

## *International Journal of Scientific Research and Reviews*

### **Impact of Brand Extension on Parent Brand Image – An Empirical Retailers Opinion**

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#### **ABSTRACT**

This project is to know awareness about Products of Maharaja Soaps and Detergents Industry (P) Ltd., Extended their brand in the name of Shashi brand by introducing new different Products will they get success or not Retailers and Consumers will buy their Product. Used Descriptive method with 100 retailers of MSD have been considered as a Sample Unit. Primary objective is to understand whether retailer like to Purchase Extended Products with the name of Shashi Brand also they will ready to Give Preference for New Products of that Brand. There is a huge amount of background information in this thesis provided to get readers familiar with the event of brand extension, as well as some marketing theory and models to justify the action and make sure it is clear that brand extension is a concise business decision. A comprehensive literature review identifies six elements which are crucial to the success of brand extension. These elements are Parent Brand Image, Parent Brand Fit, Parent Brand Strength, Marketing Support, Quality of Parent Brand and Parent Brand Consumer Experience The Result Shows that Launching of a New Product with Brand Extension Strategy of Shashi Brand Will have a positive impact that will helpful to them in the form of their own development Process with getting a more Profit, fame and also the consumers also get more optional to buy a Products from parent brands

**KEYWORDS-** *Brand Extension, Personal care, Parent Brand, Shashi Products*

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#### **INTRODUCTION**

Brand transfer, or brand extension is an act of creating a new product using the same brand within the same company. Various examples include attempts of all kinds of companies from small start-ups to giant industry leaders to include the existing logo and visual features in a completely new product in a different category. The action has its positive moments as well as negative ones. For instance, extending the product line could attract new customers, it allows companies to enter new markets, increase awareness, or saves resources that could have been spent on creating and developing a new brand. The obvious disadvantages of the brand extension are brand image decrease; the new product can confuse customers. Soap is a surfactant used in conjunction with water for washing and cleaning that historically comes in solid bars but also in the form of a thick liquid, especially from soap dispensers in public washrooms. Soap is useful for cleaning because soap molecules. Handmade soap differs from industrial soap in that usually, an excess of fat is used to consume the alkali (super fatting) and in that the glycerin is not removed. Soap is an item of daily necessity as a cleaning agent. It is a mass consumer item in both rural and urban areas. Soap may be divided into toilet soap and washing soap. In the toilet soap market, new product innovations such as liquid soap, soap free synthetic detergents and no-wash soap have taken an increasing share of the market from traditional soap bars. While there are large companies manufacturing soap including toilet and washing soap, it is an ideal product to manufacture in the small scale industries sector.

### **COMPANY PROFILE:**

Maharaj Industries is one of the famous companies producing detergent cakes, powder and scouring powder etc., in south India. Maharaj Industry is the most respected company in India by producing quality products. Smt. Shashikala Elangovan Ravi started manufacturing detergent powder at home in 1990 to spend the free time in a useful manner. She has studied up to 10<sup>th</sup> standard. Since from childhood, she has been dreaming to be an industrialist. She was encouraged by her husband & friends to start a small scale industry in manufacturing of detergent cakes, powder & scouring powder. Sri Elangovan Ravi, who was working in a detergent company, had a good experience in his job.

### **THEORETICAL BACKGROUND OF THE STUDY**

The use of brand extension strategies has been a subject of interest, both within academic circles and the business world. Extant literature focuses on brand and brand extension. Firms are continuously looking at ways to improve the chances of success while extending their brands. With so many choices around, a parent brand has a list of considerations which need to be looked at while making the decision of brand extension.

**Brand-** A brand is “a name, term, logo or symbol, sign or combination of them to differentiate the product or services of seller from the competition”. The brand as a name that symbolizes a long term engagement and commitment to a unique set of values, embedded into products and services, which make the organization, person or product stand apart. Brand is a name with the power to influence the market, its power increases when more people know it, trust it, convinced by it and become its advocates. Brand is a shared desirable and exclusive idea embodied in products and services. The brand has more power when this idea is shared by a large number of people

## **BRAND EXTENSION**

It is observable that the brand owners must realize that brands are one of the most precious assets and need to be managed with care and deliberation when deciding to extend the brand. There are many indicators from the consumer perspective, which the company might investigate in order to track its external environment’s reaction toward their brand executions. Such study would help the company to make sure that the indispensable values and qualities of the brand are clearly understood and communicated to its final consumers. Generally, it is assumed that recognized brand requires low cost and expenses of introduction such as advertising cost and sales promotions etc. Nevertheless, the extended brand success is uncertain. The fast moving consumer goods have more failure rate of extension which is approximately 80%. Elements of brand extension provide insights of that may help to reduce the chances of failure of brand extension. Brand extension is a marketing strategy in which new products are introduced in relation to a successful brand. Various experts have defined brand extensions differently though, these definitions look quite similar. Kotler and Armstrong<sup>1</sup> defined brand extension as using a successful brand name to launch new or modified products in a new category.

## **ELEMENTS OF BRAND EXTENSION**

In recent years, companies have been using brand extensions as a strategy for launching new products. The reason why this strategy has been popular is the fact that it decreases the risk of failure of new products, because consumers initially are more willing to accept products marketed under known brands. Nevertheless, this strategy is not free from risks, since it is not convenient for all the brands, and moreover it may have negative effects on the image of the extended brand. Therefore, the main objective of this study is to analyse the influence that brand extensions have on brand image. For this analysis, an experiment is performed that examines the most important variables to consider in using the brand extension strategy. After analysing the information obtained, reaches the conclusion that brand extension strategies may influence the brand image after the extension and that

variables such as the brand image prior to the extension, the perceived quality of the extension and the fit between the parent brand and the new product also affect the image Eva Martinez'

## **PARENTS BRAND IMAGE**

Dobni describe that brand image is the perception of consumer about a brand as reflected by brand associations held in consumer's memory. Brand associations can be classified into three categories: attributes, benefits, and attitudes Alba and Hutchinson<sup>4</sup>. Keller<sup>5</sup> maintains that evaluation of extension will depend upon the association transferred from core brand to extension. Different kinds of information or brand associations (attributes, benefits and attitudes) come to mind about core brand in brand extension context. Some parent brand associations may be relevant when consumers evaluate extension but not all. The relevancy depends on the perceived similarity to the extension product or service Feldman and Lynch<sup>6</sup>. When the similarity is high, consumers evaluate the extension through same attitude with parent brand. A favorable prior attitude of current branded product transfers toward new product. Positive brand associations attached with core brand are considered same with extended new product, Boush and Loken<sup>7</sup>

## **LITERATURE REVIEWS:**

1) **Kim and Lavack (1996)** advised that a vertical brand extension normally has a negative impact on the core brand by diluting the core brand image. They suggested that to reduce such dilution of the core brand image the extension should be distanced from the core brand.

2) **Martínez Eva; and Chernatony Leslie de (2003)** concluded that brand extension strategies might influence the brand image after the extension. While the variables such as the brand image before the extension, the perceived quality of the extension and the fit between the parent brand and the new product also affect the image.

3) **DelVecchio (2000)** mentioned that besides fit, characteristics of the brand portfolio also play an important role in affecting consumer perception of brand reliability. In contrast to prior researches which suggested that brands got diluted by offering extensions, his results suggested that because of the large number of products associated with the brand it had positive consequences when consumers evaluate a new extension

**5.Kameswara Rao, (2015)**, Title of this study is consumer's attitudes and perception on personal care products and cosmetics at Vishakapatnam, India, Objective is to access the consumer's perception and buying behavior. The demand of the cosmetic and personal care product and to analyze the market share with respect to performance of other brand. It was conducted by structured questionnaire by Primary data through sample survey. from selected malls and super markets with an simple random sampling size of 150 customers statistical tools were used are bar charts and Pie

Charts. Finally concluded that the Indian consumer is growing more and more brand conscious when it comes to purchasing cosmetics as well as personal care products.

**6.Fatemeh Abdavi, Zahra Shiralizadeh (2015)**, Title of this study is The Effect of BrandExtension Strategy on Its Image: The Case of Majid Brand Objective is to The descriptive study examined the effect of brand extension on current image in the scope of Tabriz Majid products in the city of Tabriz. The sample size was 380 persons. A simple random sampling method they were used with an five-option Likert questionnaire. The most important results of the study indicate that extension attitude affects brand image.

## **RESEARCH METHODOLOGY**

### ***Research Gap***

Consumer behavior and attitude referred to as to learn of when, how, why, what and where people do or do not buy products. It blends elements from Psychology, Sociology and economics. It attempts to recognize the buyer decision making process both individually and in group. The studies characteristics of consumer such as demographic and behavior variables in an attempt to understand people wants and hence the topic chosen for the study

### ***Objectives of the Study***

- 1.To Study retailer awareness on Existing Shashi Products.
- 2.To Study Retailer Preference towards Impact of Brand Extension on Parent Brand
- 3.To recommend/suggest new product category for Shashi Brand.

### ***Research Design***

- **Research Method:** Descriptive Research.
- **Sample Techniques:** Probability
- **Sample Method** : Simple Random Sampling method
- **Sample Unit** : Davangere City (Retailers)
- **Sample Unit** : Structured Questionnaire
- **Sample Size** : 100 Retailers

### ***Limitations of the Study:***

- The Study is limited towards New Products and Survey is conducted with retailers with limited number of shops. Hence it is a Market Strategy.
- The Survey carried out only for those retailers in which Maharaj Soaps can be used. The Survey is limited only for the Retailers are not covered in this Survey.
- The Study was based on the opinion of the customers.

- The Study only to Retailers and it is not possible to make extensive Study.

## **FINDINGS**

1. From survey its evidence that out of 100 respondents, 92(92%) respondents are male and 08(08%) respondents are female
2. From the survey its evidence that out of 100 respondents, 12(12%) respondents age group under below 18 years, 36(36%) respondents come under age group of 23 – 27 years, 44(44%) respondents come under age group of 28 – 32 years and 12(12%) respondents come under age group of above 32 years.
3. The respondents were 29(29%) are SSLC, 46(46%) respondents are PUC, 21(21%) respondents are under graduates and 04(04%) respondents are post graduates.
4. From the Survey it is evidence that out of 100 respondents 23(23%) are associated from 0 – 3 years, 57(57%) are associated from 4 – 7 years, 24(24%) are associated from 8 – 10 years with Maharaj soaps and detergents.
5. From the survey its evidence that out of 100 respondents 29(29%) respondent's monthly income is below Rs. 25000, 49(49%) respondent's monthly incomes come under Rs. 250001 – 35000, 20(20%) respondent's monthly incomes come under Rs. 35001 – 45000 and 10(10%) respondent's monthly income comes under above Rs. 45001.
6. From the survey 100(100%) respondents are aware about Shashi brand Products because they were regular customers of Maharaj Soaps Industry (p) Ltd
7. From the survey its evidence that out of 100 respondents, 87 (87%) respondents were came to know by Advertisement and 01(01%) respondents were came to know by Website. Because Customers will attract more by Advertisement
8. From the survey out of 100 respondents, 100(100%) respondents are using Shashi brand Products because they were regular customers of Maharaj Soaps Industry (p) Ltd., If Yes, which are the product is more in Use? Tick the below mentioned Products
9. From the survey out of 100 respondents the products which are more in use is 55(43.31%) respondents were Using Shashi Detergent Cake and 03(2.36%) respondents were Using Shashi Hand Wash Liquid. This shows Shashi Detergent Cake is the product which is more consuming by Davangerians
10. From the survey out of 100 respondents type of customer comes to purchase products will be 66 (66%) respondents were All of the above customers were come to retail shop to purchase a products and 05(05%) respondents responded professional. It's clearly shows because customers were visit the retail shop who were free at that time.

11. From the survey it's clear that out of 100 respondents, to find the factors that consider while purchasing Shashi Products, 2.02 Mean respondents consider brand and (4.14) Mean respondents consider Speed process. Because they will see the goodwill and image of the brand.
12. From the survey its evidence that out of 100 respondents, insight about Shashi Brand products is 61(61%) respondents were Satisfactory and 01(01%) respondents were Poor. because there were in best quality in their production of products and also they were not in low Quality of Products
13. From the survey its evidence that out of 100 respondents there is a demand in Shashi Brand in the Davanagere Market that 57(57%) respondents were Agree and 02(02%) respondents were Strongly Disagree. Because most of the Davanagere residents were using Shashi Brand Product and Have demand.
14. From the survey its evidence that out of 100 respondents, dealing with other Soaps and detergent Products is that 100(100%) respondents are dealing with other Soaps and detergent Products in retail shop because retailers want to get more Profit.
15. From the survey its evidence that out of 100 respondents, other branded products have more demand is that 43(43%) respondents have demand in Surf Excel and 06(06%) respondents were have demand Nirma. Because Surf Excel have better quality compare to other branded Products.
16. From the survey its evidence that out of 100 respondents, if Shashi Brand Products were extend their brand will help to them that 53(53%) respondents were Agree and 02(02%) respondents were Strongly Disagree. Because they can get profit from extended products and also help to them.
17. From the survey it's clear that out of 100 respondents, to find the parent brand transfers its manufacturing skills to extension factors that, 1.39 Mean respondents consider Shashi Fabric Softeners and 2.30 Mean respondents consider Shashi Washing Machine Liquid. Because they want Shashi fabric softeners to protect their clothes.
18. From the survey its evidence that out of 100 respondents, if they go for brand extension there will be impact of advertisement is that 100(100%) respondents are responded Yes, because that will be an more attracted by customers.
19. From the survey its evidence that out of 100 respondents, if they go for brand extension there will be impact of advertisement is that 6.25 mean respondents were tend to develop positive opinion towards it 3.87 mean builds personality of brand. It will develop positive opinion towards it because their products create their own image of it.

20. From the survey its clear that out of 100 respondents, factors influencing customer preference towards Brand extension is that 4.17 mean respondents go through information of product through Advertisement. 3.63 mean respondents were influence by observing features because they get an full information about a product easily.
21. From the survey it is clear that out of 100 respondents, opinion on Shashi brand products as a parent brand is that, 4.21 mean respondents is reputed parent brand influences them 3.68 mean respondent responded that there is an safety to by reputed brand instead buying unknown brand for them. Because to buy reputed brand which already known about that brand also it is safety to buy and to use
22. From the survey it is clear that out of 100 respondents Challenges faced by Parent Brand on Brand extension is that 4.02 mean respondents said that Failure of brand extension damages parent brand Perceived Quality, 3.63 mean respondents said that reduces the sales of parent brand, because if the failure of brand extension will affect the parent brand and image of the company.
23. From the survey its evidence that out of 100 respondents, customers will buy new products or not is that 56(56%) respondents were Disagree and 02(02%) respondents were Strongly Agree. Customers were stick to their current portfolio of Shashi Brand without buying new Product category, because they can buy a product to experience and to know how that product will affect on them.
24. From the survey its evidence that out of 100 respondents, they were ready to buy some new products is that, 100(100%) respondents were ready to buy new products.
25. From the survey it is clear that out of 100 respondents, to add Innovativeness of the extension products is that, 4.89 mean is to they look for New Ideas & Experience, 3.86 mean Innovativeness increase the image of the brand extension because they want more experience and innovativeness.
26. From the survey its evidence that out of 100 respondents, Biggest Competitor would be if Shashi Brand has Personal Care Products is that 51(51%) respondents were responded that patanjali and 05% responded Dabur, because patanjali is the brand which is have good brand image in all type of products.
27. From the survey its evidence that out of 100 respondents, brand name Prefer More in detergent cake is that 57(57%) respondents prefer Rin and 04(04%) respondents prefer Wheel because this is the brand which is more consumed by consumers compare to other brand.

28. From the survey its evidence that out of 100 respondents, brand name PreferMore in detergent powder is that 49(49%) respondents prefer Surfexcel and 09% respondents prefer Rin, because this is the brand which is more consumed by consumers compare to other brand.
29. From the survey its evidence that out of 100 respondents, brand name PreferMore in dish wash bar is that 54(54%) respondents prefer Wheel and 09% respondents prefer Shashi, because Wheel is the brand which is more consumed by consumers compare to other brand
30. From the survey its evidence that out of 100 respondents, success of new products category is that 56(56%) respondents were Agree and 02(02%) respondents were strongly Disagree. It's clearly shows that launching of a new product in personal care products will help them and get success.

## **SUGGESTION**

1. Retailers were aware about Shashi brand Products and also they were using their products which shows how effectively they have built Brand over a period of time which is promising
2. Retailers were using more of Shashi Detergent Cakes and suggested advice is to enhance Shashi detergent Powder, Shashi Dish Wash Bar and Shashi Hand wash liquid in existing Products.
3. Shashi Brand can improve their quality of products with their competitors by improvising existing products by adding new product features which can compete with regular brand available in the market
4. Positively If Shashi brand extend their brand line portfolio, eventually it will give success and Profit to the brand and its value and can maintain a parent brand perceived quality.
5. Retailers were Preferring Shashi Fabric Softeners in extension of Detergents followed by Shashi color care and Shashi Washing Machine Liquid
6. Retailers were Preferring information about a product through advertisement of Extended Products to know about a product easily.
7. Customers are willing to buy New Products without sticking in to their Current portfolio gives an added advantage for Shashi Products to compete against the best product in competition
8. Customers were preferring Shampoo in new product category followed by cold cream, face cream and Body lotion.

## **CONCLUSION**

Brand extension was considered differently by different experts. However, almost all of them were of the opinion that it is a very important marketing strategy tool. Brand extension helps

companies in many ways such as minimizing the risk of introducing a new product, reducing the cost of promotion and increasing the acceptability of the new product by consumers. But it cannot be denied that there are few disadvantages of it also. Thus it should be used and implemented carefully. Retailers were aware about a Shashi Brand Products also they preferred to buy Extended Products in detergents and also in personal care category which can position itself among the best line of available product line in market, Enough care and attention has to be taken in maintaining their perceived quality at its best and expect more ROI. Since Shashi product enjoy good will of consumer and have given favorable opinions on its credibility. Customers were looking for New Ideas and Experience so they can get success in acknowledging With increasing competition from HUL,ITC and Patanjali, having rich brand history among rurals and retailers, Shashi Product must go for possible brand extension of its existing products and has high growth and introducing Personal care products. The above Finding and suggestions have been made for the improvement in formulating and implementing of Brand Extension strategies for Shashi Products of Maharaj soaps and detergents,

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