionTapal-Tea} + b_2 \text{Multiple-Brand-ExtensionLifebuoy} + b_3 \text{Multiple-Brand-ExtensionGillette} + b_4 \text{Multiple-Brand-ExtensionDettol} \qquad (2)$$

The summarized multiple regression results are presented in Table 4.

The hypothesis that at least one of the independent variables will have a relationship with the dependent variable "consumer evaluation" of the brand was accepted. Table 5 gives the ANOVA results of H2 which shows that the F< 0, meaning was significant. Moreover the P values of Lifebouy and Dettol were less than .05 whereas that of Tapal and Gillette was more than 5. This indicates that Lifebouy and Dettol validate the model while Tapal and Gillette does not. It also means that consumers' evaluation for Tapal and Gillette extension would not increase with the multiple brand extension. The coefficients of Tapal tea, Lifebuoy, Gillette and Dettol in reference to multiple extensions were -.053, .212, .010 and .167, respectively indicating that the consumers while evaluating Lifebuoy soap and Dettol were not influenced with the reputation of multiple extensions. In fact, it has diluted the brand reputation (Table 6).

The R^2 was .116, which indicated and revealed that the combined and collective effect of the independent variables caused dependent variable to increase by 11.6%, which was a very weak relationship.

Firms must not go for all kind of extensions, as it would have adverse effect on parent brand and would also adversely affect reputation of the parent brand.

Results of testing H3

H3: The "consumer's brand evaluation" would be positive for those brands that have more "concept consistency"

The following methods were used to test H3: The brands "Tapal Danedar for example, Tapal Family mixture", "Lifebuoy Soap for example, Shampoo"," Gillette shaving cream for example, Gillette cream for women" and "Dettol Antiseptic for example, Dettol hand washing Liquid". The combined relationships of these stimuli in terms of: (1) design, and (2) price, with overall evaluation were tested using multiple regressions technique. Multiple estimating regression equation for brand extensions was used as stimuli (Equation 3):

$$Y = a + b_1 \text{PriceTapal} + b_2 \text{Price Lifebuoy} + b_3 \text{PriceGillette} + b_4 \text{PriceDettol} + b_5 \text{DesignTapal} + b_6 \text{DesignLifebuoy} + b_7 \text{DesignGillette} + b_8 \text{DesignDettol} \qquad (3)$$

Summarized multiple regression results were presented in Table 7.

The hypothesis that at least one of the independent variables will have the relationship with the dependent variable "consumer evaluation" of brand was rejected. Table 8 gives the ANOVA results of hypothesis 3 which

Table 1. Result of multiple regression for hypotheses 1.

R	R²	Adjusted R²	Standard. error of the estimate	Change Statistics				
				R² change	F change	Degree of freedom 1	Degree of freedom 2	Sig. F change
.382[a]	.146	.138	.78285	.146	18.442	1	108	.000

Table 2. ANOVA for hypotheses 1.

Model		Sum of squares	Degree of freedom	Mean square	F	Significant values
	Regression	11.302	1	11.302	18.442	.000[a]
1	Residual	66.188	108	.613		
	Total	77.491	109			

Table 3. Result of coefficients for hypotheses 1.

Model	Un-std. coefficients		Std. coefficients	T	Sig.	Collinearity	
	B	Standard error	Beta			Tolerance	VIF
(Constant)	1.842	.350		5.267	.000		
1 Overall innovativeness of respondents	.443	.103	.382	4.294	.000	1.000	1.000

Table 4. Result of multiple regression for hypothesis 2.

Model	R	R²	Adjusted R²	Std. error of the estimate	Change statistics				
					R² change	F change	Degree of freedom1	Degree of freedom 2	Sig. F change
1	.341[a]	.116	.083	.80749	.116	3.461	4	105	.011

Table 5. ANOVA for hypothesis 2.

	Sum of squares	Degree of freedom	Mean square	F	Significant value
Regression	9.027	4	2.257	3.461	.011[a]
Residual	68.464	105	.652		
Total	77.491	109			

Table 6. Result of coefficients for hypothesis 2.

Model	Un-std coefficients		Std. coefficients	t	Significant values
	B	Std. error	Beta		
Constant	2.234	.486		4.597	.000
MB by Tapal	-.053	.083	-.064	-.642	.522
1 MB by Lifebuoy	.212	.086	.233	2.467	.015
MB by Gillette	.010	.075	.012	.127	.899
MB by Dettol	.167	.075	.213	2.238	.027

shows that F> 0, meaning it was insignificant. Moreover, all the P values were more than .05. This indicated that all variables of Brand Concept Consistency do not validate the model. The R2 was .022, which indicated and showed that the combined and collective effect of the independent variables causes the dependent variable to

Table 7. Result of multiple regression of hypothesis 3.

Model	R	R^2	Adjusted R^2	Std. error of the estimate	Change statistics				
					R^2 change	F change	Degree of freedom1	Degree of freedom 2	Sig. F change
1	.149[a]	.022	-.055	.86620	.022	.285	8	101	.970

Table 8. ANOVA hypothesis 3.

Model		Sum of squares	Degree of freedom	Mean square	F	Significant
1	Regression	1.710	8	.214	.285	.970[a]
	Residual	75.781	101	.750		
	Total	77.491	109			

Table 9. Result of coefficients of hypothesis 3.

Model		Un-std. coefficients		Std. coefficients	t-values	Significant value
		B	Standard error	Beta		
1	Constant	3.457	.588		5.881	.000
	Price perception of Tapal	-.009	.100	-.010	-.088	.930
	Price perception of Lifebuoy	.073	.096	.089	.764	.447
	Price perception of Gillette	-.066	.103	-.078	-.639	.524
	Price perception of Dettol	-.023	.099	-.028	-.232	.817
	Design perception of Tapal	.057	.112	.065	.506	.614
	Design perception of Lifebuoys	-.002	.118	-.002	-.013	.989
	Design perception of Gillette	-.025	.106	-.030	-.236	.814
	Design perception of Dettol	-.023	.120	-.026	-.195	.846

move by only 2%, which was an indication of very weak relationship (Table 9).

Results of testing H4

H4: The "consumer perception fit" between the parent brand and extended brand would have a positive impact on the "consumer evaluation of the brand".

Following methods were used to test H4: The independent variable "perceived fit" comprised of three sub-variables, which were, (1) complimentary (2) substitute, and (3) transferability. These sub-variables of perceived fitness were measured for stimuli "Tapal Danedar e.g., Tapal Family mixture", "Lifebuoy Soap e.g., Shampoo", "Gillette shaving cream e.g., Gillette cream for women" and "Dettol Antiseptic e.g., Dettol hand washing Liquid". The multiple estimating regression equation for H4 variables are given in Equation 4:

$$Y = a + b_1 ComplimentaryTapal\text{-}Tea + b_2 SuplimentaryTapal\ Tea + b_3 Tranferabiity\ Tapal\ Tea + b_4 ComplimentaryLifebuoy + b_5 SuplimentaryLifebuoy + b_6 TranferabiityLifebuoy + b_7 ComplimentaryGillette +$$

$$b_8 SuplimentaryGillette + b_9 TranferabiityGillette + b_{10} ComplimentaryDettol + b_{11} SuplimentaryDettol + b_{12} TranferabiityDettol \tag{4}$$

The hypothesis that at least one of the independent variables will have the relationship with the dependent variable "consumer evaluation" of the brand extension was rejected. Table 11 present the ANOVA results of hypothesis 4 which shows that F> 0, meaning it was insignificant. Moreover, all the P values were more than .05. This showed that these variables have no relationship with the dependent variable that is consumer evaluation of brand. R2 was .114, which indicated that the collective effect of the independent variables causes dependent variable to shift by 11%, which was an indication of a very weak relationship (Tables 10 and 12).

Accepted hypotheses

H1: Consumers' level of innovativeness has a positive impact on their evaluation of brand extension.
H2: Consumer evaluation is positive for those brand extensions that have a strong reputation for introducing

Table 10. Result of multiple regression for hypothesis 4.

Model	R	R^2	Adjusted R^2	Standard error of the estimate
1	.337[a]	.114	.014	.83717

Table 11. ANOVA for hypothesis 4.

Model		Sum of squares	Degrees of freedom	Mean square	F distribution	Significant value
1	Regression	8.807	11	.801	1.142	.338[a]
	Residual	68.684	98	.701		
	Total	77.491	109			

Table 12. Result of coefficients for hypothesis 4.

Model		Un-standardized coefficients		Standardized coefficients	T value	Significant value
		B	Standard error	Beta		
	Constant	3.327	.570		5.837	.000
	How much Tapal Danedar compliments Tapal Family mixture?	.056	.066	.097	.850	.398
	How much Tapal Danedar is substitute of Tapal Family mixture?	-.044	.088	-.057	-.496	.621
	How much Transferability is there between Tapal Danedar and Tapal Family mixture?	-.058	.097	-.068	-.597	.552
	How much Lifebuoy Soap compliments Lifebuoy Shampoo?	.153	.086	.216	1.791	.076
	How much Lifebuoy Soap is substitute of Lifebuoy Shampoo?	-.052	.092	-.066	-.563	.575
1	How much Gillette Shaving cream compliments Gillette creams for women?	.037	.088	.057	.423	.673
	How much Gillette Shaving cream is substitute of Gillette creams for women?	.027	.092	.039	.292	.771
	How much Transferability is there between Gillette Shaving cream and Gillette creams for women?	.012	.072	.020	.173	.863
	How much Dettol Antiseptic compliments Dettol Washing Soap?	-.099	.077	-.158	-1.282	.203
	How much Dettol Antiseptic is substitute of Dettol Washing Soap?	-.146	.088	-.215	-1.650	.102
	How much Transferability is there between Dettol Antiseptic and Dettol Washing Soap?	.148	.075	.226	1.975	.051

multiple brands.

Rejected hypotheses

H3: The "consumer's brand evaluation" is positive for those brands that have more "concept consistency"
H4: The "consumer perception fit" between the core brand and extended brand has a positive impact on the "consumer evaluation of the brand"

SUMMARY AND CONCLUSION

In this research study, authors studied how consumers evaluate brand extension. Using Data collected through questionnaire by convenience sampling in Karachi. The Research objectives were to, (A) identify the factors that affect how consumers evaluate brand extensions, (B) Develop an empirical model of Consumer Evaluation of Brand Extension showing relationships of the variables and validate the model. While going through the related literature, several variables were found to have relationships on how consumers evaluate the brand extensions. The variables used in the empirical models as shown in Figure 1 are: (1) Innovativeness (2) multiple brand extensions (3) Brand concept and consistency (4) Brand extension fit. The theoretical explanations of various authors were used for discovering the determinants of the aforementioned variables. Data collected was analyzed using multiple regression; H1 and H2 were accepted.

1. Innovative consumers tend to evaluate brand extension more positively (coefficient of determination being .443). The firms that were extending their brands should target the consumers that have high level of innovativeness.
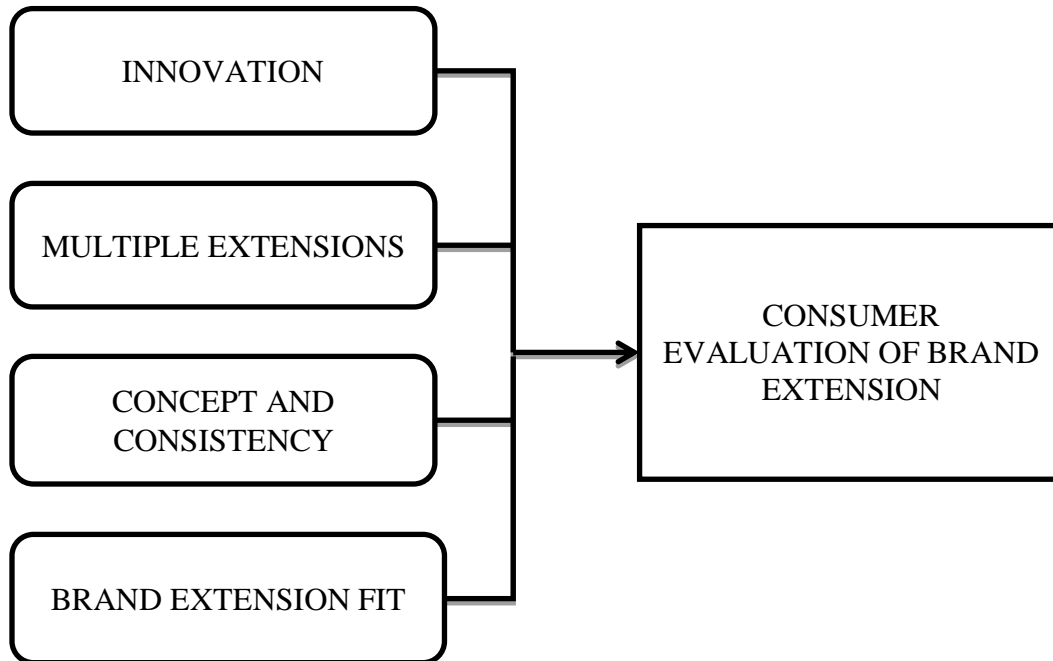
Figure 1. Empirical model of brand extension evaluation.

2. The R2 was .116, which indicated and showed that the combined effect of the independent variables causes dependent variable to move by 11.6%, which was a very weak relationship. Firms must not go for all kind of extensions, as it would have adverse effect on parent brand and would also adversely affect reputation of the parent brand.

3. Company must not extend their brands to the category that consumer would hate to assume it as substitute or complement.

4. The firms must go for extensions (multi-branding) as it would have favorable effect on the parent brand and would also favorably affect the reputation of the parent brand.

LIMITATION OF RESEARCH STUDY

The limitations included other possible variables apart from the selected, and any issues related to statistical analysis assumptions.

The first limitation was the failure to include other potentially relevant variables in this study. The Data Collection instrument was adapted from replication of Aaker and Keller researches. The previous instrument had demonstrated reliability and validity, but it was not specifically developed for use in Pakistani context. It was possible that factors specific to the Pakistani consumer were omitted from this study. Other factors could have an influence on consumer evaluation and should be taken into consideration when reviewing this study. These

omissions also provide opportunity for further research. The final limitation was related to statistical analysis.

According to Alreck and Settle (1995), statistical analysis is the process of calculation and manipulation of sample data in order to suppress the details and makes the relevant facts and the most visible and significant relationships, and generate statistics to make inferences about the population as a whole (Boeve, 2007).

In the conduction of statistical analysis, certain assumptions have valid results on only quantitative data. Significant information can be gained from qualitative data as well. This study statistically evaluated only quantitative data and assumed full response to all questions by all participants. However, the statistical analysis did not account for a responder's decision to skip questions.

FUTURE RESEARCH

In the world of brand extension, brand equity and brand personality were one of the most abstract attributes and it was quite difficult to get the general answer for the intangible quality of research topic. While writing this research, authors believed that there were many creative ways through one can get to gain imminent understanding about the art and laws of branding. In future research, it would be inspiring to pose the question, "Could one product extend its brand personality so that it creates the differentiation as an alternative of going for brand extension strategy?" The focus of this research

was on the B2C consumers and only four brands were taken into account. Moreover, impacts of consumer brand extensions on brand equity can be calculated with respect to both B2C and B2B consumers. To allow a broader generalization, future research needs to be undertaken with a greater variety of brands and variables.

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Appendix 1. Questionnaire.

SIMILARITY			
Q1	Rate the "**similarity**" of the following brand extensions on the scale of 1-5.		
	Five being "**very similar**" and one being "**not similar**" at all		
	PARENT BRAND	**EXTENDED BRAND**	
1.1	Tapal tea	Tapal tea bag	5 4 3 2 1
1.2	Lifebuoy soap	Lifebuoy shampoo	5 4 3 2 1
1.3	Sufi vegetable oil	Sufi soap	5 4 3 2 1
1.4	Woodward grip water	Woodward tooth paste	5 4 3 2 1
REPUTATION			
Q2	Rate the "**reputations**" of the following Parent brands on the scale of 1-5.		
	Five being "**very high reputation**" and one being "**very low reputation**".		
	PARENT BRAND		
2.1	Tapal tea		5 4 3 2
2.2	Life buoy soap		5 4 3 2
2.3	Sufi vegetable oil		5 4 3 2
2.4	Woodward grip water		5 4 3 2
PERCEIVED RISK			
Q3	Rate the following statements related to "**perceived risk**". Five showing		
	"**very strong agreement**" and one showing "**very strong disagreement**"		
3.1	When I am in front of __section I always feel unsure what to pick		5 4 3 2 1
3.2	When I buy an ___ it is easy to make wrong choice.		5 4 3 2 1
INNOVATIVENESS			
Q4	Rate the following statements related to "**innovativeness**". Five showing		
	"**very strong agreement**" and one showing "**very strong disagreement**"		
3.1	I am continuously seeking new ideas and experience		5 4 3 2 1
3.2	When things get boring I like to find some new experience		5 4 3 2 1

Appendix 1. Contd.

MULTIPLE BRANDS		
Q5	Rate which of the core brands have a strong history of introducing	
	"multiple brands". Five being "very high" and one being "very low".	
	PARENT BRAND	
1.1	Tapal tea	5 4 3 2 1
1.2	Lifebuoy soap	5 4 3 2 1
1.3	Sufi Vegetable Oil	5 4 3 2 1
1.4	Woodward Grip water	5 4 3 2 1
PARENT BRAND CHARACTERISTICS		
Q6	Rate which of the core brands have strong "association". Five being "strong	
	association" and one being "low association".	
	Strong association is brand like "Sony" that can be used for multiple products.	
	Products.	
	PARENT BRAND	
1.1	Tapal tea	5 4 3 2 1
1.2	Life buoy soap	5 4 3 2 1
1.3	Sufi vegetable oil	5 4 3 2 1
1.4	Woodward Grip water	5 4 3 2 1
BRAND CONCEPT CONSISTENCY		
Q7.1	Rate your "price perception" about the following core brands. Five being	
	very high and one being very low	
	PARENT BRAND	
1.1	Tapal tea	5 4 3 2 1
1.2	Lifebuoy soap	5 4 3 2 1
1.3	Sufi Vegetable Oil	5 4 3 2 1
1.4	Woodward Gripe water	5 4 3 2 1
BRAND CONCEPT CONSISTENCY		
Q7.2	Rate your "design perception" about the following core brands. Five being	
	"very expensive" and one being "not expensive at all".	
	PARENT BRAND	
1.1	Tapal tea	5 4 3 2 1
1.2	Life buoy soap	5 4 3 2 1
1.3	Sufi Vegetable Oil	5 4 3 2 1
1.4	Woodward Grip water	5 4 3 2 1

Appendix 1. Contd.

		PARENT BRAND	EXTENDED BRAND	
PARENT BRAND EXTENSION BRAND COMPLEMENT				
Q8.a	Rate how much the following core brands and extended brand "**compliment**" each Other. Five being "very highly complimentary" and one being "**very low** complimentary' (Complimentary: tea and milk)			
		PARENT BRAND	**EXTENDED BRAND**	
1.1		Tapal tea	Tapal tea bag	5 4 3 2 1
1.2		Life buoy soap	Life buoy shampoo	5 4 3 2 1
1.3		Sufi Vegetable Oil	Sufi Soap	5 4 3 2 1
1.4		Woodward Grip water	Woodward tooth paste	5 4 3 2 1
PARENT BRAND EXTENSION BRAND SUBSTITUTE				
Q8.b	Rate how much the following core brand and parent brand "**substitute**" each Other. Five being "**highly substitute**" and one being "**low substitute**" (substitute:: tea and coffee)			
		PARENT BRAND	**EXTENDED BRAND**	
1.1		Tapal tea	Tapal tea bag	5 4 3 2 1
1.2		Lifebuoy soap	Lifebuoy shampoo	5 4 3 2 1
1.3		Sufi vegetable oil	Sufi soap	5 4 3 2 1
1.4		Woodward Grip water	Woodward tooth paste	5 4 3 2 1
TRANSFERABILITY				
Q8.c	Rate the level of 'transferability' between core brand and parent brand. Five being "**very highly transferability**" and one being "**very low transferability**" (Transferability mean closeness in the manufacturing process of two products			
		PARENT BRAND	**EXTENDED BRAND**	
1.1		Tapal tea	Tapal tea bag	5 4 3 2 1
1.2		Life buoy soap	Life buoy shampoo	5 4 3 2 1
1.3		Sufi vegetable Oil	Sufi Soap	5 4 3 2 1
1.4		Woodward Grip water	Woodward tooth paste	5 4 3 2 1
PERCEIVED DIFFICULTY				
Q8.d	Rate the level of 'perceived difficulty' between core brand and extended brand. Five being highly "Perceived difficulty" and one being low level of difficulty (Difficulty means: how difficult it is to make the product.			
		PARENT BRAND	**EXTENDED BRAND**	
1.1		Tapal tea	Tapal tea bag	5 4 3 2 1
1.2		Lifebuoy soap	Lifebuoy shampoo	5 4 3 2 1
1.3		Sufi vegetable oil	Sufi soap	5 4 3 2 1
1.4		Woodward gripe water	Woodward tooth paste	5 4 3 2 1