
**CONSUMER EVALUATION ON BRAND EXTENSION
OF CPG AND SERVICE BRANDS**



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Abstract: The cost of introducing a completely new brand is often very high, accompanied by the risk of new brands failing in an overcrowded marketplace. These factors encourage firms to take advantage of existing brand equity of the parent brand to resort to brand extensions, especially in the FMCG segment. The present study examines the perception and behavior of pan India consumers towards brand extensions in the FMCG segment in depth. The study also seeks to determine the factors that influence consumers in accepting FMCG segment brand extensions. The hypotheses developed for this empirical study were tested statistically. The factors such as perceived similarity and fit between the parent brand and its expanded brand, the parent brand's reputation and its impact on the expanded brand, the nature of pan India consumers - whether or not they avoid perceived risk involving the new brands - were critically examined in the research study. The study is based on secondary research, covering Mumbai, India by analyzing the overall views, perception and acceptability of brand extensions in FMCG segment available online.

Keywords: Brand Extension, Brand Loyalty, Brand Equity, Extended Brand, FMCG (Fast Moving Consumer Goods), Indian Consumers, Parent Brand, Perceived Risk.

INTRODUCTION

The ever - changing market features have a tremendous impact on corporate decisions. In understanding the market, the global environment also poses several complexities for the marketer. The companies are constantly developing new marketing strategies to stay on the market and benefit their stakeholders more. More companies rely on the market launch of new products to meet the changing needs and preferences of consumers. This strategy has been proven but not risk-free. It is estimated by some authors that 30-35% of all new products fail. Others estimate more negatively in that the market is successful with only two out of ten products launched. In addition to the difficulty in predicting the dynamics of the market, the cost of promotion and the cost of shelf space make the new product of the company even more difficult to launch. Many companies leverage their brand names to reduce the risk of new products failure. The use of well - known brand names for new product introductions is a brand extension. **(Aaker and Keller, 1990; Keller, 2003; Klink and Smith 2001)** More than 80% of the new products introduced are brand extensions for FMCG (Fast Moving Consumer Goods) as well as services. Brand extension strategies are beneficial because they reduce the cost of new product introduction and perceived risk in new products, thus increasing the chances of success. These advantages are largely due to the transfer of awareness and associations of the parent brand to the new product. Like any other strategy it has both a positive and negative side to it. Brand extension strategy requires careful market analysis before it is adopted. If it turns out well in the new product category, the brand name will be enhanced; otherwise the core brand value will be diluted. Therefore, many researchers are keen to explore the various dimensions of brand extensions on an ongoing basis.

Managers assume that when they enter new markets, they can exploit the equity of a well - known brand, capitalizing on recognition, goodwill, and any positive associations. For example, Dettol, with its antiseptic liquid origin, has been successfully extended into cream shaving, toilet soaps and floor cleaner. Tata extended successfully into the telecommunications and insurance sectors. Caution must be exercised, though. Another example, when Ponds extended into toothpaste and was unsuccessful because it moved too far from its core values.

Given the importance of brand extensions, this subject needs to be better understood. Researchers have researched brand extensions among tangible goods predominantly. On the other hand, few researched the service sectors. **(Ruyter and Wetzels 2000; van Riel et. al., 2000)**. There has been a notable activity of brand extension in services. For example, ICICI, entered banking and insurance, Virgin moved to radio stations, airline, financial services, and bridal services. Likewise, the Disney Company, meaning world - class animation in the 1950s, has expanded to services such as television, publishing, software, Internet portals, theme parks, hotels and cruises.

CONCEPTUAL BACKGROUND

Brand extension strategies are largely used by companies because they believe that brand extension strengthens brand positioning, enhances brand awareness and improves quality associations, and increases the test rate by reducing perceived risk of the new product. In India, more than 80 percent of new product additions are reported to use strategies for brand extensions. In the long run, a brand expansion into the same product and new product category increases and improves their market share and brand equity. The acceptance of new products among the target audience is relatively easy. A good association of brands reduces the likelihood of new product launch failure. While brand extension strategies have been successful in the past, but the success is still uncertain. In addition, unsuccessful brand extensions can damage the parent brand, leading to significant losses in brand equity. **(GurhanCanli and Maheswaran, 1998; Swaminathan et. al., 2001)**. The success or failure of brand extensions depends heavily on how customers assess brand extensions **(Klink and Smith, 2001)**.

Companies are taking tough steps to improve brand extensions ' success rate. Substantial importance is given to theoretical and managerial understanding of how a consumer assesses brand extensions. It is imperative to understand the parameters or factors affecting the evaluations of brand extensions to improve the success rate of brand extensions. In addition, companies need to understand the significance of these factors and their relative importance in developing a proper strategy for brand extensions.

LITERATURE REVIEW

Many studies have been carried out to understand the various brand extension vagaries and the area is growing larger. Mostly, the consumer evaluation of brand extension studies focused on parent brand quality and similarity fit with the use, image and features of the original brand product category to extend the product category and the parent company's difficulties in extending the product category. These researches give some excellent insights into the various factors that affect brand extension consumer evaluations.

If the company launches a high - quality product by exploiting the existing weak brand, the brand equity of the existing weak brand increases due to the positive assessment of the extended product category of high quality. It is also possible to exploit brand equity built into a certain product category by licensing the well - known brand name to third parties for use in a related class. The strategy is used to challenge major players in an industry. Companies have a high chance of exploiting their highly prestigious brands to include more distant product categories than brands with lower reputations. A company can also exploit and extend its brands of the highest quality. Cannibalization, a decrease in sales in the original category, can result from competition from the extensions. Without brand extensions, brand equity can be weakened or associated positively with the original brand.

The unsuccessful brand extensions sometimes create unwanted associations that put the company at serious risk. The more products a company places on the market under one umbrella brand, the greater the risk that if a disaster occurs, the effect will spill over to the rest. Chances of creating a new brand are also overlooked.

From the brand extensions literature, the following strong research insights can be observed. Most research on brand extensions involves fast-moving consumer goods and sustainable goods except for one study that included McDonald's as a service brand but did not make any analytical distinctions between FMCG and services. Only one study dealt with the importance of service sector brand extensions **(Ruyter and Wetzels 2000)**. Only one study compared FMCG's judgments on brand extension with sustainable goods.

Yet, type of service extension is becoming a prevalent phenomenon. For example, deregulation and privatization have caused many companies (TATA, Reliance, LIC, and SBI) to enter service markets such as telecommunications, insurance, and transportation, and have spurred several corporate service brand extensions, especially service providers active in a myriad of other markets. Service providers are trying to gain customer confidence based on their positive reputation in the market where they have traditionally been active. Because services consist primarily of intangible properties, corporate service brands can be used to reduce perceived risk and influence frequently non - observable extension evaluation criteria such as credibility, quality and ultimately customer sponsorship intentions. This seems especially important when services are extended to markets where there is no proven expertise from the service provider. Brands serve as indicators to trigger image perceptions based on the company name's expressive values.

RESEARCH APPROACH

With this background literature, this research paper aims to contribute to a better understanding of how consumers in the Indian perspective evaluate brand extension. We also try to find the different mechanisms for consumer evaluation in service extensions and brand extensions of FMCG. This would help to gain more insight into the impact of cultural background on brand extension consumer evaluation across different product categories. This research includes the most important factors such as similarity effect, parent brand quality and brand reputation, which are frequently used in brand extension evaluation research studies. We also incorporated an additional perceived risk factor and its impact on evaluations of brand extension. This research paper has been organized in the following manner. It discusses the hypotheses used in this research, then the research design used in this study, the findings on the impact of independent variables such as, similarity fit, service quality, brand reputation and perceived risk on the overall brand extensions, conclusions and managerial implications based on the study and finally the limitations and future directions are given.

This research focuses more on the dominant factors involved in brand extension consumer evaluation. These factors are identified by using the research articles published in national and international reputation peer reviewed journals. The journals used for this purpose are International Journal of Marketing Research, Journal of Marketing Research, Journal of Consumer Research, Journal of Management Science, Journal of Marketing and Marketing Science. These studies' perusal revealed many factors involved in the brand extensions' success. The authors strongly felt that taking the most significant factors involved in the consumer evaluation of brand extensions is better for this research paper. The authors analyzed the previous brand extensions studies in order to find these significant factors and arrived at three important factors that are more frequently used to find out the consumer evaluation of brand extensions. The following stimuli are considered for this study from the literature review. The factors are parent brand quality, similarity fit with the extended product category between the core (parent) brand and parent brand reputation. In addition to the three factors mentioned above, the authors strongly felt that the main purpose of brand extensions was to cope with the risk involved in buying a category of product. In addition, the well-known brand acts as a risk reliever and increases the likelihood of product testing. The perceived risk is relatively high as services predominantly possess experience and credential qualities. With the best use of brand extensions, this can be reduced. To find the consumer evaluation of brand extensions, it is therefore important to use the perceived risk involved in the extended product category as another stimulus. We assume that the perceived risk in the new product category would have a significant impact on the evaluations of the brand extensions.

RESEARCH HYPOTHESES

The perceived quality of the parent brand: The overall attitude towards the parent brand affects brand extensions. The parent brand attitudes are based on durability, serviceability, defect incidence, features, performance, etc. Here the perceived quality of the parent brand is the overall attitudes towards the brand. After reviewing research articles, **Zeithamal (2003)** concludes that the perceived quality is at a higher level of abstraction than a product's specific attribute. The SERVQUAL model is used to understand the perceived quality of the parent brand as services are more of intangible characteristics. The perceived quality of **Zeithamal (2003)** is the component of customer satisfaction. If the brand has been extended to the new product category, the perceived quality or overall attitude towards the original brand should have an impact. If the perceived quality were high, the extension would benefit; if perceived quality is low, the brand extensions would be harmed. Subsequent study in the evaluation of brand extensions proved that quality was perceived as an important factor. We would like to know the impact of perceived quality in the Services category brand extension assessments. Therefore, the hypothesis is:

H1: the perceived quality of the parent brand is high, then the attitude towards the brand extension is positive.

Brand reputation of the parent brand and service quality: The brand reputation was defined in terms of the brand's perception of consumer quality. This fact was further reinforced from (Barone et's study. Al., the year 2000). With this literature review, the authors are trying to find out whether there is any relationship between the parent brand's perceived service qualities with the brand's reputation. Hence the hypothesis is:

H2: the quality of the parent brand is high then the reputation of the parent brand is also high.

Similarity fit between the parent product and extended product category: Similarity fit is considered to know the extent to which the customer perceives the extended product category is similar to that of the parent product. It is clear from the literature review that similarity fit for brand extension studies is often considered. In several studies, this perceptual similarity fit was considered, and the findings reveal that the higher the similarity between the parent product and the extended product category, the greater the chance of success. This gives the researchers an interest in exploring and finding the similarity fit effect in the evaluations of brand extensions in the category of services. Therefore, the hypothesis is:

H3: the similarity fit between the extended product categories with the original brand is high then there is high possibility that the extension evaluations will be positive.

Brand Reputation of the Original product: One of the underlying principles for the concept of brand extension is that stronger brands provide the company with a better opportunity to use this advantage to enter new products in the product category. In terms of brand strength, brand equity is defined as implicitly articulated in terms of consumer predisposition to the brand. In research on brand extension, brand equity is considered predominantly as brand equity based on the customer rather than brand equity based on the company. The results of previous studies show that the greater the brand reputation, the greater the possibility of favorable brand extensions compared to the less reputable brands. With this assumption the author has developed a hypothesis:

H4: the brand reputation of the original brand is higher the greater is the chance of favorable attitude of customers towards the extended products.

Perceived risk involved in the extended product category: Brand extension was widely used to reduce the perceived risk of consumers. The literature on the brand extension reveals that consumers rely largely on the brand's reputation to cope with the product's uncertain level and risk.

A well - known brand acts as a risk reliever and increases the possibility of the new product being purchased for trial. When a brand becomes familiar with customers through repeated exposure, customer perceived risk tends to decrease and a favorable attitude towards product increase. The risk involved in the product category and product is distinguished. The perceived risk involved in the product category means that the risk involved in buying an average product in that product class is perceived by the customer. However, the perceived risk in the product is about the risk involved in purchasing a particular product. Each purchase has a certain risk. This also applies to categories of service. The perceived risk magnitude differs from one category of product / service to another category of product / service. With this underlying assumption the authors have developed the following hypothesis:

H5: the perceived risk involved in the product category is high, then the evaluation of brand extension is positive.

The following figure would give better understanding of the above hypotheses.

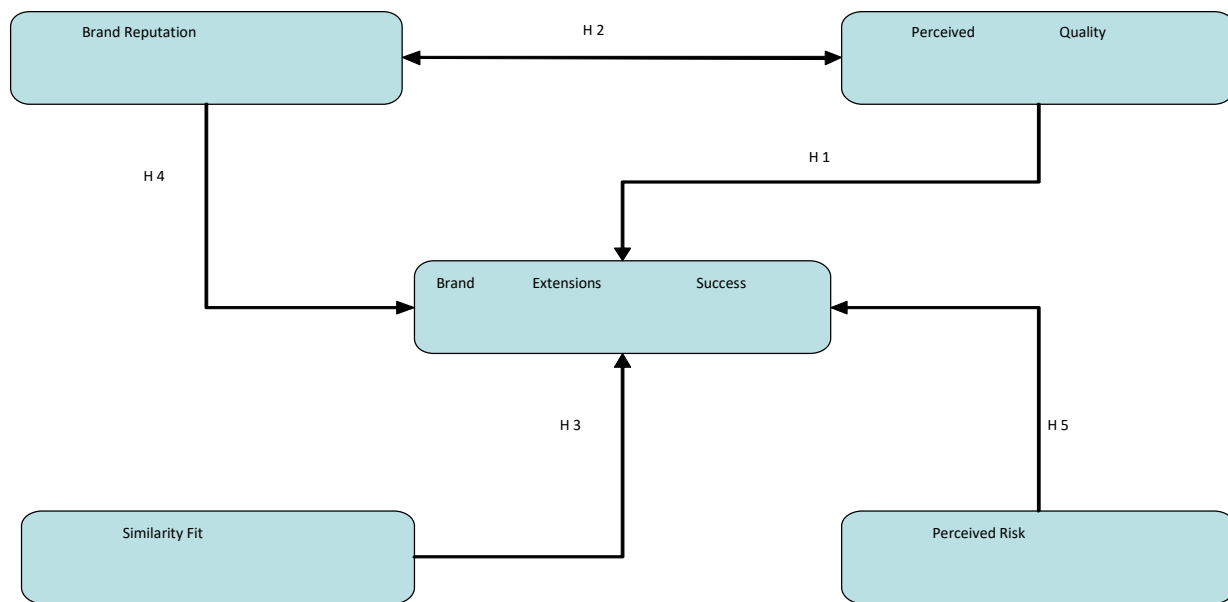


Figure1: Showing the Model of Factors Affecting Brand Extensions Evaluations

RESEARCH DESIGN

To test the above hypotheses for this study, six brands are selected based on the criteria used in similar studies. The criteria are (i) high quality, having strong brand image, (ii) brand not having been broadly extended previously (iii) ability to elicit relatively specific associations. To identify the brands the secondary data has been used. These brands were selected based on the survey on the most trusted services brands in India.

Ranked among the most trusted brands based on brand attributes such as: maintains high quality, premium price, considered brand for purchase, popular brand for many years, has something that no other brands have, evokes a sense of trust and pride among users and a unique feeling associated with it. Two brands were selected in the category of FMCG and four brands were selected in the category of services, the reason being that substantial literature was involved in brands of FMCG and very little in brands of services. Therefore, four service brands were chosen to gain a better insight into the consumer evaluation of service brands. Colgate (ranked 1) and Dettol (ranked 4) were two FMCG brands. LIC-Life Insurance Corporation of India (ranked 1), SBI-State Bank of India (ranked 2), BSNL-Bharat Sanchar Nigam Limited (ranked 3), and ICICI-Industrial Credit and Investment Corporation of India (ranked 4) were four service brands. **Aaker and Keller (1990)**.

Each of the six parent brands has been leveraged into three hypothetical extensions, providing 18 brand extensions in total. These extensions had to be relevant and related to the parent brand logically. To test the framed hypotheses, care was taken to ensure that sufficient heterogeneity was provided by the extensions to test the similarity fit and perceived risk dimensions.

Table 2: Showing Hypothetical Brand Extensions

S. No	Original Brand	Hypothetical Brand Extensions in Terms of Relatedness
1	Colgate	1. Mouth Wash (High) 2. Breath Mint (Medium) 3. Dental Floss (Low)
2	Dettol	1. After Shave Lotion (High) 2. Antiseptic Cream (Medium) 3. Toilet Cleaner (Low)
3	Life Insurance Corporation of India (LIC)	1. Banking (High) 2. Real Estates (Medium) 3. Hospital (Low)
4	Bharat Sanchar Nigam Limited (BSNL)	1. Networks (High) 2. IT & Technical Education (Medium) 3. Insurance (Low)
5	State Bank of India (SBI)	1. Financial Consultancy Services (High) 2. Educational Institutions (Medium) 3. Hotels (Low)
6	Industrial Credit and Investment Corporations of India (ICICI)	1. Real Estate (High) 2. Satellite Channels (Medium) 3. Theme Parks (Low)

The subjects were the users of these brands in Mumbai, Maharashtra state, India. The valid samples for different brand users were Colgate 178; Dettol 178; LIC 124; BSNL 125; ICICI 121; SBI 119.

Pearson Correlation coefficient and multiple regression methods were used to test the hypotheses made for this study.

FINDINGS AND INTERPRETATIONS

Table 3 shows the correlation coefficients for Colgate and Dettol's hypothetical FMCG brand extensions, we can infer from the results that the H2 stating the relationship between the parent brand's reputation and quality and the H3 stating the relationship between similarity fit and overall brand extensions was supported. This study therefore reiterates that similarity fits positively in terms of replacement, complement and transfer. This study strengthens previous studies in identifying associations between evaluations of similarity fit and brand extensions. It also supports the assumption that the parent brand's brand reputation is influenced by the quality that it commands in the perception of the customers. The H2 and H3 hypotheses supported all hypothetical brand extensions of Colgate and Dettol. The FMCG category partially supported hypotheses H1 (perceived quality) and H4 (brand reputation). Two cases supported hypothesis H5 (perceived risk). There was no impact on the perceived risk from the remaining four extensions. Since the perceived risk involved in FMCG is relatively low and tangible indications are available to reduce the perceived risk of customers in purchase decisions of FMCG are strong reasons not to consider perceived risk as one of the factors in evaluations of FMCG brand extensions.

**Table 3: Results Showing the Correlations Coefficients for
*Colgate and Dettol***

HYPOTHESES	HYPOTHETICAL BRAND EXTENSIONS OF COLGATE			HYPOTHETICAL BRAND EXTENSIONS OF DETTOL		
	MOUTH WASH	BREATH MINT	DENTAL FLOSS	AFTER SHAVE LOTION	ANTISEPTIC CREAM	TOILET CLEANER
1. SERVICE QUALITY AND OVERALL BRAND EXTENSIONS	0.198**	0.137	0.027	0.274**	0.253**	0.078
2. SERVICE QUALITY AND BRAND REPUTATION	0.683**	0.683**	0.683**	0.680**	0.680**	0.680**
3. SIMILARITY FIT AND OVERALL BRAND EXTENSIONS	0.757**	0.570**	0.705**	0.509**	0.526**	0.313**
4. BRAND REPUTATION AND OVERALL BRAND EXTENSIONS	0.175*	0.136	0.050	0.149*	0.176*	-0.054
5. PERCEIVED RISK AND OVERALL BRAND EXTENSIONS	0.079	0.256**	0.185**	0.036	-0.137	0.064

** Correlation is Significant at the level of 0.01 (2- tailed)

Table 4 provides snapshots of results of five hypotheses based on the correlation coefficients in Colgate and Dettol hypothetical brand extensions. We can deduce that similarity fit has a strong impact on evaluations of brand extensions.

A strong positive relationship exists with its reputations between the perceived quality of the parent brand. Evaluations of the parent's perceived quality and brand reputation had a partial impact on brand extensions. Perceived risk was considered less important in the extended product category because perceived risk had an impact only in two out of six hypothetical extensions.



Table 4: Results of the Hypotheses Based on Correlations Coefficients

+ve = supports hypothesis, -ve = does not support hypotheses

HYPOTHESES	HYPOTHETICAL BRAND EXTENSIONS					
	COLGATE			DETTOL		
	MOUTH WASH	BREATH MINT	DENTAL FLOSS	AFTER SHAVE LOTION	ANTISEPTIC CREAM	TOILET CLEANER
1. SERVICE QUALITY AND OVERALL BRAND EXTENSIONS	+VE	-VE	-VE	+VE	+VE	-VE
2. SERVICE QUALITY AND BRAND REPUTATION	+VE	+VE	+VE	+VE	+VE	+VE
3. SIMILARITY FIT AND OVERALL BRAND EXTENSIONS	+VE	+VE	+VE	+VE	+VE	+VE
4. BRAND REPUTATION AND OVERALL BRAND EXTENSIONS	-VE	-VE	-VE	+VE	+VE	-VE
5. PERCEIVED RISK AND OVERALL BRAND EXTENSIONS	-VE	+VE	+VE	-VE	-VE	-VE

Table 5 shows the correlation coefficient and we can infer that in all the hypothetical extended category, the service quality, brand reputation and similarity fit have positive relationships with the overall brand extension assessment. This strengthens the notion that similarity fits, brand reputation and perceived quality of service is strongly associated with the evaluations of service brand extension. The H1, H3 and H4 are supported by this. Quality of service has a positive relationship with the reputation of the brand. This reinforces the assumption that service quality increases the core products ' brand reputation and thus supports H2.

However, H5, which aims to find the relationship between perceived risk and overall brand extension, slightly supports the possibility of extending the brand name of BSNL to IT and Computer Education but not to other hypothetical extensions. This is one of the key outcomes that need to be further explored. It shows that perceived risk has much less association with evaluations of service brand extensions in the extended product categories. This is contrary to the assumption that in the category of services, brand name is a risk reliever. Probably, to evaluate the service brand extensions positively, customers look more important factors than brand name.



Table 5: Results Showing the Correlations Coefficients for LIC and BSNL

HYPOTHESES	HYPOTHETICAL BRAND EXTENSIONS OF LIC			HYPOTHETICAL BRAND EXTENSIONS OF BSNL		
	BANK	REAL ESTATE	HOSPITALS	NETWORK	IT&COMPUTER EDUCATION	INSURANCE
1. SERVICE QUALITY AND OVERALL BRAND EXTENSIONS	0.232 **	0.246 **	0.265 **	0.259 **	0.341 **	0.343 **
2. SERVICE QUALITY AND BRAND REPUTATION	0.627**	0.627 **	0.627 **	0.566**	0.566 **	0.566 **
3.SIMILARITY FIT AND OVERALL BRAND EXTENSIONS	0.645 **	0.701 **	0.671 **	0.619 **	0.728 **	0.723 **
4. BRAND REPUTATION AND OVERALL BRAND EXTENSIONS	0.071	0.191 **	0.346 **	0.251 **	0.326 **	0.374 **
5. PERCEIVED RISK AND OVERALL BRAND EXTENSIONS	-1.154	-0.148	0.035	0.094	0.281 **	0.165

** Correlation is Significant at the level of 0.01 (2- tailed)

Table 6 shows the hypothesis summary of the results. A strong positive relationship with brand reputation was shared by perceived service quality. This increases the theory that there will be a high brand reputation for strong perceived quality. The positive evaluations of brand extension were influenced by similarity fit, perceived service quality, brand reputation. Perceived risk had less impact on evaluations of brand extensions.

Table 6: Results of the Hypotheses Based on Correlations Coefficients for BSNL and LIC

HYPOTHESES	HYPOTHETICAL BRAND EXTENSIONS					
	BSNL			LIC		
	NETWORK	IT & COMPUTER EDUCATION	INSURANCE	BANK	REAL ESTATE	HOSPITALS
1. SERVICE QUALITY AND OVERALL BRAND EXTENSIONS	+VE	+VE	+VE	+VE	+VE	+VE
2. SERVICE QUALITY AND BRAND REPUTATION	+VE	+VE	+VE	+VE	+VE	+VE
3. SIMILARITY FIT AND OVERALL BRAND EXTENSIONS	+VE	+VE	+VE	+VE	+VE	+VE
4. BRAND REPUTATION AND OVERALL BRAND EXTENSIONS	+VE	+VE	+VE	-VE	+VE	+VE
5. PERCEIVED RISK AND OVERALL BRAND EXTENSIONS	-VE	+VE	-VE	-VE	-VE	-VE

Table 7 showing the results of SBI and ICICI correlation coefficients, similarity fit, and core product brand reputation were more closely associated with evaluations of brand extensions. Evaluations of brand extensions were less associated with perceived service quality and perceived risk in the extended categories. Perceived quality of service and reputation of the brand were largely associated positively.

Table 7: Results Showing the Correlations Coefficients for SBI and ICICI

HYPOTHESES	HYPOTHETICAL BRAND EXTENSIONS OF SBI			HYPOTHETICAL BRAND EXTENSIONS OF ICICI		
	FINANCIAL CONSULTANCY SERVICES	EDUCATIONAL INSTITUTIONS	HOTEL	REAL ESTATE	SATELLITE CHANNELS	THEME PARKS
1. SERVICE QUALITY AND OVERALL BRAND EXTENSIONS	0.344**	0.156	0.086	0.138	-0.034	-0.053
2. SERVICE QUALITY AND BRAND REPUTATION	0.681**	0.681**	0.681**	0.635**	0.635**	0.635**

3.SIMILARITY FIT AND OVERALL BRAND EXTENSIONS	0.614**	0.650**	0.560**	0.719**	0.601**	0.647**
4. BRAND REPUTATION AND OVERALL BRAND EXTENSIONS	0.459**	0.303**	0.156**	0.188**	0.082	0.097
5. PERCEIVED RISK AND OVERALL BRAND EXTENSIONS	0.100	0.066	0.201*	-.225**	0.079	0.090

** Correlation is Significant at the level of 0.01 (2- tailed)

The following table 8 shows the summary of the results for the hypotheses developed. Unlike previous service extensions (LIC, BSNL), perceived quality of service shared a less significant relationship with evaluations of brand extension. This gives room for further research and comes with strong support for customers to look differently at the evaluation of the various types of service categories. SBI and ICICI brand extension evaluations reinforced the impact of similarity fit over brand extension evaluations. Perceived risk had a lesser impact on evaluations of brand extension. Brand reputation has had a significantly greater impact on evaluations of service brand extensions.

Table 8: Results of the Hypotheses Based on Correlations Coefficients for SBI and ICICI

HYPOTHESES	HYPOTHETICAL BRAND EXTENSIONS					
	SBI			ICICI		
	FINANCIAL CONSULTANCY SERVICES	EDUCATIONAL INSTITUTIONS	HOTEL	REAL ESTATE	SATELLITE CHANNELS	THEME PARKS
1. SERVICE QUALITY AND OVERALL BRAND EXTENSIONS	+VE	-VE	-VE	-VE	-VE	-VE
2. SERVICE QUALITY AND BRAND REPUTATION	+VE	+VE	+VE	+VE	+VE	+VE
3. SIMILARITY FIT AND OVERALL BRAND EXTENSIONS	+VE	+VE	+VE	+VE	+VE	+VE
4. BRAND REPUTATION AND OVERALL BRAND EXTENSIONS	+VE	+VE	+VE	+VE	-VE	-VE
5. PERCEIVED RISK AND OVERALL BRAND EXTENSIONS	-VE	-VE	+VE	+VE	-VE	-VE

The following Tables 9, 10 and 11 provide information on the regression results of Colgate and Dettol, LIC & BSNL and SBI & ICICI hypothetical extensions. These tables contain the standardized coefficients of regression and the appropriate t values are given in parentheses. With some of the hypothetical brand extensions, the adjusted R^2 was on comparable and sometimes high. A possible explanation might be that over the years brand extensions have become much more common. Successful extensions could have set or strengthened consumer evaluation standards while at the same time strengthening the subsequent explanatory power of the constructions used.

Over the years, there has been support for the hypothesis stating the impact of similarity fit over brand extension evaluations. This is also confirmed in the study. Although it was confirmed in all hypothetical extensions in this study in varying degrees. This study, however, supports the study of Aaker and Keller (1990). Among the other hypothetical extensions used in this study, service quality is supported only in one hypothetical brand extensions (LIC into Hotels). Similarly, brand reputation only had a significant impact in one case (SBI in Financial Consulting Services). Perceived risk had a significant impact on two cases in the category of FMCG (Colgate in breath mint and Dettol in antiseptic cream).

Table 9: Results of the Regression for Colgate and Dettol

a = Beta Co-efficient

Factors	COLGATE			DETTOL		
	MOUTH WASH a(b)	BREATH MINT a(b)	DENTAL FLOSS a(b)	AFTER SHAVE LOTION a(b)	ANTISEPTIC CREAM a(b)	TOILET CLEANER a(b)
Constant	(2.840)	(1.193)	(1.731)	(3.255)	(4.045)	(4.060)
Service Quality	0.059 (0.860)	0.114 (1.355)	0.062 (0.841)	0.150 (1.622)	0.033 (0.363)	0.090(0.878)
Brand Reputation	-0.011 (-0.163)	0.023 (0.271)	0.009 (0.121)	-0.111 (-1.244)	.002 (0.027)	-0.188 (-1.929)
Similarity Fit	0.745 (14.621)	0.528 (8.454)	0.696 (12.799)	0.483 (6.719)	0.517 (7.543)	0.324 (4.215)
Perceived Risk	0.036 (0.720)	0.159 (2.522)	0.068 (1.244)	0.016 (0.244)	-0.142 (-2.150)	0.059 (0.827)
Adjusted R^2	0.567	0.346	0.494	0.254	0.284	0.102
R^2	0.576	0.361	0.505	0.271	0.301	0.122
F	58.874	24.391	44.188	16.101	18.582	6.026

(b) = t- Values

Table 10: Regression Analysis Results for LIC & BSNL

FACTORS	LIC			BSNL		
	BANKS a(b)	REAL ESTATE a(b)	HOSPITALS a(b)	NETWORKS a(b)	IT & COMPUTER EDUCATION a(b)	INSURANCE a(b)
CONSTANT	(1.583)	(2.238)	(-.833)	(2.754)	(0.016)	(3.011)
SERVICE QUALITY	.095 (1.337)	.088 (1.306)	.171 (2.560)	.071 (.954)	0.038 (.492)	.112 (1.703)
SIMILARITY FIT	.648 (9.320)	.692 (10.554)	.646 (9.683)	0.619 (8.732)	0.691 (10.88)	.723 (11.591)
BRAND REPUTATION	.002 (.026)	.07 (1.111)	.105 (1.201)	0.089 (1.214)	.133 (2.102)	.119 (1.792)
PERCEIVED RISK	-1.049 (-1.049)	-.111 (-1.707)	.037 (.552)	0.079 (1.118)	.082 (1.297)	.023 (.357)
ADJUSTED R ²	0.415	0.475	0.469	0.378	0.539	0.518
R ²	0.420	0.479	0.447	0.383	0.546	0.522
F	86.669	111.39	54.806	76.242	73.50	134.346

Adjusted R² = Significant at 0.000 level

a = Beta Co-efficient

(b) = t- Values

Adjusted R² = Significant at 0.000 level

Table 11: Regression Analysis Results for SBI & ICICI

Factors	SBI			ICICI		
	FINANCIAL CONSULTANCY SERVICES a(b)	EDUCATIONAL INSTITUTIONS a(b)	HOTEL a(b)	REAL ESTATE a(b)	SATELLITE CHANNELS a(b)	THEME PARKS a(b)
Constant	(0.471)	(0.779)	(0.766)	(0.934)	(0.795)	(0.751)
Service Quality	0.045 (0.472)	-0.053 (-0.555)	-0.002 (-0.015)	0.094 (1.142)	-0.116 (-1.22)	-0.086 (-0.917)
Brand Reputation	0.255 (2.533)	0.194 (1.987)	0.051 (0.456)	0.080 (0.972)	0.150 (1.567)	0.126 (1.345)

Similarity Fit	0.500 (6.634)	0.609 (8.431)	0.537 (6.842)	0.696 (10.778)	0.604 (8.281)	0.635 (8.984)
Perceived Risk	0.106 (1.492)	0.008 (0.117)	0.091 (1.097)	-0.075 (-1.147)	0.085 (1.144)	0.033 (0.454)
Adjusted R²	0.431	0.427	0.303	0.529	0.364	0.411
R²	0.450	0.447	0.326	0.545	0.386	0.430
F	23.342	23.004	13.805	34.709	18.207	21.897

a = Beta Co-efficient

(b) = t- Values

Adjusted R² = Significant at 0.000 level

CONCLUSION AND MANAGERIAL IMPLICATIONS

This research paper enhances existing literature on consumer brand extension evaluation in the category of services. This examines the importance of similarity fit, perceived service quality impact, high brand reputation significance, and perceived risk influence in the FMCG and services. Interestingly, this study reinforces the earlier literature in terms of similarity dimensional findings. Whenever the consumer evaluates the brand extensions, similarity between core products / services and extended products / services is considered the most important. In terms of the relationship between perceived service quality and brand reputation, this study also supports earlier studies. The reputation of the brand could be improved by enriching the quality of the company's product or services. Again, it fulfills the very purpose of using brand extension to create customer familiarity. These issues are largely supported by service category brand extensions. If there is a strong brand reputation, there is every possibility that in a competitive market the brand extension will be successful. Contrary to earlier findings, when perceived risk is high in the extended product category, the brand extension would help us to reduce the perceived risk of buying products / services. But the above assumption does not support this study. This may be due to the difficulties inherent in perceiving the risk involved in the services. Because of the credence quality of the services by nature, it is very difficult for consumers to perceive the risk of the services.

This research paper provides a comprehensive view of how the service brand extensions are evaluated by consumers. The underlying parameters used for service brand extensions in the consumer evaluation are similarity fit, the quality of service and brand reputation are clearly revealed through this study results. In addition, this study reinforces the assumption that service quality would enhance the brand's reputation. In future studies, researchers may examine the perceived risk characteristics and their impact on brand extension evaluations. This study also paves the way for researchers to conduct a similar type of brand extension studies for the various service sector categories. Managerial implications might be that in cases where the similarity between the core product and the extended product category should be there in some way, the brand extensions strategy can be used most successfully.

The fit can be in terms of replaceability, complimenting the core product, relevance of use, or based on the core facilities used for the product / services development and delivery. At the individual brand level, we see significant differences in explanatory power. This may be due to the brand-specific factors assessment. Other customers do not use the producer's reputation as an important factor in the quality of service extension as compared to the quality of consumable extension.

LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

In this study, variables of similarity fit were strongly correlated as they were in other similar studies. This may be because this study also followed the items developed by Aaker and Keller (1990) and used in similarity fit in other studies. To this end, there is scope to develop a multi - item scale. Another problem with this research is generalizability. Since the selected brand does not represent a complete range of product / service categories, this study can be carried out across all product / service categories. Bottomley and Doyle (1996) mentioned in their study that consistency in the brand concept is a very abstract factor, facilitating the acceptance of extensions beyond product - related similarity limitations. Another option is to incorporate service attributes and find the explanation that affects the attitude towards extensions. Some of the hypothetical extensions had no effect on the attitude of the brand extensions of perceived service quality. This could have been due to price clues that customers used to evaluate the quality of service, which can be monitored in future studies.

Especially in services, the need for the hour is to outline the general categorization or classification of services, allowing for a more detailed model considering brand-specific associations. Generalizability can be achieved by carrying out several similar studies in different categories of services / products.

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