**Attributes Ensuring Positive Consumer Evaluation in Brand Extension of Pakistan**

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**Abstract**

Brand extension is an important cost effective marketing method to offer new products. However, Ordinary Lease Square regression with control variables has been applied for estimation of variable coefficients. In this study, consumer evaluation of brand extension in Pakistan is dependent on quality of the original brand, substitutability of the extension with the original brand in certain usage situation and helpfulness of people, facilities and skills used in developing, refining and making the original brand for constructing its extension. Furthermore, other independent variables including complementarity, difficulty and moderating role of quality of the original brand with fit attributes have been found as irrelevant for determining consumer evaluation of brand extension in Pakistan. This study has found an expected significance outcomes on ideal point effect of substitutability at 15%.

**Keywords:** Brand Extension, Brand Management, Marketing, Consumer Evaluation, Consumer Preference

## 1. Introduction

Brand extension is an important marketing method to offer new products. The method has achieved both successes and failures in Pakistan: *Jang*, a category leader in Urdu newspapers had extended its spin-off, *Geo News,* in electronic media category. Over a period of time, *Geo News* also became a category leader. However, *Waqt*, a news channel of *Nawai Waqt*, 2nd best Urdu newspaper, has failed to position itself in electronic media category. Similarly *Dawlance*, leader in refrigerator category could not position itself in television and microwave categories. Why some failed, but others succeed? Subsequently, a number of similar studies were conducted in various countries.

Purchase intention is the implied promise to one's self to buy the product again whenever one makes next trip to the market (Fandos & Flavian, 2006; Halim & Hameed, 2005). It has a substantial importance because the companies want to increase the sale of specific product for the purpose to maximize their profit. Purchase intention depicts the impression of customer retention. There are certain functions of the brand which have a strong influence on the purchase intention of the customer's i.e. brand image, product quality, product knowledge, product involvement, product attributes and brand loyalty.

Firms are considered good and bad not only on the basis of their behaviors in the ethical domain but also from the ways their products perform. Previous research supports the notion that negative information about product attributes influences consumers' attitudes toward brands more than does positive information about product attributes (Herr, Kardes, & Kim, 1991). Although attribute performance suggests how to classify the product (Herr et al., 1991), such information may be much less diagnostic of a firm's underlying characteristics. Firms may have reasons for offering low-quality products that do not suggest bad character a low-quality product is designed to serve a segments' need for a low-priced product. If so, consumers' attitudes should differ depending on firm ethics regardless of product attribute inferiority. Shabbir et al, (2016) at some extent, some of the social media applications in the present time have become most efficient and effective tool for small business entrepreneurs and normally all small business use social media platform for the advertising and publicity of their products and services, they make fan pages for the followers and they warmly welcome the suggestions and opinions which help in improving their business.

To maximize the acceptance and recognition of new products in Pakistan, it is appropriate to test the theory by hypothesizing that favorable consumers' evaluation of brand extension in Pakistan is dependent on attributes of complementarity, substitutability, transferability and difficulty, and the indirect effect of parent brand quality through moderating role of quality on the complementarity and substitutability. To maximize the acceptance and recognition of new products in Pakistan, it is appropriate to test the theory for Pakistan. We have used survey method (Likert scale 1-7) to determine attributes of consumer evaluation of brand extension in Pakistan.

## 1.1 Research Objective
Our study addresses following objectives

- Original brand quality, substitutability, complementarity, transfer and difficulty are positively related with consumer evaluation of brand extension.

- Original brand quality moderating with the three fit attributes, namely, substitutability, complementarity and transfer are positively related with consumer evaluation of brand extension.

## 2. Literature Review

Based on two sets of social psychology theory including associative memory network model and categorization theory, brand extension theory has been evolving since 1990. In terms of brand extension theory, higher quality perceptions about the original brand are associated with favorable attitudes for the extension. Further, congruence between the original brand associations and the new category concepts is reflected through the three fit attributes. This particular attribute is perhaps more helpfully conceived as the opposite of triviality, in the sense that subjects might evaluate trivial extensions poorly, like Engro Food is marketing ball point pen.

Halim and Hameed (2005) explain purchase intention as the number of patrons that has a proposal to buy the products in future and make repetition purchases and contact again to the specific product. In and Kang (2011) explains purchase intention relating four behaviors of consumers including the undoubted plan to buy the product, thinking unequivocally to purchase the product, when someone contemplate to buy the product in the future, and to buy the specific product utterly. Fandos and Flavian (2006) explain the phenomenon of purchase intention as the projected behavior of consumers on short basis about the repetition purchase of specific product i.e. when someone decided to buy the product whenever he/she will come again to the market.

Arslan and Altuna (2010) defined brand image as the positive and negative feeling about the brand when it comes to the mind of the consumers abruptly or when they recall their memories. They have the view that there are three aspects of brand image which make the whole image of the brand which are; favorability, strength, and distinctiveness. Meenaghan (1995) explains brand image in terms of the attitudes of the consumers about the particular brand which helps to point it and thinking of the buyers in the significant way to make the product different from others. Bian and Moutinho (2011) described the phenomenon by using marketing sense to explain it as the set of statements given to the

target market to capture the purchase intentions of the targeted consumers. Lee, Lee and Wu (2011) explain the brand image as the overall mind reflection and beliefs about the particular brand by keeping in mind its unique qualities which make it different from the others. Sebastianelli and Tamimi (2002) explained product quality as something which resembles with the innate excellence, which mean, it comes from the production level and it should be recognizable. They emphasized that quality should consist of measurable features instead of preferences.

Shabbir MS (2016) analyzed the effect of media on buying behavior of children in Pakistan. However, comparatively we have analyzed how the parents and peers play their roles in making buying decision of their children. We have used primary data to find out consumer socialization and factors that affect children influencing and final decision making in doing any purchase.In the contemporary business world, the competition among firms is different from the past as this is understated which is little but very crucial. The firms are attempting for competitiveness that help them to hold more stable place in the market. The ideal route for firms to attain it is with the innovation (Shabbir MS 2015). Whereas, Shabbir and Zaman (2016) explore and pinpoint some of marketing strategies issues which can be helpful for new investors and old stakeholders in the sector of Islamic banking in Pakistan, In order to penetrate successfully in the market. Furthermore, this stud investigates that what can be suitable and effective marketing strategies for Islamic Banking in Pakistan? Their target groups are those Islamic banks and standalone Islamic bank branches that are currently working in Pakistani market and those who are interested in exploring the Pakistani market.

## 3 The Model

Based on our hypothesis, the following regression model has been developed:

$$Y = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + \beta_6 x_1 x_2 + \beta_7 x_1 x_3 + \beta_8 x_1 x_4 + \varepsilon$$

$Y$ = brand extension preference (average of try and quality of brand extension)

$\alpha$ = constant intercept

$X1$ = original brand preference

$X2$ = level of substitutability

$X3$ = level of complementarity

$X4$ = level of transfer

$X5$ = level of difficulty

$\beta_6$ to $\beta_8$ = interaction of fit attributes with original brand quality in case of OLS technique and residuals in case of RC technique

$\varepsilon$ = homoscedastic & independent error term

## 4. Research Methodology

To test our hypothesis, data on relevant attributes is collected through sample survey method. The ordinary least square regression method with RC technique has been applied on the survey data for estimation of the coefficients and sign of the relationship. However, Pakistan is consisting of five provinces and other areas with 175 million populations spreading over 1,046 km area. Karachi is a business hub of the country having population representing all the provinces. As such, the probability that Karachi is representative of Pakistan's population is much higher than other cities. In terms of judgment sampling, 147 university students and working professionals participated in the study (As such, total observations are 438). It was ensured that all are actual users of the selected brands. The six original brands and the extensions were selected as per criteria prescribed by Aaker & Keller (1990) discussed in this paper elsewhere. Further, it was also ensured that the extension should be logical and heterogeneous on the three fit measures. The following is the list of original brands and their extensions (Table-4):

## 5. Results

Brand extension theory was first tested by Aaker and Keller (1990), who theorized original brand quality (OBQ), together with three 'fit' attributes of substitutability (Subst), complementarity (Compl), transferability (Trans) and non-fit attribute, difficulty (Diffi) has a direct effect on the preference for the new brand extension (BEPrefrnc). They also hypothesized that there is an interactive effect between quality and the three fit attributes.

With this theory, they developed the following model to test the theory:

BEPrefrnc = OBQ + Subst + Compl + Trans + Diffi + OBQ*Subst + OBQ*Compl + OBQ*Trans

In order to estimate the above model, they employed six actual brands (prior to selection of the actual brand, it was ensured that these brands meet the three criteria of high quality, strong brand image and no prior significant extension) and 20 hypothetical brand extensions for a sample of 107 undergraduate business students of Berkley University in USA. These attitudes were measured on 7-point Likert scales where 1 was semantically anchored as a low level and 7 as a high level. They run OLS regression on the data and found the following results (Table-1):

**Table-1: Regression results of the model (1) of Aaker & Keller (1990)**

|  | OBQ | Trans | Compl | Subst | OBQ*Trans | OBQ*Compl | OBQ*Subst | Diffi |
|---|---|---|---|---|---|---|---|---|
| Regression coefficient | -0.01 | 0.12 | -0.02 | -0.06 | 0.02 | 0.03 | 0.02 | 0.12 |
| t-value | -0.1 | 2.0 | -0.4 | -1.0 | 1.4 | 3.2 | 2.1 | 6.2 |
| Sample size = 2140 and Adjusted $R^2$ = 0.26 | | | | | | | | |

Based on the theory and the empirical findings of Aaker & Keller (1990), a number of authors run similar model for their respective countries. Subsequently, it was argued that due to existence of multi-collinearity, it is appropriate to run residual centering (RC) technique for estimation of the coefficients (Echambadi et al. 2004). The results of significance of these studies including Aaker and Keller are given in the following Table-2.

**Table-2: Regression results of other important studies**

| Author | Country | Fit attributes | | | | D | Interaction terms | | |
|---|---|---|---|---|---|---|---|---|---|
|  |  | Q | C | S | T |  | Q x C | Q x S | Q x T |
| Aaker & Keller | USA | N | N | N | Y | Y | Y | Y | N |
| Sunde & Brodie | New Zealand | Y | N | Y | N | N | N | Y | N |
| Nijssen and Hartman | Netherlands | Y | N | Y | Y | N | N | Y | Y |
| Alexandre-Bourhis | France | N | Y | Y | Y | N | N | N | N |
| Bottomley and Doyle | U.K | N | N | Y | N | N | Y | N | Y |
| Barrat, Lye & Venkateswarlu | New Zealand | Y | Y | Y | Y | N | N | N | Y |
| Holden and Barwise | U.K. | Y | Y | Y | Y | Y | N | N | Y |
| Fu and Saunders | China | N | N | N | Y | Y | Y | N | N |
| Patro and Jaiswal | India | Y | Y | Y | Y | N | N | N | Y |

Note: Y denotes 'significant' and N 'not significant' at 95% C.L. Source: (Mather, 2011)

Mather (2011) has commented that residual centering was used in many of the replication studies in order to eliminate the multicollinearity. In view of his observations, Mather (2011) collected the data sets from previous empirical studies (some of them are noted in Table-2) and run General Linear Mixed Model (GLMM). Based on which, he concluded that complementarity, substitutability and

transferability and the indirect effect of original brand quality via quality's moderating role on the intrinsic effect of complementarity and substitutability affect consumer evaluation of brand extension positively and found the following results (Table-3):

**Table-3: GLMM Results of Mather (2011)**

|  | Fit attributes | | | | D | Interaction terms | | | Ideal point | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
|  | Q | C | S | T |  | Q x C | Q x S | Q x T | C^2 | S^2 | T^2 |
| Mather (2011) | N | Y | Y | Y | N | Y | Y | Y | Y | N | Y |

With respect to brand extension research carried out in Pakistan, we have found three studies. Durrani & Hussain (2009) evaluated successful brand extension based on survey method of telephone interviews with brand managers of Z-Jans (healthcare), Chen One (retail), Haleeb (dairy) and face to face interviews with Lakson (media/fast food/consumer goods) and Servis Groups (shoes/ pharma / tires & tubes). He concluded that brand management in Pakistan is at rudimentary stage of development and that brand extension with low price and value for customer is likely to perform well for Pakistani market. Ahmad, Abrar, Rehman & Kashif et al (2009) studied the relationship between brand loyalty and brand extension and found effective relation, loyalty behavior, self-image and similarity as significant variables to explain positive brand extension evaluation. Jalees, T. and Ali, T (2008) examined and empirically tested how consumers in Pakistan evaluate close brand extension in reference to variables including, similarly, reputation, multiple brand extension, parent brand characteristics and brand concept characteristics with a sample of 700 persons in Karachi following Ordinary Least Square method, they found similarity and reputation as significant variable. However, none of them has followed Aaker & Keller's model and its subsequent development.

**Table-4: Original brands and their hypothetical extensions**

| # | Original Brands | Extensions | | |
|---|---|---|---|---|
| 1 | Tapal Danedar Chai | Coffee | Milk | Mouthwash |
| 2 | K&N Chicken | Red meat | Masala | Floor tiles |
| 3 | Qurshi's Jam Sheeren | Fruit juice | Mithai (sweet) | Bicycle |
| 4 | Mobilink Mobile Network | Landline Network | Mobile handset | Ball point/ink pen |
| 5 | Olper's Milk | Milk powder | Tea bag | Chewing gum |
| 6 | Student Biryani | Burger | Soft drink | Chewing gum |

Consumer attributes were gathered on seven-point Likert scales (1 being low, 7 being high). The consumer's overall attitude towards the extension was taken as dependent variable. As per practice in the literature, the dependent variable was an average of two dimensions including (a) overall perceived quality of the extension brand and the purchasing probability of buying the extension product. The independent variables measured as (a) quality and (b) difficult. The fit attributes including (c) substitutability, (d) complementarity and (e) transfer were also measured on the seven-point Likert scales (The questionnaire is given on Annexure-I). Every printed questionnaire contained questions to obtain responses on one original brand and three extensions. In order to facilitate respondents, brief explanation, examples and instructions were given wherever appropriate. We followed indirect question administration. A pretest of the questionnaire was conducted with 51 respondents. These respondents were not included in the final survey.

- **The Data Characteristics**

The statistic of Skewness and kurtosis of the dependent variable showed normal distribution. Not only this, distribution of all the independent variables is also following normality assumption (Table-5)—although kurtosis statistic for independent variables, have reached as high as 1.24.

**Table-5: Data Characteristics**

| | Mean | Std. Deviation | Skewness | | Kurtosis | | Mode |
|---|---|---|---|---|---|---|---|
| | | | Statistic | Std. Error | Statistic | Std. Error | |
| **Dependent variable:** | | | | | | | |
| Brand Extension Preference | 3.76 | 1.43 | -0.23 | 0.12 | -0.67 | 0.23 | 4.00 |
| **Independent variables:** | | | | | | | |
| Original Brand Quality | 4.94 | 1.10 | -0.42 | 0.12 | -0.01 | 0.23 | 5.00 |
| Substitutability | 3.57 | 1.86 | 0.02 | 0.12 | -1.21 | 0.23 | 1.00 |
| Complementarity | 3.47 | 1.87 | 0.06 | 0.12 | -1.24 | 0.23 | 1.00 |
| Transferability | 3.88 | 1.88 | -0.27 | 0.12 | -1.05 | 0.23 | 5.00 |
| Difficulty | 3.79 | 1.72 | -0.22 | 0.12 | -0.99 | 0.23 | 5.00 |

- **Correlation Matrix**

However, Linearity of independent variables with dependent variable show that all the independent variables are satisfying the assumption of linearity with respect to the dependent variable by showing significant correlation at the 0.01 level (Table-6). The correlation matrix shows high correlation between the three fit attributes and their interaction with quality terms. It is noted that correlation between transferability and difficulty shows a higher side.

**Table-6: Correlation Matrix**

|  | BEPrefrnc | OBQ | Subst | Compl | Trans | Diffi | OBQxSubst | OBQxCompl | OBQxTrans |
|---|---|---|---|---|---|---|---|---|---|
| BEPrefrnc | 1 | 0.17** | 0.73** | 0.53** | 0.67** | 0.62** | 0.71** | 0.52** | 0.66** |
| OBQ | 0.17** | 1 | 0.08* | 0.12** | 0.04 | 0.11** | 0.42** | 0.44** | 0.44** |
| Subst | 0.73** | 0.08* | 1 | 0.55** | 0.57** | 0.56** | 0.92** | 0.51** | 0.53** |
| Compl | 0.53** | 0.12** | 0.55** | 1 | 0.42** | 0.45** | 0.53** | 0.92** | 0.42** |
| Trans | 0.67** | 0.04 | 0.57** | 0.42** | 1 | 0.79** | 0.52** | 0.39** | 0.89** |
| Diffi | 0.62** | 0.11** | 0.56** | 0.45** | 0.79** | 1 | 0.54** | 0.44** | 0.74** |
| OBQxSubst | 0.71** | 0.42** | 0.92** | 0.53** | 0.52** | 0.54** | 1 | 0.62** | 0.65** |
| OBQxCompl | 0.52** | 0.44** | 0.51** | 0.92** | 0.39** | 0.44** | 0.62** | 1 | 0.54** |
| OBQxTrans | 0.66** | 0.44** | 0.53** | 0.42** | 0.89** | 0.74** | 0.65** | 0.54** | 1 |

** Correlation is significant at the 0.01 level (1-tailed)

* Correlation is significant at the 0.05 level (1-tailed)

- **OLS Regression Estimates**

Running the OLS regression for equation produces the following estimates (Table-7):

**Table-7: OLS Regression for the Model as per Equation**

| Model | Standardized Coefficients Beta | T-test | Sig. | Collinearity Statistics Tolerance | VIF |
|---|---|---|---|---|---|
| 1   (Constant) | | 1.046 | 0.297 | | |
| Substitutability | 0.332 | 1.162 | 0.246 | 0.018 | 56.720 |
| Complementarity | 0.129 | 0.449 | 0.654 | 0.017 | 57.912 |
| Original Brand Quality | 0.068 | 0.667 | 0.506 | 0.139 | 7.170 |
| Transferability | 0.260 | 0.964 | 0.336 | 0.020 | 50.789 |
| Difficulty | 0.055 | 0.835 | 0.405 | 0.329 | 3.037 |
| OBQxSubst | 0.245 | 0.930 | 0.353 | 0.021 | 48.368 |
| OBQxComple | -0.155 | -0.649 | 0.517 | 0.025 | 39.903 |
| OBQxTrnsfr | 0.093 | 0.394 | 0.694 | 0.026 | 39.061 |
| SqrSubsti | -0.118 | -0.558 | 0.578 | 0.032 | 31.261 |
| SqrComp | 0.066 | 0.318 | 0.751 | 0.034 | 29.796 |
| SqrTrnsfr | 0.002 | 0.012 | 0.990 | 0.036 | 27.536 |

| R square | 65% | Adjusted R square | 63% | D-W statistic | 1.537 | Regression sum of squares | 373.040 | Residual sum of squares | 203.935 |
|---|---|---|---|---|---|---|---|---|---|

As evident from the above regression estimates, none of the independent variables has been found significant due to high collinearity as indicated in very low levels for tolerances. This may be due to highly collinear independent variables as discussed elsewhere in the paper. When there is high multicollinearity between the independent variables, relationship between the independent variables and the dependent variables is likely to be ambiguous. Avoiding multicollinearity is particularly important for us in this paper because various authors have questioned the OLS estimation and residual centering technique as inadequate measures to eliminate multicollinearity (Bottomley & Doyle, 1996, Lance, 1988 and Mather, 2011).

In order to resolve the issue of multicollinearity without compromising on objective of finding best, linear, unbiased estimates, we divide the collinear independent variables into two following categories and run regression separately:

| **Category-A** | **Category-B** |
|---|---|
| Difficulty | Substitutability |
| OBQxSubst | Complementarity |
| OBQxComple | Original Brand Quality |
| OBQxTrnsfr | Transferability |
| SqrSubsti | |
| SqrComp | |
| SqrTrnsfr | |

- **OLS Regression Estimation with Category-A**

Regression estimates with independent variables under Category-A are given in Table-8:

**Table-8: OLS Regression with independent variables given in the Category-A**

| | Model | Standardized Coefficients | T-test | Sig. | Collinearity Statistics | |
|---|---|---|---|---|---|---|
| | | Beta | | | Tolerance | VIF |
| | (Constant) | | 11.317 | 0.000 | | |
| | Difficulty | 0.100 | 1.564 | 0.119 | 0.358 | 2.793 |
| | OBQxSubst | 0.388 | 1.938 | 0.054 | 0.036 | 27.600 |
| | OBQxComple | -0.113 | -0.647 | 0.518 | 0.047 | 21.171 |
| | OBQxTrnsfr | 0.118 | 0.738 | 0.461 | 0.056 | 17.713 |
| | SqrSubsti | 0.078 | 0.460 | 0.646 | 0.050 | 19.859 |
| | SqrComp | 0.166 | 1.111 | 0.267 | 0.065 | 15.394 |
| | SqrTrnsfr | 0.205 | 1.506 | 0.133 | 0.078 | 12.772 |

We found interaction of original brand quality and substitutability significant at 0.05 levels. But we cannot interpret the relationship of this variable with dependent variable as 'true' because tolerance level of this variable is below 10%.

- **OLS Regression Estimation with Category-B**

Regression estimates with independent variables under Category-B are given in Table-9:

**Table-9: OLS Regression with independent variables given in the Category-B**

| Model | | Standardized Coefficients | | T-test | Sig. | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|
| | | Beta | | | | Tolerance | VIF |
| | (Constant) | | | 1.175 | 0.241 | | |
| | Substitutability | 0.440 | | 8.500 | 0.000 | 0.527 | 1.897 |
| | Original Brand Quality | 0.139 | | 3.672 | 0.000 | 0.979 | 1.021 |
| | Transferability | 0.382 | | 7.829 | 0.000 | 0.593 | 1.686 |
| | Complementarity | 0.064 | | 1.449 | 0.149 | 0.714 | 1.400 |
| **R square** | 0.643 | **Adjusted R square** | 0.638 | **D-W statistic** | 1.546 | **Regression sum of squares** | 371.242 | **Residual sum of squares** | 205.734 |

The category-B results show substitutability, original brand quality and transferability as contributing towards positive consumer evaluation of brand extension to a very significant extent. We did not found, complementarity attribute as significant. Further, the issue of multicollinearity in the all the independent variables has also been resolved completely. The value of D-W statistics of 1.55 is within the prescribed range for rejection of presence of serial correlation among the residuals. Further, this border line value of the D-W statistic is of very little concern because we are dealing with cross-sectional data. The same level of $R^2$ and adjusted $R^2$ indicate towards no discrepancy in including/excluding of the variables in the model. Regarding model fit, regression sum of squares are 371, much higher than residual sum of square of 206. As such, the true model[1] for consumer evaluation of brand extension in Pakistan is as follows:-

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[1] With category-B independent variables, we included independent variables under category-A one-by-one. After obtaining the coefficient of the included variable, we replaced the old variable with the new till all the following coefficients were estimated. Non-significance of these variables indicates that category-A variable are not relevant in consumer evaluation modeling of brand extension in Pakistan.

| | Difficulty | OBQxSubst | OBQxComp | OBQxTrsfr | Subs^2 | Comp^2 | Trnsfr^2 |
|---|---|---|---|---|---|---|---|
| t-statistic | 0.735 | 0.170 | 0.015 | 0.136 | -0.048 | 0.027 | 0.054 |
| Significance | 0.463 | 0.850 | 0.988 | 0.690 | -0.269 | 0.150 | 0.957 |
| Tolerance | 0.332 | 0.035 | 0.037 | 0.036 | 0.044 | 0.043 | 0.046 |

Positive extension evaluation = α + Original Brand Quality + Substitutability + Transfer + ε

## 6. CONCLUSION

As per our study, consumer evaluation of brand extension in Pakistan is dependent on quality of the original brand, in certain usage situation and helpfulness of people, for making its extension. Further, other independent variables including complementarity, difficulty and moderating role of quality with fit attributes have been found as irrelevant for determining consumer evaluation of brand extension in Pakistan. We have however found an expected sign on ideal point effect of substitutability but significant at 15% C.L.

Based on our results and the results of authors as reported in Table-2, we are of the view that generalization of consumer evaluation of brand extension at the world level is inappropriate. The results will vary from country to country. Now it is clear that why *Dawlance*, leader in refrigerator category could not position itself in television and microwave categories due to incongruent nature of the extensions with the original brand and evident helplessness of *Dawlance* people, facilities and skills in making TV/microwave. Similar to this *Jang*, a category leader in *Urdu* newspapers had successfully extended its spin-off *Geo News*, in electronic media category due to quality of the original brand and substitutability of *Geo News* with that of *Jang*, newspaper. But failure of *Waqt*, an electronic news channel was due to low quality of its people, facilities and skills, which was very useful in case of *Geo News*. Success of this transfer is evident from a fact that a number of reporters/journalists of *Jang News* have earned name as TV anchors.

### 6.1 Implications
**Recommendation and Implication**

Brand Managers may utilize consumers' perception of quality of their original brand for marketing extension brands. They should realize that 'perception of quality' is the major effect in Pakistan. Brand managers should never compromise on quality. Further, investment to build brand equity is the right approach. Perception of quality of the original brand is the most important factor for successful brand extension. Brand managers can go for similar brand extension where transfer of company resources and skill set is significant.

Brand management research can build on results of this study. The negative sign on polynomial term for substitutability indicated towards existence of ideal point effect, although its significance is at 15%

C.L. Further, all the category-A variable were found insignificant at 5% C.L. Therefore, it is possible that these variables are irrelevant in Pakistan's context. If so, generalization of brand extension at a world level is not possible. We are of the view that brand extension research should concentrate on finding country specific model instead of generalization at the world level.

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**Sample SURVEY**

**SCENARIO:** SUPPOSE, K&N'S CHICKEN (ORIGINAL BRAND) HAS LAUNCHED THREE NEW PRODUCTS (EXTENSIONS). THEY ARE: (1) K&N'S RED MEAT, (2) K&N'S MASALA, (3) K&N'S FLOOR TILES. IN THIS SCENARIO, PLEASE READ FOLLOWING QUESTIONS FOR **TICKING** YOUR VALUABLE CHOICES.

**Q1: What is the overall quality of K&N's Chicken?**

| Extremely Inferior | Very inferior | Slightly inferior | Neutral | Slightly Superior | Very Superior | Extremely Superior |
|---|---|---|---|---|---|---|
|  |  |  |  |  |  |  |

**Q2: Do you feel K&N's Chicken has reached a zenith point owing to maintaining consistent performance in all respects over a period of time?**

| Extremely unlikely | Very unlikely | Slightly Unlikely | Neutral | Slightly likely | Very likely | Extremely likely |
|---|---|---|---|---|---|---|
|  |  |  |  |  |  |  |

Q3: How likely is it that you would **select between** K&N's Chicken and any of the three extensions in certain usage situation?

**Rate each of the three extensions, you feel can perform the same function as that of K&N's Chicken.**

| | Items | K&N's Red meat | K&N's Masala | K&N's Floor tiles |
|---|---|---|---|---|
| 1 | Extremely unlikely |  |  |  |
| 2 | Very unlikely |  |  |  |
| 3 | Slightly unlikely |  |  |  |
| 4 | Neutral |  |  |  |
| 5 | Slightly likely |  |  |  |
| 6 | Very likely |  |  |  |
| 7 | Extremely likely |  |  |  |

Q4: How likely is it that you would **use** K&N's Chicken and any of the three extensions **together** while cooking?

**Please rate each of the three extensions.**

Q5: What is the likelihood of you trying each of the three extensions, assuming a purchase was planned in relevant product class (for example, if you were to purchase any Masala, what is the likelihood that you would select K&N's Masala)

| | Items | K&N's Red meat | K&N's Masala | K&N's Floor tiles |
|---|---|---|---|---|
| 1 | Extremely unlikely |  |  |  |
| 2 | Very unlikely |  |  |  |
| 3 | Slightly unlikely |  |  |  |
| 4 | Neutral |  |  |  |
| 5 | Slightly likely |  |  |  |
| 6 | Very likely |  |  |  |
| 7 | Extremely likely |  |  |  |

Q6: What do you think the overall **quality** of each of the three **extensions** would be?

**Please rate each of the three extensions.**

| | Items | K&N's Red meat | K&N's Masala | K&N's Floor tiles |
|---|---|---|---|---|
| 1 | Extremely inferior |  |  |  |
| 2 | Very inferior |  |  |  |
| 3 | Slightly inferior |  |  |  |
| 4 | Neutral |  |  |  |
| 5 | Slightly superior |  |  |  |
| 6 | Very superior |  |  |  |
| 7 | Extremely superior |  |  |  |

| Q7: Would the people, facilities and skills used in developing, refining and making the K&N's Chicken be helpful if the manufacturer were to make the extension products?<br><br>**Please rate each of the three extensions.** | | Items | K&N's Red meat | K&N's Masala | K&N's Floor tiles |
|---|---|---|---|---|---|
| | 1 | Extremely helpless | | | |
| | 2 | Very helpless | | | |
| | 3 | Slightly helpless | | | |
| | 4 | Neutral | | | |
| | 5 | Slightly helpful | | | |
| | 6 | Very helpful | | | |
| | 7 | Extremely helpful | | | |

| Q8: How **difficult** would it be, in terms of specialized people, facilities and skills for K&N's Chicken to make this extended product class?<br>**Please rate each of the three extensions.** | | Items | K&N's Red meat | K&N's Masala | K&N's Floor tiles |
|---|---|---|---|---|---|
| | 1 | Extremely helpless | | | |
| | 2 | Very helpless | | | |
| | 3 | Slightly helpless | | | |
| | 4 | Neutral | | | |
| | 5 | Slightly helpful | | | |
| | 6 | Very helpful | | | |
| | 7 | Extremely helpful | | | |

| Q9: Do you trust K&N's? | | | Q10: Do you trust Mercedes Benz? | | |
|---|---|---|---|---|---|
| Yes, fully | Yes, to some extent | No | Yes, fully | Yes, to some extent | No |
| | | | | | |

**YOU ARE?**

| | |
|---|---|
| | **Male** |
| | **Female** |

| | |
|---|---|
| | **Age Group** |
| | **18-30 years** |
| | **31-40 years** |
| | **41 + years** |
| | **Name** |
| | **Contact (email or phone)** |