

FMCG brand extensions strategy and consumer buying behavior – An empirical study in Odisha region

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Abstract:-Corporate decisions in managing brands are always influenced by market characteristics. The companies are constantly innovating newer marketing strategies to stay ahead & reap more benefits. In case of FMCG segment brand managers are applying popular approach of extending the successful and established brands. This research paper seek to provide an answer to the factors that influence brand extension strategies in case of FMCG segment and also tried to verify the influence of mediating variables like age, income, gender, education, profession and family size etc. The research is an in depth descriptive and empirical study aimed at finding out the influence of various factors like Perceived Risk, Similarity, Reputation, consumer innovativeness, Perceived quality and brand concept consistency in case of FMCG segment. The study is based the primary survey of 250 consumers across Odisha region about their choice and preferences of FMCG segment and their extensions. In this study the over all effect of brand extension strategies in both already extended parent brand and hypothetical extension of parent brands are examined.

Keywords: Brand Extension, Already extended brand, Hypothetical extension, FMCG brands, Odisha Consumers, Perceived risk, Similarity, Reputation, Perceived quality, consumer innovativeness, Perceived quality, brand concept consistency.

Introduction:

The dynamic market characteristics have huge impact on the corporate decisions. In this turbulent, complex and competitive business environment, the companies need to adopt many marketing strategies to stay ahead in the market. New product launch in regular interval for outpacing competitors is one of the major strategies followed by most of the corporate. For many companies the risk entering into new markets or launching new products or services are quite substantial (Bousch & Loken 1991; John and Loken 1992). During 1980's brand extension strategies has been the major instrument for product planners. (Tauber 1988, p.26)

According to a report by Nielsen India, extensions of fast moving consumer goods (FMCG) brands have been five times more successful compared with new brand launches in India. This has been seen to deliver incremental sales of up to 38% and contribute as much as 30% to the parent brand's sales, says the report. No surprise, consumer companies are queuing up to leverage the brand equity of the popular products by new launches.

Brand extension strategy refers to use of the existing brand name but enable the established brands to enter into a completely different (new for the brand) product class.(Tauber,1981, Aaker and Keller,1990; Reddy et al., 1994). These alternatives are always more preferable than launching a new brand. This is not only because there is a protection from a risky and probably unsuccessful brand launch, but mainly for the brand equity benefits, which the parent brand holds (Rangaswamy et al 1993; Schocker and weitz 1988).

For example Deodorant AXE extend itself into soaps, Mother dairy into traditional sweets; Dabur extending FEM into anti darkening hair removal cream; and Marico launching the PARACHUTE skin cream.

According to market estimates, India's retail FMCG market could grow from the present USD 10 bn valuation to USD 100bn by 2024-25. FMCG is the fourth largest sector in Indian market. Clearly Indian market is quite dynamic to attract local and international FMCG companies consistently to pump both funds and efforts to further penetrate in Indian market. According to the PwC-FICCI report Winds of change, 2013: the wellness consumer, nutrition foods, beverages and supplements comprise a INR 145 billion to 150 billion market in India, is growing at a CAGR of 10 to 12%.

Extensions of existing fast moving consumer goods (FMCG) brands are five times more successful than launching a new brand in India, according to a new study by market research firm Nielsen. Nielsen's study of top brands in 46 FMCG categories and 82 brand extensions in food and non-food categories shows that in addition to promoting brand equity. As per the study, 65% of successful brand stretches have a premium index lower than the parent brand. Nielsen's results show that brand leaders that priced below the parent premium at the entry stage were more successful than those priced above the parent brand.

Low price is one of the major driving force for Indian consumer to buy FMCG products. Therefore the FMCG brand managers usually prefer the brand extension through using the same brand name of group of products which helps them to decrease the cost of marketing campaigns and that leads to price less than competitors rather than affording high cost of building a new brands.

In this research the objective was to study the brand extension in FMCG (fast moving consumers goods) focusing on Food and Beverages sector in India considering Saffola brand and its extensions. It analyzes the factors consisting Brand extension strategy, identifies the variables which influence the effect of brand extension strategies.

Successful Brand extension – Saffola Oats

Marico's Saffola brand is well known in the edible oil category. It decided to enter the breakfast category in 2010. Marico's Saffola Oats has emerged as the 2nd largest product in the Oats category with a value market share of about 12%. The leading brand in the oats segment is PepsiCo India's Quaker which has a lion's share of around 40% (data as of Jun 2012).

Marico, which has traditionally been in the business of coconut oils under Parachute and edible oils under Saffola, has gradually made brand extensions into value-added hair oil products like Parachute Advanced and niche functional food products like Saffola atta mix.

As consumers have become more health conscious, the health plan has become attractive. Saffola started out with Saffola low sodium salt and atta for diabetics which did reasonably well and created a niche market segment. In Feb 2010, Saffola Arise, a low calorie and low carbohydrate packaged rice brand was launched.

However, Saffola Zest, a salty snack with different flavours, was a big failure. It was launched in mid-2009 but was withdrawn from the market in Dec 2009 after it registered low sales and could not generate good consumer response.

Saffola decided to enter the oats category because of its 'good for your heart' equity. Saffola is well-entrenched in the minds of the consumers as a health and wellness brand. "We are building Saffola edible oils brand to a platform of health products," Sameer Satpathy, consumer products marketing head at Marico told the Economic Times in Aug 2012.

In this research paper the hypothetical extension of saffola brand into ready to drink fruit juice has been examined. It has been derived out of pilot study conducted through a questionnaire.

Literature Review:

Boush, et al. 1987 published the first article on brand extension since then researchers are trying to investigate consequences of brand extensions along with the effects. Brand Extension Research has been researching and developing brand extensions globally for more than 50 years. Research on brand extension can be classified under different phases of its evolution. From 1960s (Fry, Kerby) to 1980s (Boush, et al.) the basis for future developments were set – emphasis was put on **semantic generalization** (Osgood, 1963) and whether the transfer of perceived similarity between parent brand and extended brand has occurred or not.

Boush et al. (1987)'s contribution is a major breakthrough in this regard and was built on the categorization approach (Rosch and Mervis, 1975; Fiske, 1982) derived from cognitive psychology. The authors emphasized on the perceived similarity among parent brands and extended brands and suggested as higher the similarity, the greater the transfer of negative or positive affect to that new product.

The **next stage** started with Aaker and Keller (1990)'s important contributions in which they examined **three basic dimensions** of perceived similarity (complementarity, substitutability and transferability) combined with the overall quality of the original brand and the perceived

difficulty in making the extension. Those factors are typical of similarity-based approach in **categorization theory** (Rosch and Mervis, 1975; Tversky, 1977). They also contributed to put into perspective alternative approaches – theory-based approach by including context effects in the evaluation process (Barsalou 1982; Cohen and Basu, 1987; Murphy and Medin, 1985; Sujana, 1985).

Park, et al., (1986) mention that on one side of brand extension evaluation, from a consumer's standpoint, is strategic for the firm; and the other side research has raised some unresolved questions and opened a broad avenue for research embedded in different cognitive psychology paradigms. However, studies on brand extension seem to have received a boost from 1990 onwards.

Loken and Roedder John (1991) addressed specifically the issue of **negative impact** of brand extension on core brand image. They provided the **first strong empirical evidence** that negative brand extensions have a negative dilution effect. This is due to the fact that instead of measuring overall brand image (e.g., Romeo, 1991), they measured it at its specific attribute level. More precisely, they showed that subjects who perceived the extension as moderately typical of the existing branded products diluted their brand beliefs.

Boush and Loken (1991) have studied more specifically the relationship between brand extension typicality and the process by which a brand extension is evaluated. Their goal is to assess to what extent this psychological process is influenced by the typicality of the extension and the brand's breadth, i.e. variation among a brand's current products. For that purpose, they use a time variable measure as is the case in psychological categorization research, to identify the model used by consumers to process information. Their results show that moderately typical extensions are evaluated by a two-stage process including an attempted categorization followed by piecemeal processing.

Thamaraiselvan and Raja (2008) say that in today's intense competitive environment, companies launch new products to satisfy constantly changing consumers' preferences. The new products are prone to failures due to many factors. Companies take efforts to reduce new product failure rates to maximize their returns for their stakeholders. A **brand extension**, leveraging existing brand names to new product categories is one such strategy to reduce the risk of new product failures. Despite two decades of research in branding, many vagaries are yet to be explored and understood. Their study primarily focuses on how consumers evaluate brand extensions for FMCG and service product categories in Indian market.

Cheng, Hu & others (2009) attempted to explore the relationships between brand strategy, and brand equity, the data collected from 115 questionnaires investigation method in Taiwan, reveals that the wider the brand strategy extends, the clearer the channel strategy appears.

Durrani & Hussain (2009) explored the use of brand extension strategies in the Pakistani context. And why do companies in general and specially in Pakistan use brand extension? Which indicated one of the important factors for brand extensions is growth and brand extensions can be a

motivation for enhancing the recognition and recall of the parent brand.

Hem ,Chernatony and Iversen , 2001,” Studied Factors influencing successful brand extensions “investigate how the antecedents of similarity, reputation, perceived risk and innovativeness influence consumers’ evaluations of brand extensions by surveying 701 consumers in Norway, which conclude that perceived similarity is a crucial factor in the evaluation of services brand extensions. The reputation of the parent brand is a crucial factor influencing the likelihood of a successful brand extension. Building a favorable reputation for a parent brand is an important contributor to the success of brand extensions.

Kristinsdottir (2010) defined consumer innovativeness “as the relative willingness of a consumer to try a new product or service. It is the degree of how much faster a consumer is to adopt an innovation than other consumers.” This is often measured by how long time has gone between the launch of a new product and the consumers’ adoption of that given product (Blake et al., 2003).

Innovativeness is a personality trait related to an individual’s receptivity to new ideas and willingness to try new practices and brands increase (Leif, Leslie, Nina, 2001, Claire Blok, 2011). Consumer innovativeness is suggested to be related to behaviors and characteristics of consumers (Goldsmith et al., 2003 which has been related to the success of brand extensions (Klink&Smith, 2001; Vo’lckner&Sattler, 2006). The idea is that more innovative consumers more easily accept brand extensions because they are more adventurous and less dependent on perceptions of related-ness (perceived fit) between the extension and the parent brand (Czellar, 2003). of brand extensions as well as

impact subsequent feedback effects (Jose, Nina and Eva, 2010). Some studies show that consumer innovativeness can have a positive influence on brand-extension evaluations, for both FMCG (Vo’lckner& Sattler, 2006) and services (Hem et al., 2003).

Research Gap:

- The various factors in relation to each other have not been studied. For instance, the relation between different factors that define the success of brand extensions such as fit perceptions and quality associations have been left untouched by researchers.
- Researchers have depended predominantly on laboratory settings where the respondents were asked to record reactions against hypothetical brand extensions (e.g. Aaker and Keller, 1990, Broniarczyk and Alba, 1994; Dacin and Smith, 1994).
- The FMCG sector has a strong growth momentum in India and globally. To cater to the growing market demand for new products, FMCG companies are leveraging on their parent brand names to launch new products or variants.
- The Literature Survey shows that very few studies have been done on the FMCG sector and how consumers perceive Brand Extensions in this sector.
- No comprehensive study has been done on the outcome of Brand Extension in the FMCG sector in the Indian market, particularly in Odisha.

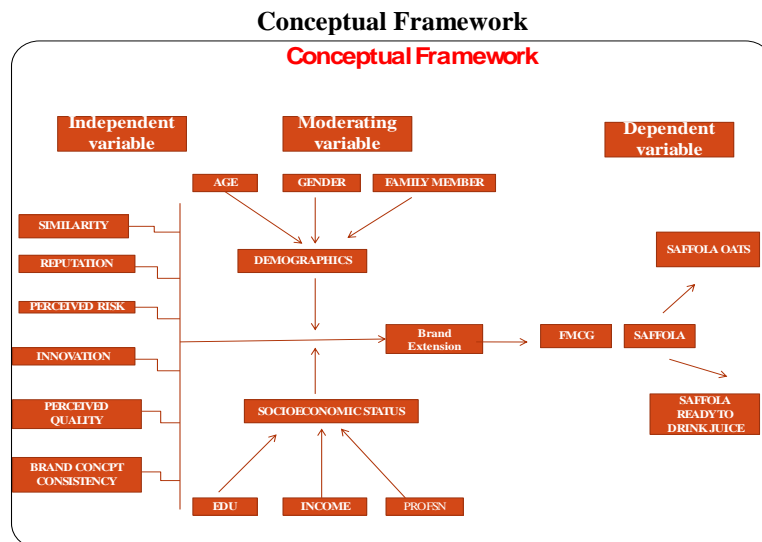


Figure 1. A Schematic Representations of the Variables Discussed in the Paper

OBJECTIVES OF THE STUDY

In view of the above discussions, the following are the objectives that have been focused in the study.

- (i) The research study primarily examines in-depth the perceptions and purchase behaviour pattern of Odisha consumers with respect to products launched through brand extensions in the FMCG segment and to find out how

Odisha’s consumers’ perceive brand extension of FMCG segment.

- (ii) To identify whether demographic factors have any influence on Odisha consumers’ evaluation of brand extension in the FMCG segment.
- (iii) Identify the factors that influence the consumers to accept brand extensions in FMCG products.
- (iv) To offer suggestions for further brand research.

RESEARCH METHODOLOGY

The present study shall rely on a mix of quantitative and qualitative methodologies. Data sources would be both primary and secondary. Secondary data will correspond to Brand Extension strategies and products of Indian manufacturers of FMCG. The primary data will be collected from the consumers across income groups, different age group and across gender. Along with it other mediating variables are also considered like education, profession, family size etc.

Sampling Design

This empirical study is based on primary information collected from 250 consumers through a structured questionnaire. The questionnaire was designed to elicit information on the following aspects: similarity of extended brand with parent brand; reputation of parent brand; perceived risk associated with extended brand relative to parent brand; consumer innovation in buying behaviour; Perceived quality of extended brand with parent brand; brand concept consistency with respect to parent brands; and Overall evaluation of brand extensions. Demographic information was also collected during the sample. Brands were selected on the basis of criteria of being widely known by marketers and channel members for further investigation with the customers.

Data gathering Tool

Two separate sets of structured survey questionnaires, using Likertian 6 point Scale, will be used to collect data from primary sources – consumers.

Stimulus Selection

The parent brands are selected on the criteria of following parameters (aaker & Keller 1990)

- Consumer familiarity
- Positive reputation
- Not having been broadly extended
- Few studies in the extension segment

A pilot study was conducted to identify 3 major brands. Sample size was 30 management students, with an average age of 22.

The brands are mentioned in table – 1

Table -1

FMCG BRANDS	PARENT BRAND	FMCG EXTENSIONS	BRAND
SAFFOLA		1. SAFFOLA OATS 2. SAFFOLA ZEST 3. SAFFOLA JUICE	
HORLICKS		1. BISCUIT 2. JUICE 3. NOODLES	
BRITANNIA		1. CAKES 2. HEALTH DRINK 3. NOODLES	

Reasons for Selection of stimuli and rejection of Stimuli

- In case of FMCG, SAFFOLA brand was selected and HORLICKS & BRITANNIA was rejected

because both of them have not been broadly extended. Where in SAFFOLA have been extended diversified segments like attamix, oats and biscuit.

Only two extended brands were selected as stimuli. Out of which one is already extended and another is hypothetical extension. In case of Saffola, the parent brand already extension into Oats segment is considered as stimuli and Saffola ready to drink fruit juice has been considered as hypothetical extension stimuli.

INSTRUMENT DESIGN

A questionnaire was designed to verify the variables extracted from literature survey. It was constructed on the basis of referred literature and anchored through 6 point likert scale & Cronbach's Alpha was based on Standardized Items- 0.86 and mentioned in Table 2.

CRONBACH'S ALPHA ALL VARIABLES

Table 2: Reliability Statistics

Cronbach's Alpha	N of Items
.861	23

Dependent variable : Overall evaluation of brand Extension

Questionnaire was designed to measure behavioral and attitudinal statements following the established attitude research procedures (Fishbein & Ajzen 1975)

Independent Variables :

- Similarity – This was measured on a six point scale anchored from “ Not at all similar” to Very similar”. (Reference : Bousch et al. 1987; Smith & Park 1992; aaker & keller 1990)
- Brand Reputation - This was measured on a six point scale anchored from “ Strongly Disagree” to “ Strongly Agree”. (Reference : Loken & John 1993; sunde & Bordie 1993)
- Perceived Risk – In this questionnaire distinction is made between two dimensions of perceived risk i.e. uncertainty about the outcome of choice and uncertainty about the consequence of a choice (Derbaix 1983; kapferer and laurent 1993). This was measured on a six point scale anchored from “ Strongly Disagree” to “ Strongly Agree”.
- Innovativeness – This was measured using the five items procedure of stenkamp and baumgartner (1995). This was measured on a six point scale anchored from “ Strongly Disagree” to “ Strongly Agree”.
- Perceived Quality – This was measured on three items relative to same category of products (Zethamal 1988; Farquahar 1989) This was measured on a six point scale anchored from “ Strongly Disagree” to “ Strongly Agree”.
- Brand Concept Consistency : This variable was measured on the basis of functional and prestige concept of various brands. (Park et al.) This was

measured on a six point scale anchored from “ Strongly Disagree” to “ Strongly Agree”.

EXPLORATORY FACTOR ANALYSIS

The factors extracted and communalities mentioned in the exploratory factor analysis revealed 23 items are clustered under six different factors and renamed as similarity, brand reputation, perceived risk, consumer innovativeness, perceived quality and brand concept consistency as shown in table 3.

Table 3 :Communalities

	Initial	Extraction
ITEM1	1.000	.778
ITEM2	1.000	.811
ITEM3	1.000	.811
similarity	1.000	.979
ITEM4	1.000	.795
ITEM5	1.000	.613
ITEM6	1.000	.746
reputation	1.000	.973
ITEM7	1.000	.769
ITEM8	1.000	.729
ITEM9	1.000	.859
ITEM10	1.000	.802
ITEM11	1.000	.742

ITEM12	1.000	.814
perceived risk	1.000	.994
ITEM13	1.000	.793
ITEM14	1.000	.848
ITEM15	1.000	.872
ITEM16	1.000	.794
ITEM17	1.000	.781
innovativeness	1.000	.998
ITEM18	1.000	.839
ITEM19	1.000	.758
perceived quality	1.000	.986
ITEM20	1.000	.732
ITEM21	1.000	.853
ITEM22	1.000	.817
ITEM23	1.000	.695
brand concept consistency	1.000	.974

Extraction Method: Principal Component Analysis.

DATA ANALYSIS:

Data collected from the secondary source will be subjected to content analysis; while data collected from primary source will be subjected to statistical analysis using SPSS software. The gathered data will be scored and tabulated for descriptive and comparative statistics (such as: Exploratory Factor analysis, regression analysis, and ANOVA). Graphical presentations of the findings will be made for a comprehensive view of the result summaries.

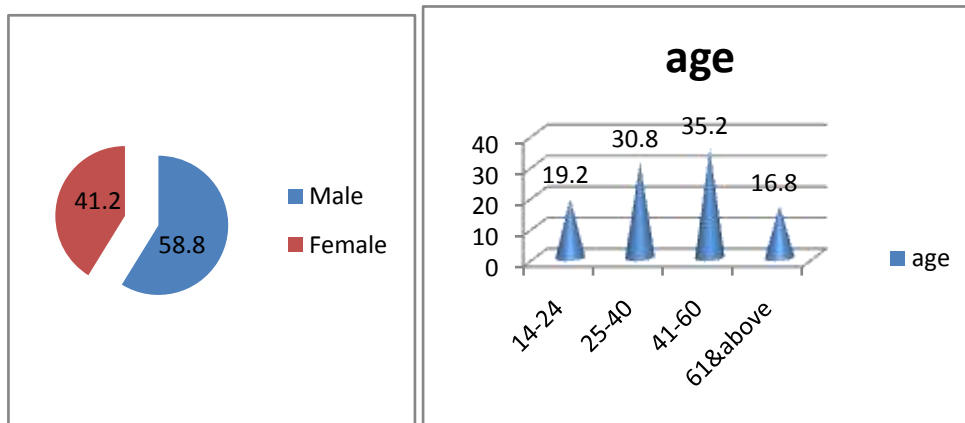
HYPOTHESIS

Table 4

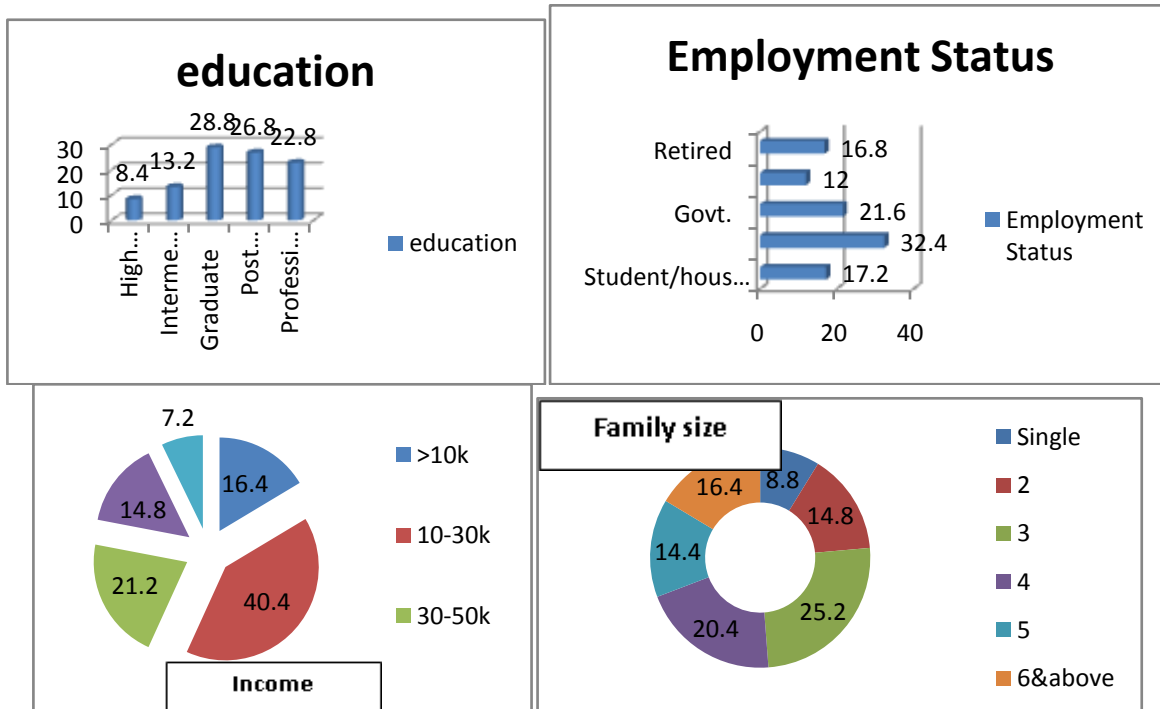
Hyp.	Factors	Source
H1	If the similarity fit between extended product categories with the original brand is high then there is high possibility that the extension evaluation will be positive	Aaker keller 1990 Bush and loken 1991 Park et al 1991 Sunde & bordie 1993
H2	If the brand reputation of the original brand is higher the greater the chance of favorable attitude of customers towards the extended products	Aaker keller1990 Dacin & Smith 1994 Bottomly & Doyle1996
H3	If the perceived risk involved in the product category is high then evaluation of Brand Extension is positive	Derbaix -1983 Baker et al. 1986
H4	Higher the consumer innovativeness, the more positive will be evaluation of extended brands	Rogers1983 Keller aaker 1997 klink&smith2001 Stenkay & Gartner 1992
H5	Perceived quality of parent brand has positive effect on evaluation of extended brand	Farquhar1989 Zeithamal 1988
H6	Brand concept consistency of the extension have positive effect on evaluation of extended brand	Park et al. 1991
H7	Different demographic consumer groups such as gender do not significantly differ with respect to the importance they assign to similarity, reputation, perceived risk, consumer innovativeness, perceived quality and brand concept consistency. This should be true for already extended and hypothetical extension of FMCG brands	
H8	Different demographic consumer groups such as age do not significantly differ with respect to the importance they assign to similarity, reputation, perceived risk, consumer innovativeness, perceived quality and brand concept consistency. This should be true for already extended and hypothetical extension of FMCG brands.	
H9	Different demographic consumer groups such as education do not significantly differ with respect to the importance they assign to similarity, reputation, perceived risk, consumer	

	innovativeness, perceived quality and brand concept consistency. This should be true for already extended and hypothetical extension of FMCG brands.	
H10	Different demographic consumer groups such as Profession do not significantly differ with respect to the importance they assign to similarity, reputation, perceived risk, consumer innovativeness, perceived quality and brand concept consistency. This should be true for already extended and hypothetical extension of FMCG brands	
H11	Different demographic consumer groups such as income do not significantly differ with respect to the importance they assign to similarity, reputation, perceived risk, consumer innovativeness, perceived quality and brand concept consistency. This should be true for already extended and hypothetical extension of FMCG brands	
H12	Different demographic consumer groups such as family size do not significantly differ with respect to the importance they assign to similarity, reputation, perceived risk, consumer innovativeness, perceived quality and brand concept consistency. This should be true for already extended and hypothetical extension of FMCG brands	

Demographic analysis of the sample



As per the demographics male(58.8%) and female (41.2%) representing the sample. Where as almost 65% of population are within the age group of 25-60.



Multivariate analysis: To more thoroughly test the hypotheses we employed multiple regression analysis. The rationale for this is that the scaling of the items, as well as

the construction of the aggregated variables, are of a multiple nature. The findings from this analysis are shown and interpretations of the findings are explained.

Regression of overall BE with Safola Oats (already extended)

The overall regression model of Saffola Oats which is tested for already extended products is found to be significant with P= 0.000. The total variance explained by all the predictor variables is found to be 30.5% ($R^2 = 0.305$)

Table 5, Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.553 ^a	.305	.288	1.32824	.305	17.807	6	243	.000

a. Predictors: (Constant), VAR00007, VAR00003, VAR00006, VAR00004, VAR00002, VAR00005

Table 6, Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1(Constant)	5.693	.624		9.117	.000
Similarity	.101	.044	.149	2.312	.022
Reputation	.041	.040	.067	1.018	.310
Perceived Risk	.047	.018	.159	2.576	.011
Innovativeness	.089	.028	.211	3.147	.002
Perceived quality	-.073	.052	-.082	-1.405	.161
Brand concept consistency	.153	.034	.293	4.511	.000

a. Dependent Variable: Overall brand Extension

It is found from the regression analysis that the impact of Similarity (P= 0.022), Perceived risk (P=0.011), Consumer Innovativeness (P= 0.002) & brand concept consistency (P= 0.000) on overall brand extension and is found to be significant, where as Reputation (P=0.310) & perceived quality (P=0.161) are sufficiently not significant in impacting the overall Brand Extension.

Testing of hypotheses: Thus in case of Saffola Oats (already extended brand), Hypotheses 1, 3, 4 & 6 are accepted and Hypotheses 2 & 5 are rejected. This finding revealed that Saffola oats segment which has already been extended from parent brand Saffola Oil has no significant impact due to reputation and perceived quality. As these are usually low involvement and low priced FMCG product and

also the brand is linked to long term health, consumers are not dependent on reputation and perceived quality rather their behavior is more influenced by the parent brand similarity, perceived risk, consumer innovativeness and also brand concept consistency.

Regression of overall BE with Safola ready to drink fruit juice (Hypothetical extension)

The overall regression model of Saffola ready to drink fruit juice which is tested for hypothetical extended product is found to be significant with P= 0.000. The total variance explained by all the predictor variables is found to be 28.0% ($R^2 = 0.280$)

Table 7, Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.529 ^a	.280	.262	1.35245	.280	15.739	6	243	.000

a. Predictors: (Constant), VAR00007, VAR00003, VAR00006, VAR00004, VAR00002, VAR00005

Table 8

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	5.053	.704		7.173	.000
Similarity	.105	.047	.143	2.246	.026
Reputation	.036	.044	.053	.818	.414
Perceived Risk	.058	.020	.181	2.953	.003
Innovativeness	.093	.030	.204	3.048	.003
Perceived quality	.058	.063	.053	.922	.358
Brand concept Consistency	.127	.036	.220	3.547	.000

a. Dependent Variable: Overall Brand Extension

It is found from the regression analysis that the impact of Similarity (P= 0.026), Perceived risk (P=0.003), Consumer Innovativeness (P= 0.003) & brand concept consistency (P= 0.000) on overall brand extension and is found to be significant, where as Reputation (P=0.414) & perceived quality (P=0.358) are sufficiently not significant in impacting the overall Brand Extension.

Testing of hypotheses: Thus in case of Saffola ready to drink fruit juice (hypothetical extension), Hypotheses 1, 3, 4 & 6 are accepted and Hypotheses 2 & 5 are rejected. This finding revealed that Saffola ready to drink fruit juice segment which is a hypothetical brand extension from parent brand Saffola Oil has no significant impact due to reputation and perceived quality. As these are usually low involvement and low priced FMCG product and also the brand is linked to long term health, consumers are not dependent on reputation and perceived quality rather their behavior is more influenced by the parent brand similarity, perceived risk, consumer innovativeness and also brand concept consistency.

Analysis of variance (ANOVA) of variables with respect to mediating variables

The significance of the variables similarity, reputation, perceived risk, consumer innovativeness, Perceived quality and brand concept consistency are tested with respect to gender, age, education, profession, income and family size with the help of ANOVA while purchasing FMCG brands (Saffola).

Gender :

Testing of hypotheses (H7): Different demographic consumer groups, such as gender do not significantly differ with respect to the importance they assign to similarity, reputation, perceived risk, consumer innovativeness, and perceived quality and brand concept consistency. This should be true for both already extended and hypothetical extension of FMCG brand.

Table 9

HYPOTHESES	FMCG	
	AE	HE
H7(SIMILARITY)	0.421	0.470
H8(REPUTATION)	0.650	R(0.034)
H9(PERCEIVED RISK)	R (0.049)	R(0.018)
H10(INNOVATIVENESS)	R(0.034)	0.408
H11(PERCEIVED QUALITY)	0.232	0.635
H12(BRAND CONCEPT CONSISTENCY)	0.863	0.536

The P value extracted in the ANOVA Table(Refer table 9) explains that Male and female consumer groups do not significantly differ with respect to the importance they assign to similarity, reputation, perceived risk, consumer innovativeness, perceived quality and brand concept consistency. However male & female significantly differ with respect to the importance they assign to Perceived risk (P=0.049) & consumer innovativeness (P=0.034) in saffola

oats segment and reputation (P=0.034) and perceived risk (P=0.018) in safola ready to drink juice segment.

Age :

Testing of hypotheses (H8): Different demographic consumer groups, such as age do not significantly differ with respect to the importance they assign to similarity, reputation, perceived risk, consumer innovativeness, and perceived quality and brand concept consistency. This should be true for both already extended and hypothetical extension of FMCG brands. Hence hypothesis is accepted and can be interpreted that consumer groups in different age group do not give importance to any of the variable like similarity, reputation, perceived risk, innovativeness, perceived quality and brand concept consistency across FMCG segment.

Table 10

HYPOTHESES STIMULI	FMCG	
	AE	HE
H7(SIMILARITY)	0.693	0.776
H8(REPUTATION)	0.657	0.732
H9(PERCEIVED RISK)	0.921	0.586
H10(INNOVATIVENESS)	0.545	0.380
H11(PERCEIVED QUALITY)	0.700	0.983
H12(BRAND CONCEPT CONSISTENCY)	0.544	0.588

Education :

Testing of hypotheses (H9): Different demographic consumer groups, such as education do not significantly differ with respect to the importance they assign to similarity, reputation, perceived risk, consumer innovativeness, and perceived quality and brand concept consistency. This should be true for already extended and hypothetical extension of FMCG brands.

Table 11

HYPOTHESES STIMULI	FMCG	
	AE	HE
H7(SIMILARITY)	0.070	0.125
H8(REPUTATION)	0.281	0.661
H9(PERCEIVED RISK)	R (0.027)	0.140
H10(INNOVATIVENESS)	0.454	0.285
H11(PERCEIVED QUALITY)	0.073	0.650
H12(BRAND CONCEPT CONSISTENCY)	0.290	0.499

The P value extracted in the ANOVA table (Refer Table 11) explains that different education consumer groups do not significantly differ with respect to the importance they assign to similarity, reputation, perceived risk, consumer innovativeness, perceived quality and brand concept consistency. However some education groups significantly

differ with respect to the importance they assign to Perceived risk (P=0.027) in safola oats segment.

Profession:

Testing of hypotheses (H10): Different demographic consumer groups, such as profession(Refer Table 12) do not significantly differ with respect to the importance they assign to similarity, reputation, perceived risk, consumer innovativeness, and perceived quality and brand concept consistency. This should be true for both already extended and hypothetical extension brands. Hence hypothesis is accepted and can be interpreted that consumer groups in different profession group do not give importance to any of the variable like similarity, reputation, perceived risk, innovativeness, perceived quality and brand concept consistency across FMCG.

Table 12

HYPOTHESES STIMULI	FMCG	
	AE	HE
H7(SIMILARITY)	0.287	0.562
H8(REPUTATION)	0.191	0.678
H9(PERCEIVED RISK)	0.674	0.374
H10(INNOVATIVENESS)	0.807	0.388
H11(PERCEIVED QUALITY)	0.596	0.514
H12(BRAND CONCEPT CONSISTENCY)	0.131	0.648

Income:

Testing of hypotheses (H11): Different demographic consumer groups, such as income do not significantly differ with respect to the importance they assign to similarity, reputation, perceived risk, consumer innovativeness, and perceived quality and brand concept consistency. This should be true for already extended and hypothetical extension of FMCG brands.

Table 13

HYPOTHESES STIMULI	FMCG	
	AE	HE
H7(SIMILARITY)	0.658	0.708
H8(REPUTATION)	R (0.016)	0.172
H9(PERCEIVED RISK)	R(0.016)	R(0.006)
H10(INNOVATIVENESS)	0.169	R(0.008)
H11(PERCEIVED QUALITY)	R(0.043)	0.108
H12(BRAND CONCEPT CONSISTENCY)	0.247	0.411

The P value extracted in the ANOVA table (Refer Table -13) explains that different income level consumer groups do not significantly differ with respect to the importance they assign to similarity, reputation, perceived risk, consumer innovativeness, perceived quality and brand concept consistency. However different income level consumer group significantly differ with respect to the importance they assign to Reputation (P=0.016), Perceived risk(P=0.016) & Perceived quality (P=0.043) in safola oats segment, where as Perceived risk (P=0.006) and

innovativeness (P=0.008) in saffola ready to drink juice segment.

Family size :

Testing of hypotheses (H12): Different demographic consumer groups, such as family size do not significantly differ with respect to the importance they assign to similarity, reputation, perceived risk, consumer innovativeness, and perceived quality and brand concept consistency. This should be true for already extended and hypothetical extension of FMCG brands.

HYPOTHESES STIMULI	FMCG	
	AE	HE
H7(SIMILARITY)	0.998	0.995
H8(REPUTATION)	0.083	0.739
H9(PERCEIVED RISK)	R(0.028)	R(0.019)
H10(INNOVATIVENESS)	0.533	0.075
H11(PERCEIVED QUALITY)	0.762	0.570
H12(BRAND CONCEPT CONSISTENCY)	0.539	0.071

The P value extracted in the ANOVA table (Refer Table-14) explains that family size of the consumer groups do not significantly differ with respect to the importance they assign to similarity, reputation, perceived risk, consumer innovativeness, perceived quality and brand concept consistency. However family size of the consumer group significantly differ with respect to the importance they assign to Perceived risk (P=0.028) in saffola oats segment and same perceived risk (P=0.019) in saffola ready to drink juice segment.

MAJOR FINDINGS & RECOMMENDATIONS

The following section presents the recommendations of the study. These are based on the findings from the previous section. Here, the implications which will be useful for various areas shall be presented, that is, recommendations for management, recommendations for theory and recommendations for future research with respect to acceptability and success of brands and their extensions which eventually will help in their management.

Implications for Management

- The findings substantiate the belief that a brand and its extensions across FMCG, to contribute to success should possess a strong fit perception in the minds of people. This perception is contributed by similarity, reputation of the firm, perceived risk, consumer innovativeness, perceived quality, brand concept consistency to parent brand and the rank of brand in its respective product categories. It is considered that focus by marketers on this aspect would improve the brand value.
- In order to succeed in FMCG segment management should focus on similarity perceived risk, consumer innovativeness and brand concept consistency more than the reputation and perceived quality of the parent brands as was found from already extended category of Saffola brand in saffola oats. The same finding was also observed in case of hypothetical extension of Saffola

ready to drink fruit juice. The demographic variables like gender, income, family size and profession influences the buying decision of consumer groups particularly in terms of their perceived risk, innovativeness, perceived quality and brand concept consistency. So brand managers should keep in mind all these variables.

Implications for further research

The study in particular made an effort to explore the brand extension effects on parent brands and to identify the factors that help in determining new product acceptance in the consumer market. It would be interesting to investigate the various aspects of brand management such as branding objectives, branding strategies and the people involved in branding. It would be encouraging to develop this research further in developing a standard to measure brand extensions in each of the segment in various environments.

Conclusion

The consumers of Odisha are very much conscious towards Perceived risk of various brands in FMCG. But consumers of Odisha normally do not experiment much. Therefore, Odisha consumers are low risk takers. This phenomenon exists irrespective of education, income group and gender. However, they try out extended FMCG product of the parent brand. The reputation of the parent brand also gives a positive impact on the consumers mind. As similarity has significance in extended brand as per the findings consumers in Odisha are influenced by stronger parent brand. Image similarity and category fit between the parent brand and extended brand is very important. They feel similarity between parent and extended brands help them to associate with the new products. As it has been observed in bothe case of Saffola oats and hypothetical extension of Saffola juice.

Limitations

- a) The study is confined to Odisha only. Hence, perceptions of the consumers are restricted to Odisha’s consumer only. Hence, the result may vary in other parts of the country.
- b) In the survey only 2 FMCG products one already extended and another hypothetical extension have been considered. There are many FMCG products available in the market.

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