EFFECT OF CUSTOMER BASED BRAND EQUITY DETERMINANTS ON BRAND EXTENSION IN TELEVISION BRANDS

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Abstract
This study analyzes the factors influencing successful brand extension. Specifically the study analyze the impact of brand awareness, brand association, brand trust, customer satisfaction and customer based brand equity on the success of brand extension into related or unrelated categories of television brands. The hypothesis was developed and tested by regression analysis. It investigated the effect of factors such as brand awareness, brand association, brand trust, customer satisfaction and customer based brand equity on successful brand extension in television brands. This study provides support for two out of the five determinants. CBBE and brand trust have powerful positive effect on consumers' mind-set towards the brand extension in related and unrelated product category. The result of this study suggests a number of implications for product extensions in television brand. 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.

Key Words: Brand Awareness, Brand Association, Brand Trust, Brand Extension, CBBE.

INTRODUCTION
In most consumer goods categories, buyers must choose among a large number of products offering similar attributes and benefits. Especially for low-involvement, low-priced items, few people are motivated to spend time and effort researching and comparing alternatives. Branding simplifies shopping for these products, enabling buyers to quickly and efficiently pinpoint what they want. Conversely, it reduces the likelihood of being disappointed by or wasting money on an unfamiliar product.

According to the Americal Marketing Association (AMA), a brand is a "name, term, sign, symbol, or design, or a combination of them, intented to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors." A brand is a set of mental associations, held by the consumer, which add to the perceived value of a product or service (Keller, 1998). These associations should be unique (exclusivity), strong (saliency) and positive (desirable).

Keller (1993) who first introduced the concept of customer based brand equity states that customer based brand equity occurs when the customer is familiar with the brand and holds some favourable, strong and unique brand association in the memory. Marketers and researchers use various perspectives to study brand equity.[11] Customer-based approaches view brand equity from the perspective of the consumer either as an individual or an organization.[12] The premise of customer based brand equity model is that the power of a brand lies in what customers have seen, read, heard, learned, thought, and felt about the brand over time. In other words, the power of a brand lies in the minds of existing or potential customers and what they have experienced directly and indirectly about the brand.[13]

CBBE model incorporates recent theoretical advances and managerial practices in understanding and influencing consumer behavior. Although a number of useful perspectives concerning brand equity have been put forth, the CBBE model provides a unique point of view as to what brand equity is and how it should best be built, measured, and managed. The CBBE model approaches brand equity from the perspective of the consumer-whether it be an individual or an organization. Understanding the needs and wants of consumers and devising products and programs to satisfy them at the heart of successful marketing.
A brand extension strategy takes an established brand into a new related or unrelated product category, in order to capitalize on the equity of the core brand name (Chung and Lavack, 1996; Zimmer and Bhat, 2004). It is a common practice born out the hope of leveraging trust and lowering introduction costs (McCarthy, Heath and Milberg, 2001; Meyvis and Janiszewski, 2004). Brand extension is a widely accepted brand strategy to attach an existing brand name to a new product introduced in a different product category (Swaminathan and Reddy., 2001). And these strategies were widely used because of the idea that built powerful brand positioning, boost awareness and quality association and lessen the new product risk for consumers (Taylor and Bearden, 2002). Brand extension is a marketing strategy in which a firm manufactures and markets a product with a well-established same parent brand name but in a different product category(Sheinin Daniel,1998). Brand extensions

become the guiding spirits of product planners and have been a subject of increasing interest and scholarly investigation for marketing educators (park,1991).

Brand extension is defined as attaching an existing brand name to a new product introduced in different product category. Brand extension is often seen as beneficial because of the reduced new product introduction cost and increased chance of success. David Aaker defined brand extension as a brand strategy where by a current brand name is used to enter a completely different class. A 'good' brand extension strategy is one where the brand name aids the extension, while a 'very good' brand extension also enhances the brand name. Brand extensions can produce reciprocal effect that enhance or diminish the equity of the parent brand. According to Tauber (1998), brand extension is using a brand name of one category to introduce products in a totally different category. Kotler (1992) opines that brand extension strategy is an effort to utilize a successful brand name to launch new products in a completely different product class.

RESEARCH PROBLEM
Building strong customer based brand equity is the top most priority of many products and service industries, but attaining this objective is not always an easy task. Customer based brand equity is the only possible means by which customers can differentiate one brand from another. Indeed, brand equity determinants has been one of the most important marketing strategy for develop successful brand extension.

NEED AND IMPORTANCE OF THE STUDY
While gone through the background and literature reviews, it is evident that enormous numbers of studies are available in the area of brand and brand equity but limited researches regarding customer based brand equity and most of them focus on the relationship between brand equity and firm performance using brand awareness and image as moderating effect. Also we noticed that most researches [Aaker (1991), Keller (1993), Lasser et al (1995), Yoo et al (2000), Yoo and Donthun (2001), etc] that surveyed these four dimensions of customer based brand equity (brand awareness, perceived quality, brand loyalty and brand image). But, we have chosen an innovative way to carry out a research to analyze the importance of another four dimensions of brand equity (brand awareness, brand association, brand trust and satisfaction) in television industry.

OBJECTIVES OF THE STUDY
To analyze the effect of customer based brand equity determinants on brand extension in television brands.

HYPOTHESIS OF THE STUDY
H_0: *Customer based brand equity determinants do not have influence on brand extension*

RESEARCH METHODOLOGY
The main aim of this paper is to analyze the effect of customer based brand equity determinants on brand extension in television brands. To identify the various factors that affect brand equity, previous research studies have been gone through by researcher and identified the suitable variables that contribute to the study are Brand awareness, Brand association, Brand trust and Customer satisfaction. The important aspect of research design is the measurement of variables in the theoretical framework related to adoption of innovation. Measures used in this study are standard measures used by previous researchers and have been meticulously assessed for its validity and reliability. Some measures are developed by the researcher as per need of the survey to meet the investigation carried out.

A sample frame is the list of elements from which the sample may be drawn. The top three television brands in India (2013) are Sony, Samsung and LG (www.currentweek.com). In our research all the three brands of television are considered. For to collect the data the researcher choosing cuddalore district as a sampling area, the main reason for taking behind this particular district is it is one of the backward district in tamilnadu Hence most of the customers they are not aware of the concept about the product as well as the brand. So the researcher can explain the concept and gathered an in depth and truthful information. Organization can also get benefit regarding these aspects.

The target population for this study consisted of the customers those who are having television in cuddalore district and experienced of using particular brand for more than a year is considered as a respondent.

The sample of population would include 517. But we are distributed 550 questionnaires to respondents and we are unable to get back few questionnaires and few respondents are not properly answered (unfilled questionnaire) and very few of them are wrong answered. So neglecting these questionnaire and finally 517 questionnaires are considered as a sample size for our main study. The collected data have been coded and entered in to the software package SPSS 20. After entering the data it

was thoroughly checked before conducting the analysis part. Based on nature of the frame work, questionnaire and with the statistics expert opinion the frequency and regression analysis were made.

RESULT AND DISCUSSION

Table-1: Respondents opinion about brand extension of brands of television

Brand Extension	Mean $(\overline{X})$	SD (†)
Buy the proposed stabilizer	3.82	1.193
Buy this new stabilizer	3.39	0.925
Related product fit into the existing product range	3.72	1.059
Confident that the related product would be qualitative	3.90	1.113
Buy the proposed bath soap	2.63	1.172
Buy this new bath soap	2.74	0.924
Unrelated fit into the existing product range	3.22	0.855
Confident that the unrelated product would be qualitative	3.19	0.994

Source: Primary data computed.

Every brand makes extensive investments on extending those brands which communicate proper images to customers. The main advantages of the brand extension it is reduces the cost of communication, reduce the cost of brand name introduction and enhance the probability of success. Table-4.14 reveals that the respondents opinion towards brand extension of branded televisions. It was divided into two groups namely related products and unrelated products with four statements in each category. Respondent's opinion is collected in five point scale for each statement of brand extension. Then mean and standard deviation calculated for each statement.

From this mean score it is noted that majority of the respondent given importance to confident that related product would be qualitative (3.90) in related product. The corresponding standard deviation value is noted that there is no much deviation within the group of respondents.

Buy the proposed stabilizer secure the mean value of (3.82) followed by related product fit into existing product range (3.72), buy this new stabilizer (3.39), unrelated product fit into the existing product range (3.22),confident that the unrelated product would be qualitative (3.19), buy this new bath soap (soap) (2.74) and buy the proposed bath soap (2.63). The corresponding standard deviation value is noted that there is no deviation within the group of respondents.

From this statements buy this new stabilizer obtained the highest mean value than other brand extension statements. Thus the customers are ready buy the new stabilizer in their television brand name.

Table- 2: Effect of customer based brand equity determinants on brand extension

R- value	R- square value	Adjusted R square value	Std error	F -value	P- value
0.852	0.725	0.723	0.41713	270.061	0.001*

Factors	B-value	Std error	Beta	t- value	p-value
(Constant)	0.266	0.088	-	3.027	0.001*
Brand awareness	0.246	0.036	0.274	6.785	0.001*
Brand association	-0.629	0.068	-0.791	-9.242	0.001*
Brand trust	0.292	0.077	0.310	3.790	0.001*
Customer satisfaction	-0.192	0.082	-0.218	-2.330	0.001*
CBBE	1.213	0.087	1.236	13.933	0.001*

*Source: Primary data computed; * Significant @ 1% level.*

Today, most manufacturers distribute their new products under the brands of previous successful products. It is one of the most valuable properties of each brand is its background and how it is perceived as a reputable organization by its customers. While extending brands to new products, organizations should take into account a variety of factors such as fit into the previous classes of products, consumers' attitude toward the original brand and make this extension acceptable to customers. These are all play a significant role in success of a new product extension in the market.

Brand extension determined based on the CBBE determinants namely brand awareness, brand association, brand trust, satisfaction and CBBE. Table - 2 brings the effect of CBBE determinants on brand extension. Here the CBBE determinants considered as independent variable and brand extension is treated as dependent variable.

To verify above stated hypothesis multiple regressions is carried out. The purpose of regression analysis is to find the most predictors variables on brand extension. The result is displayed in table-4.25. From the R square value, it is inferred that CBBE variables influencing brand extension by 0.725. The measure of strength of association in the regression analysis is given by the co-efficient of regression determination denoted by R-square as 0.725 and R-value as 0.852. The F-value is 270.061 which is significant at one percent level and ascertain that there is significant relationship between dependent and independent variable. So, null hypothesis H_0 is rejected and alternate hypothesis H_1 is accepted. Further, R-square value indicates that the independent variables are influenced at 72.5% on the dependent variable. The standardized co-efficient beta value indicates the relative importance of the predictors on brand extension. It is inferred that brand determinants are significantly and positively as well as negatively influenced the brand extension. Brand awareness, brand trust and CBBE are positively predicting variables whereas brand association and satisfaction are negatively predicting variables on brand extension. The corresponding p-value of these variables is significant at one percent. So, these variables significantly influenced on brand extension. Brand extension is expressed by the following equation.

Brand extension= 0.266(Constant) + 0.246(Brand Awareness) -0.629(Brand association) +0.292(Brand trust) - 0.192(Satisfaction) +1.213 (CBBE)

The equation is explained that the brand awareness, brand trust and CBBE are having the positive impact on brand extension. Whereas brand association and satisfaction have negative impact on brand extension. To have one unit increase in brand extension, the awareness increased by 0.246. Brand trust increased by 0.292 and CBBE increased by 1.213 , where other factors remain constant and CBBE increases by 1.213 levels for one unit increases of brand extension among the selected brands of television.

Dennis A. Pitta and Lea Prevel Katsanis (1995) categorized the need for successful brand extension. He suggests that the managers are to continue to concentrate on consumer perceptions, beliefs and association of brand equity, the advantages and risks of brand extension that reaches a higher point in a series of inferred and recommended for successful brand extension.

Tim Ambler and Chris Styles (1997) assumed the managerial processes that lead to the launch of successful line and brand extension decisions are more about brand development than new product development. Mark S. Glynn and Roderick J. Brodie (1998) examined the effect of brand specific associations on brand extensions. Their study furnishes additional proof to challenging the commonly held consideration that the effect connected with the original brand name and product category is automatically transferred to brand extension.

Arthur Cheng Hsui Chen and Shaw K. Chen (2000) reviewed the negative impacts of brand extension failure upon the original brand by calibrating the difference of brand equity, found that an unsuccessful brand extension weakens the original brand for all three high equity source brands. Leif E. Hem et al., (2001) investigated the impact of category similarity, brand reputation, perceived risk and consumer innovativeness on the success of brand extensions in FMCG, The findings show that extensions into categories more similar to the original brand tend to be more readily accepted.. Innovative consumers are more positively disposed towards service brand extensions than FMCG and durable goods brand extensions.

CONCLUSION AND MANAGERIAL IMPLICATION
Much of the earlier work on product extension with few exceptions uses an experimental approach to investigate the effect of brand extension. Prior research shows the important conviction and factors about the brand extensions and investigated several consequences and antecedents thereby have influenced this field of research.

This research provides support for three out of five determinants of brands. Overall evaluation of brand extensions three fit variables CBBE, Brand trust and Brand awareness, have powerful certain and real effect on consumers' frame of mind

towards the brand extension in category of relevant product of television brand and also another category of unrelated product. Compare with related product category the customers are not sure about their strong support for unrelated product category.

Interestingly perceived similarity seems not to be of equal importance for the brand extension evaluation in both product samples clearly demonstrates that there is a difference in the mechanism behind consumer evaluation of related and unrelated product category of brand extensions. This study provides implication for managers which deal in brand extension in fact had an opportunity to craft different strategy using this model. By understanding these variables that influence consumer' perception about the acceptability of brand extensions marketer should be better able to develop more effective strategies. Identify the pattern and preference of the local people in our country for the acceptability of brand extension so that the model would benefit when apply this model in our country to the success of brand extensions.

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