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Brand Extension Assessing Consumer Response to Line Extension vs. Category Extension

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Abstract: Brand extension has become an important marketing strategy adopted by companies to introduce new products by leveraging the reputation and equity of an existing brand. Organizations commonly use two major types of brand extension strategies, namely line extension and category extension, to expand their market presence and satisfy changing consumer needs. Line extension refers to the introduction of new variants within the same product category, whereas category extension involves launching products in entirely new product categories under an established brand name. The success of these strategies largely depends on consumer perception, acceptance, and response toward the extended brand. This study aims to assess consumer response towards line extension and category extension by analyzing factors such as brand trust, perceived quality, brand familiarity, purchase intention, and overall customer satisfaction. The research focuses on understanding how consumers evaluate brand extensions and whether they show greater preference for extensions within the same category or across different categories. Primary data collected from consumers through structured questionnaires helps in identifying attitudes, expectations, and behavioral responses toward extended products. The findings of the study are expected to provide insights into consumer decision-making patterns and the effectiveness of different brand extension strategies. The research also highlights how successful brand extensions can strengthen brand image, reduce marketing risks, and improve competitive advantage, while unsuccessful extensions may negatively impact parent brand equity. This study will assist marketers and business organizations in selecting appropriate extension strategies that align with consumer preferences and market dynamics.

Keywords: Brand Extension, Line Extension, Category Extension, Consumer Response, Brand Equity, Purchase Intention, Consumer Perception, Brand Trust, Customer Satisfaction, Marketing Strategy.

I. INTRODUCTION

In today's highly competitive business environment, companies continuously seek effective strategies to expand their market share and strengthen brand value. One of the most widely adopted growth strategies is brand extension, where an established brand name is used to introduce new products into the market. Brand extension helps firms reduce the risks associated with launching new products by utilizing existing brand awareness, customer loyalty, and positive brand image. It also enables organizations to meet diverse consumer needs while maintaining a strong competitive position. Brand extensions are generally classified into two major types: line extension and category extension. Line extension refers to the introduction of new variations of an existing product within the same product category, such as new flavors, sizes, designs, or features. This strategy aims to attract different customer segments and increase product usage without deviating from the core product category. On the other hand, category extension involves introducing a new product in a completely different category under the same brand name. This approach allows companies to diversify their offerings and enter new markets by leveraging the credibility of the parent brand. Consumer response plays a crucial role in determining the success or failure of brand extension strategies. Customers evaluate extended products based on their perception of brand quality, trust, familiarity, and the perceived fit between the parent brand and the new product. While line extensions are often easily accepted due to similarity with existing products, category extensions may face challenges if consumers perceive a mismatch between the brand and the new category. Understanding how consumers respond to line extension and category extension is essential for marketers to design effective branding strategies. Positive consumer response can enhance brand equity, increase purchase intention, and strengthen long-term customer relationships, whereas negative reactions may dilute brand image and reduce consumer confidence.

II.   OBJECTIVES

1) Assess and compare consumer perceptions of line extensions and category extensions in terms of fit, relevance, and congruence with the original brand.
2) To examine the impact of consumer attitudes toward brand extensions on their purchase intentions and willingness to try or buy the extended products.
3) To identify and analyze the key factors that influence the success or failure of brand extensions, considering contextual factors, marketing strategies, and consumer characteristics.

III.   LIMITATIONS

1) The study is limited to Coimbatore with 100 respondents.
2) The sampling unit chosen is the respondent who are in Coimbatore, the survey result may vary in other locations, based on their preference.
3) The survey was conducted online, so the result or the analysis made cannot be considered factual as the facts or the reviews might be false or wrong.

IV.   RESEARCH METHODOLGY

The study adopts a descriptive research design to examine consumer response towards line extension and category extension strategies. Both primary and secondary data sources are used for the research. Primary data is collected through a structured questionnaire distributed to consumers to understand their perception, preference, purchase intention, and satisfaction towards brand extensions. The sampling technique followed is convenience sampling, and responses are gathered from a selected group of consumers representing different age groups and purchasing behavior. Secondary data is collected from journals, research articles, books, and online sources to support theoretical understanding. The collected data is analyzed using simple statistical tools such as percentage analysis and comparative interpretation to evaluate consumer attitudes toward line extension and category extension, enabling meaningful conclusions regarding the effectiveness of brand extension strategies.

V.   TABLE ANALYSIS

A.   Association Between Gender And Factors Influence Purchase Decisions

Null Hypothesis H0

There is no association between gender and line extension from the original brand

Alternate Hypothesis H1

There is an association between gender and line extension from the original brand

Gender	Factors influence purchase decisions				
	Brand reputation	Familiarity with the brand	Price	Product features	Total
Male	23	7	10	24	64
Female	9	7	8	12	36
Grand total	32	14	18	36	100

- Interpretation: The above table shows that evaluating the line extension product from the original brand. Were 32% of the respondent brand reputation;14% of the respondents are familarity with the brand; 18% of the respondents are price; 36% of the respondents are product features and 32% of respondents are brand reputation. Finally the product from original brand has 36% more at product features. There is no significant association (X^2 2.7205[a] , p<0.436753) between gender and line extension from the original brand as the chi-square significance value p<0.510183 is greater than 0.05 indicates that there is no association between Gender and line extension from the original brand

Hence, the null hypothesis is not rejected at 5% significance level indicating no association.

	Value	df	Asymp.sig(2 sided
Personal chi – square	2.7205	5	0. 436753
No of valid cases	100		

- Interpretation: The calculated X 2 value is 2.7205 a . The p value 0.436753) is less than 0.05, so the null hypothesis is rejected. Hence, it can be concluded that there is association between gender and line extension product from the original brand.

VI. FINDINGS

1) The calculated X 2 value is 3.3755a . The p value0.497057) is less than 0.05, so the null hypothesis is rejected. Hence, it can be concluded that there is association between gender and line extension product from the original brand
2) The calculated X 2 value is 2.7205 a . The p value 0.436753) is less than 0.05, so the null hypothesis is rejected. Hence, it can be concluded that there is association between gender and line extension product from the original brand.

VII. SUGGESTIONS

1) To Explore consumer decision-making processes when choosing between line extension and category extension products.
2) To Investigate factors such as perceived quality, price sensitivity, and brand familiarity that influence purchase decisions.
3) To Examine the role of psychological factors, such as brand trust, brand image, and brand To personality, in shaping consumer perceptions of brand extensions.

VIII. CONCLUSION

Brand extension is a strategic marketing approach employed by companies to leverage the equity and recognition of an established brand into new product categories or variations. This study aimed to assess consumer responses to two types of brand extension strategies line extension and category extension. Through an analysis of existing literature and empirical evidence, several key findings and implications emerge. Firstly, line extension involves introducing new variations or flavors within an existing product category under the same brand name. This strategy capitalizes on the familiarity and trust consumers have in the parent brand, aiming to transfer positive associations to the new offerings. Studies have shown that line extensions can be effective in driving sales and increasing market share within the same category. Consumers often perceive line extensions as low-risk options due to their existing brand familiarity, which can lead to quicker adoption and acceptance in the market. In conclusion, both line extension and category extension are viable strategies for brand growth and expansion. While line extension offers a more conservative approach leveraging existing brand equity within the same category, category extension provides opportunities for diversification and market reach into new product categories. The choice between the two strategies depends on factors such as brand positioning, consumer preferences, competitive dynamics, and strategic objectives. Regardless of the approach taken, companies must prioritize consumer understanding, brand relevance, and effective communication to maximize the success of brand extension initiatives and drive sustainable growth in the long term.

REFFERENCES

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