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IMPACT OF PARENT BRAND ON BRAND EXTENSION BY FIRM

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ABSTRACT
A Brand is something recognised by its logo, image, mark or a potential sentence that can be recognised, which the customer associates it with. It reflects the perceived quality, the status associated with the brand in the society and its uniqueness. In the current competitive era, where every brand is trying to sustain in the long run, Brand Extension comes out to be a solution that helps the organisation save a lot as promoting becomes easier and less expensive. But how does the customer perceive the brand extension is majorly affected by the parent brand's image in the minds of the customer. Generally, if the customer trusts the parent brand, they tend to buy the brand extension also. This research paper examines how various factors may affect the customer's perception of the brand extension.

KEYWORDS: Parent brand, Brand extension, Perceived brand image, Vertical brand extension, Horizontal brand extension.

INTRODUCTION
In the era of the highly competitive environment due to globalisation, every company is trying to sustain the long run and take more opportunities and advantages. Such a situation has made it imperative to create a strong brand for every organisation. Fierce competition forces firms to adopt strategies that create a competitive advantage for the firm. Making a brand name with entrenched affiliations is one method for accomplishing this point. A brand is a recognizing image, mark, logo, name, word, or potential sentence that organizations use to differentiate their product/services from others. A blend of at least one of those components can be used to make a brand identity. It is a product, concept or service that is distinguished from each other publicly, from other products. Concept and services, which is communicated easily and usually marketed. The company's reputation in the public and its brand image are often used as factors in evaluating a company.

Firms invest highly in branding. Even though it is a costly affair, but once success is achieved. the returns are multi-fold. An efficient way for branding which many firms follow is Brand Extension. One important advantage of getting a powerful brand is that it can facilitate the acceptance of the latest products launched using that brand name, i.e., brand extension. Brand extension lowers the cost of an introductory marketing program significantly and lowers consumer risk. The company's rationale behind extending brands is to achieve economies of scale. As a way of marketing of goods and services, many organizations follow brand extension. Companies needn't create a brand-new name for brand spanking new product category; companies should use the name of the known, successful and well-established brand rather than creating new product name, in other words, brand extension is employed. Also, the brand extension is a new brand management style that creates the value for a single name and makes it a mega Parent brand.

A more economical approach is generally used to launch a new product under the cover of an already existing product. Well controlled brand extensions not only provide additional revenue opportunities but will also improve brand sense and help create brand equity. The parent brand becomes stronger with each successful extension it promotes.

Literature Review
The manufacturing organizations likewise have realized that their product brand is a wellspring of intensity that is gotten from the market (Kotler, 2008). The American Showcasing Association characterizes a brand as a name, word or expression name sign image plan or blends their point is to make an item or administration that offered by the merchant and that recognize their items from other contending organizations (Kotler and Armestrang, 2008).

The brand expansion implies that a fruitful brand image is utilized for another item in different classes (Arselan and Altuna, 2010). The brand expansion implies that a fruitful brand image is utilized for another item in different classes (Czellar, 2003). Various organizations utilize various strategies to extend the brand. There you can utilize the vertical augmentation or horizontal expansion of the brand. These two techniques utilized by organizations in various circumstances (Volcker, 2006 and Sattler, 2007). The horizontal brand extension can be defined as an extension of a parent brand to a product which is the same in the new category of product. Vertical expansion is that the second brand expansion during which a replacement brand was introduced supported in price and quality (Pitta and Katsanis, 1995). Vertical expansion can be described as a similar import brand within the same category of products, though). Vertical Extension of a luxury brand is an extension of the brand is within the highest quality and better price compared to the parent brand (Xie, 2008).

Downscale vertical brand, extension extends the brand with lower quality and price (Lavack and Kim, 1996). Brand extension and line extension are different from one another. line extension means new product introduced within the identical category class and brand extension means a totally different category of product introduced within the market (Aaker and Keller, 1990). Perceived quality and positive attitude towards the extension is simply shown within the case of a high kind of product similarity (Keller, 1990). Perceived quality can exercise a right away effect on brand extension (Bottomley and Holden, 2001). An organization have high brand equity achieve the high perception of the consumers, greater loyalty, high-profit margins, less negative reactions if price increases, high support of middleman and brand extensions (Keller, 2008). Line extension occurs when an organization wants to introduce new size, flavours etc. (Tauber, 1981). The brand extension could also be two different directions: horizontal extension and vertical extension (Aaker and Keller, 1990). When existing product name is employed to extend into the same product class or into several categories this can be called horizontal extension (Tauber, 1981). Vertical extension occurs when a new product is introduced in a very same product category with different price and quality level (Pitta and Katsanis, 1995). Any reasonably inappropriate extension may additionally create a serious variety of damage to the parent brand and after it, slow could also be very challenging for the company to beat this situation. within the modern age, the thinkable and well-managed brand is successful (Ries and Trout, 1986). The brand is the thing that connects with the minds and feelings of the individuals since individuals provide more significance to the brands as compare to any other thing (Franzen and Bouwman, 2001). Brand expansion depends on the fitness of parent brand and amplified brand (Aaker and Keller, 1990, Broniarczyk and Alba, 1994). If the chance that modern brand is near to the existing brand at that point, there's a part of chances that new item may be effective and survive. In case the modern item is at different than the parent brand at that point the chances of failure are increased (Boush, 1991 and Loken, Stop et al., 1991). When expansion in the brand was comparable as the family brand at that point it depends on the data that pass to the customer. On the off chance that data is destitute at that point, it may get to be the cause of a decrease in family brand image (Romeo, 1991).

METHODOLOGY

Primary research was conducted through a questionnaire to investigate the impact of parent brand image on the launch of a new brand extension.

- **Research Design**: A descriptive research was carried out.
- **Source of the Data**: Primary data has been collected by surveying target customers/individuals. Secondary data has been collected by the referring various Journals, research papers, social networking site and online blogs/articles.
- **Data Collection Methods**: Data has been collected using a structured questionnaire through Survey via Google forms.
- **Sample Area:** PAN India except for the eastern part.
- **Sampling Method:** Convenience sampling method has been used. A sample of 207 responses were collected.

DATA ANALYSIS AND DISCUSSIONS

A survey was conducted through Google forms. There were 207 respondents. Demographic distribution indicates maximum i.e. 96.6% respondents belong to the age group 20-30 years, 1.9% were in the age group of 30-40 years, 0.5% in the age group of 40-50 years and 1% in the age group above 50 years.

Of the 207 respondents, for 6.8% brand meant ‘Uniqueness of the product’. 9.2% of respondents related brand with the ‘Status associated with the product in the society’ and 27.1% selected ‘Quality of product’ as a definition of brand. Whereas maximum (57%) thought brand to be as all the options. The brand is something which affects the buying decision of the customer. What the customer thinks a brand should be defined should be considered by the companies to provide better customer satisfaction.

Loyalty to the brand is an important factor while determining if the customer would accept the brand extension due to the brand image. Majority i.e. 70% responded that they were loyal to their brand while 30% denied this.

53.6% of the people trusted the brand and would try a new product under the same due to brand popularity, while 46.4% showed a resistance to do the same. A proper projection of the brand so that the popularity increases would help in future launching of brand extensions.

The customer's review on brand extension allows companies to know what the customer wants and act accordingly. When questioned whether the brand loses its unique identity when it enters multiple product categories 7.7% of the total respondents strongly disagreed to it, 35.7% disagreed to it, while 30% were neutral about it. Only 28% of people agreed to it and 3.4% strongly agreed to it. Companies when getting into multiple segments tend to divert from the main product line and hence might lose its uniqueness. But on the other side, the popularity of the brand might increase due to it. Thus, if a company is already into many product categories launching a new product into a new category might not be as successful as expected.

The image of the brand reflects that on the brand extension. It might go same the other way if a successful brand launches a new product which does not go well in the market. 36.7% of the respondents agreed that an extension failure affects the parent brand's perceived quality, 2.9% strongly agreed with it, 24.6% were neutral about it, 29% disagreed to it, and 6.8% strongly disagreed to it.

According to 49.8% of the respondents agreed that it gets difficult making a choice when there are many variants under a brand. 8.7% strongly agreed to it, 19.8% were neutral about it, 17.95 disagreed to it and 3.9% strongly disagreed to it. Examples can be quoted like Xiaomi, where the company launches a lot of variants and the consumers get confused between the products of the same brand.

Of the 207, 36.7% agreed that the brand popularity increases with an increasing number of products under the brand, 9.2% strongly agreed, 23.7% were neutral about it, 23.7% disagreed to it and 6.8% strongly disagreed to it.

CONCLUSION
The brand extension helps to reduce the cost of launching a new product, it also decreases the risk of launching a new product.

The acceptability rate of the brand extension increases when the parent brand is successful in the market. The effect goes vice-a-versa where if the parent brand's image in the market is not good, it will have a negative impact on the new product by the brand.

The brand for the customer is the quality, status associated with it in the market and the uniqueness of it.

Most of the people are loyal to their favourite brand and most among them would try out a new product for the sake of brand hence launching a brand extension could be beneficial for the company.

The brand when gets into various segments may or may not tend to lose its unique identity, but a complete diversion from the main product category, it might affect the perceived brand image and hence affect the brand extension.

The failure if the brand extension may lead to the parent brand's image to alter.

Launching many products under the same brand might get the customer confused to make a choice but also may turn out to be increasing brand popularity.

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