To Analyze The Factors Influencing The Acceptability Of Brand Extension Into Related And Un-Related Product Categories

Sarwat Afzal, Kasbit University, Pakistan
Syed Akif Hassan, Iqra University, Pakistan

Abstract

This thesis describes the study that analyzes the factors influencing successful brand extension. Specifically the thesis analyze the impact of similarity, brand reputation, perceived risk and consumer innovativeness on the success of brand extension into related or unrelated categories of FMCG products. A set of hypotheses were developed and tested by regression analysis. It investigated the effect of factors such as brand reputation, perceived risk, perceived similarity and consumer innovativeness on successful brand extension in FMCG. This study provides support for two out of the four hypotheses of Hem & Charnatony's model. Parent brand reputations, and consumer innovativeness, have powerful positive effect on consumers' mind-set towards the brand extension in related and unrelated product category. The third hypothesis i.e. interaction of perceived similarity is positive and significant in related FMCG product category and hence hypothesis 1 is partially supported. However the fourth hypothesis i.e. perceived risk in preparing the extension with customers' attitude regarding brand extension could not be supported. The result of this study suggests a number of implications for product extensions in our country. Implications have been discussed for the organization of consumer information and effect across related and unrelated product class and for understanding earlier research results on brand extension.

Keywords: Brand Extensions, Similarity, Reputation, Perceived Risk, Innovativeness

Copyright by the author(s)