



Understanding consumer perceptions of brand determinants in service sector brand extension

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Abstract

In today's digital era, where consumers are bombarded with countless choices and options, brands play a crucial role in capturing their attention and loyalty. But what does it take for a brand to stand out from the crowd? How can a brand extend its reach into new markets while maintaining its core identity? In this paper we will investigate the fascinating concept of brand extension in the service sector, specifically focusing on home appliances. We will explore how consumers perceive various determinants of brands such as awareness, position, loyalty, trust, association, and image. By conducting thorough research using both qualitative and quantitative methods, we can gain valuable insights into consumer perceptions of key determinants like trustworthiness or quality when considering purchasing an extended service sector brand. Based on our findings from this study, we suggest several strategies that companies can employ to improve their success with branding extensions such as focusing on maintaining consistent messaging across all products; ensuring top-notch customer service throughout the customer journey; developing unique selling propositions that differentiate them from competitors; leveraging positive associations with existing product lines; actively seeking feedback from customers on new offerings; and continuously monitoring consumer sentiment towards the extended brands.

Keywords: Brand determinants, brand extension, home appliance, brand loyalty, brand image

Introduction

In today's highly competitive marketplace, brand management plays a crucial role in the success and growth of businesses. It involves various components such as brand awareness, brand position, brand loyalty, brand trust, brand association, and brand image. These determinants help shape consumer perceptions and influence their purchasing decisions. Brand extension is an effective strategy that allows companies to leverage the equity of their existing brands into new product categories. This approach has gained significant importance in the home appliances sector due to its potential benefits. Brand extension helps enhance brand awareness by leveraging the strong reputation and recognition of an established brand. When a well-known home appliance manufacturer introduces new products under their trusted name, consumers are more likely to take notice and consider these offerings over competitors. It strengthens the overall positioning of the parent brand in consumers' minds. By introducing extensions that align with the core values and attributes associated with the original product line, companies can reinforce their desired market positioning while expanding their reach into new segments. Successful extensions can foster deeper levels of customer loyalty towards both the parent brand and extended offerings. Consumers who have had positive experiences with one product from a particular company may be more inclined to try other products within that same range or category. Furthermore, when executed strategically and consistently across all touch points – from advertising

campaigns to packaging design – brand extension builds trust among consumers. The familiarity they have with an established home appliance company will transfer onto its extended products through shared qualities like reliability and quality assurance. Additionally, effective branding creates strong associations between certain attributes or characteristics and specific brands.

Scope of brand management

The scope of brand management extends far beyond simply creating a catchy logo or tagline. It encompasses the entire process of creating, nurturing, and maintaining a strong brand identity in the minds of consumers. At its core, brand management involves strategically positioning a brand in the marketplace to differentiate it from competitors and connect with target audiences. This includes developing a clear brand message, determining pricing strategies, identifying distribution channels, and implementing effective marketing campaigns. Brand managers also play a crucial role in monitoring and managing consumer perceptions of the brand. This involves conducting market research to understand customer preferences and attitudes towards the brand, as well as tracking competitor activity to stay ahead of industry trends. Furthermore, effective brand management involves ensuring consistent messaging across all touch points – from advertising and social media presence to customer service interactions. By maintaining this consistency, brands can build trust and loyalty among their customers.

In today's digital age where consumers have more access to information than ever before, successful brands must also navigate online reputation management. Brand managers need to monitor online conversations about their company and proactively address any negative feedback or misconceptions that may arise. The scope of brand management is vast and multi-faceted. It requires strategic planning, ongoing monitoring and adaptation based on consumer perceptions – all aimed at cultivating positive associations with the brand in order to drive sustained business success.

Brand Extension

Brand extension is a strategic marketing approach that involves expanding a brand into new product categories or markets. It allows companies to leverage their existing brand equity and customer loyalty to generate more revenue and increase market share. In today's competitive business landscape, brand extension has become increasingly important in the service sector, particularly in the home appliances industry. With consumers becoming more discerning and brands constantly vying for their attention, it's crucial for companies to find innovative ways to stand out from the crowd. By extending their brand into related product categories, such as kitchen appliances or electronics, companies can tap into existing consumer perceptions of their brand determinants – including brand awareness, position, loyalty, trust, association, and image – to gain a competitive edge. However, there is still a research gap when it comes to understanding consumer perceptions of these brand determinants in the context of service sector brand extension. This calls for further investigation into how consumers perceive and evaluate extended brands within this industry.

Review of literature

In the realm of brand innovation, Sarah's journey unfolds as an embodiment of strategic brand management and insightful brand extension. Drawing from Keller's wisdom in "Strategic Brand Management" (2008), she crafts a fitness brand that transcends the conventional, fostering a community centered on holistic well-being. Aaker's insights

in "Managing Brand Equity" (1991) ^[1] illuminate how this brand metamorphoses into a symbol of empowerment and emotional connection. Guided by the vision of Rangaswamy, Burke, and Oliva (1993) ^[20], Sarah ventures into brand extension, introducing health supplements that seamlessly align with her fitness brand's ethos. Echoing Park, Milberg, and Lawson's wisdom from 1991 ^[18], these products become integral to the wellness journey she champions. Amid skepticism reminiscent of Hem and Iversen's observations in 2003 ^[9], Sarah's commitment to transparency and brand consistency bridges doubts, propelling the supplements to acceptance.

Research Methodology

The aim of this paper is to investigate the effect of brand determinants on brand extension in Home appliances products. Systematic approaches to gather and analyze data. a quantitative research design will be employed to collect numerical data that can be analyzed statistically. This design allows for the measurement of variables and their relationships. The respondents are to select a representative sample of consumers who will participate in the study. A random sampling technique will be used to ensure that each member of the target population has an equal chance of being selected. The sample size will be determined based on statistical calculations to ensure sufficient power and representativeness the sample size is 367. Data will be collected through a structured questionnaire survey. The data were collected from the consumers those who use home appliances. The questionnaire will consist of both closed-ended and Likert scale questions to measure various brand determinants such as brand awareness, brand image, brand loyalty, and perceived quality. The survey will also include questions related to consumer purchase behavior, such as frequency of purchase, brand preference, and factors influencing purchase decisions. Once the data is collected, it will be analyzed using appropriate statistical techniques. Descriptive statistics, ANOVA and post hoc test will be used to summarize the demographic characteristics of the sample and key variables.

Data analysis and result

Table 1: Customers Opinion towards Brand determinants based on educational Qualification

Brand determinants	Educational Qualification	Mean	S.D	ANOVA Result		Post-hoc test
				F-value	P-value	
Brand awareness	SSLC/HSC	3.31	1.06	18.209	0.001*	2 vs 1,3,4
	Undergraduate	2.91	1.37			
	Post graduate	3.76	0.65			
	Others	3.94	0.27			
Brand positioning	SSLC/HSC	3.25	1.18	16.163	0.001*	4 vs 1, 2, 3
	Undergraduate	3.02	1.36			
	Post graduate	3.70	0.69			
	Others	4.24	0.11			
Brand association	SSLC/HSC	3.39	1.19	28.483	0.001*	4 vs 1, 2, 3
	Undergraduate	2.82	1.24			
	Post graduate	3.80	0.67			
	Others	4.36	0.14			
Brand images	SSLC/HSC	3.52	1.31	39.566	0.001*	4 vs 1, 2, 3
	Undergraduate	2.63	1.18			
	Post graduate	3.81	0.76			
	Others	4.54	0.18			
Brand trust	SSLC/HSC	3.27	1.25	42.146	0.001*	4 vs 1, 2, 3
	Undergraduate	2.63	1.11			
	Post graduate	3.88	0.77			

	Others	4.41	0.22			
Brand loyalty	SSLC/HSC	3.44	1.17	19.688	0.001*	4 vs 1, 2, 3
	Undergraduate	2.73	1.49			
	Post graduate	3.63	1.21			
	Others	4.23	0.46			
Brand reputation	SSLC/HSC	3.14	1.17	25.369	0.001*	4 vs 1, 2, 3
	Undergraduate	2.86	1.28			
	Post graduate	3.77	1.06			
	Others	4.39	0.34			

Source: Primary data computed; * Significant @ 1% level. Customers' opinion towards brand determinants based on educational qualification is displayed in table-1. The educational qualifications are classified as SSLC/HSC, Undergraduate, post graduate and others (ITI/Diploma). Mean and standard deviation values are calculated for each group.

H₀: There is no significant difference of opinion towards brand determinants based on educational qualification

In order to test the above stated hypothesis one way ANOVA is applied. The brand determinants of retail business, such as, brand awareness, brand positioning, brand association, brand image, brand trust, brand loyalty and brand reputation are found to be significant because the calculated P-value is significant. Hence brand awareness, brand positioning, brand association, brand image, brand trust, brand loyalty and brand reputation significantly varied based on education. Hence the stated hypothesis is rejected.

In the case of brand awareness, the customers who have qualified from ITI, diploma secured the mean value of 3.94, post graduate customers secured the mean value of 3.76 followed by SSLC/HSC hold customers secured 3.31 and Undergraduate customers secured 2.91. It is noted that the educational qualification have difference of opinion towards brand awareness. The calculated F-value is 18.209 and the P-value is 0.001, which is significant at one percent level.

Hence there is a significant difference of opinion towards brand awareness of customers based on education. It is found that the ITI diploma holders have a higher level of brand awareness than other customers. However Undergraduate customers have a low level of brand awareness.

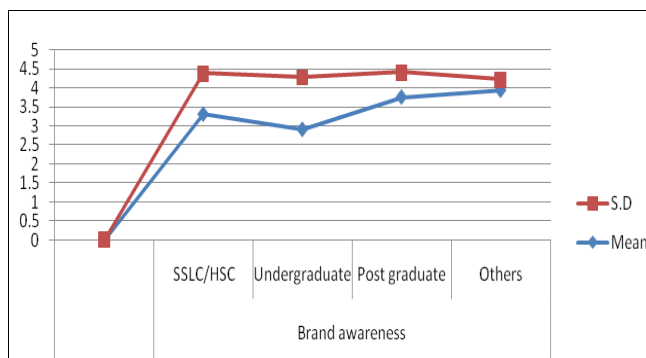


Chart 1

With regard to brand positioning, the ITI, diploma hold customers secured the mean score of 4.24. The Postgraduate customers have a mean score of 3.70. SSLC/HSC level customers have a mean score 3.25. Undergraduate customers have a mean score of 3.02. It is noted that educational qualifications have the difference of opinion towards brand positioning of customers. The F-value is 16.163 and the P-value is 0.001, which is significant at one

percent level. Hence there is significant difference of opinion towards brand positioning of customers based on educational qualification. It is found that the ITI, diploma hold customers have the higher level of brand positioning in the brand determinants. But undergraduate hold customers have a low level of brand positioning in brand determinants.

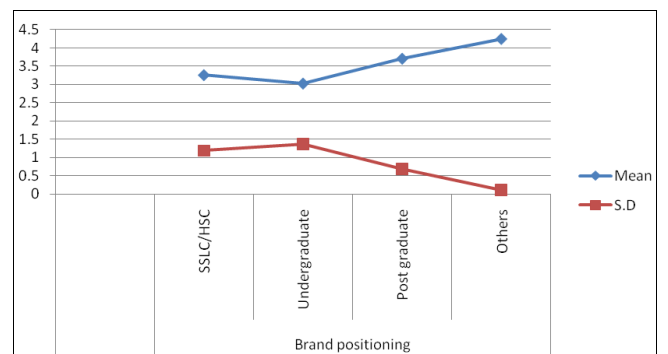


Chart 2

For brand association, ITI, diploma hold customers secured the mean value of 4.36. Followed by Postgraduate customers secured a mean score of 3.80, SSLC/HSC customers secured 3.39 and undergraduate hold customers secured 2.82. It is noted that the educational qualification has a difference of opinion towards brand association of customers. The calculated F-value is 28.483 and P-value is 0.001 which is significant at one percent level.

Hence there is a significant difference of opinion towards brand association based on the educational qualification. It is found that ITI, diploma customers have the higher level of brand association, but, Undergraduate customers have low level brand association in brand determinants.

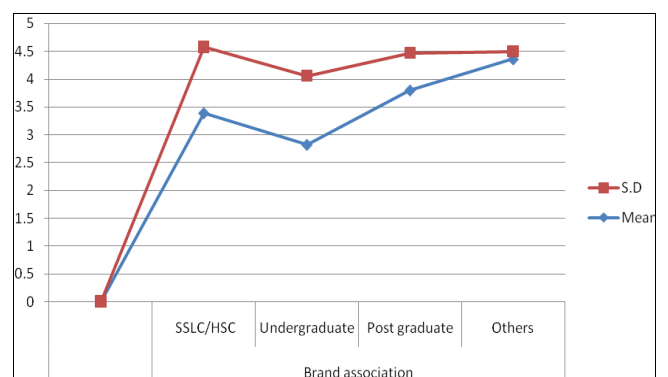


Chart 3

In the case of brand image, ITI, diploma hold customers have a mean score of 4.54, followed by postgraduate customers scoring mean score of 3.81, SSLC/HSC hold customers scored 3.52 and undergraduate customers scored 2.63. It is noted that the educational qualification has a difference of opinion towards brand image of customers.

The calculated F-value is 39.566 and P-value of 0.001 which is significant at one percent level. Hence there is a significant difference of opinion towards brand image based on the educational qualification. It is found that the ITI, diploma educational qualification customers have the higher level of brand image, but, Undergraduate customers have low level brand image in brand determinants.

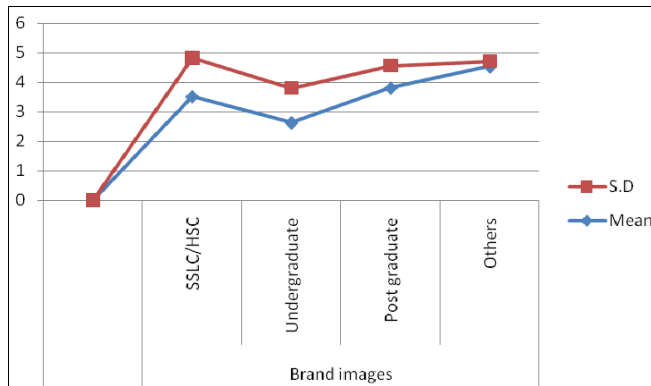


Chart 4

For brand trust ITI, diploma hold customers secured the mean value of 4.41 followed by Postgraduate customers secured 3.88, SSLC/HSC completed customers secured 3.27 and undergraduate customers secured 2.63. It is noted that the educational qualification has a difference of opinion towards brand trust of retail business. The calculated F-value is 42.146 and P-value of 0.001 which is significant at one percent level. Hence there is a significant difference of opinion towards brand trust based on the educational qualification.

It is found that ITI diploma holders have a higher level of brand trust but undergraduate customers have a lower level of brand trust than others.

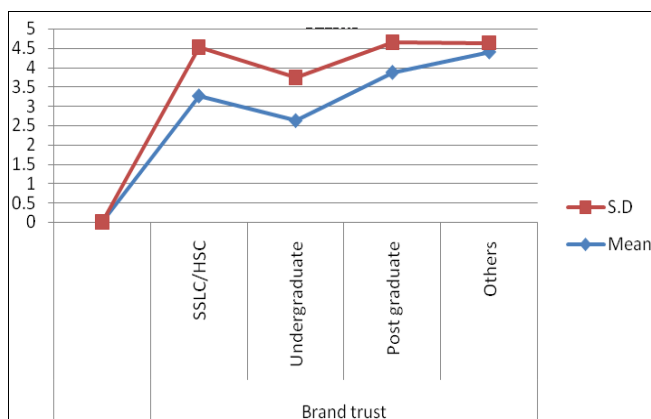


Chart 5

With regard to brand loyalty ITI, diploma hold customers have the mean score of 4.23, followed by postgraduate customers secured 3.63, SSLC/HSC hold customers scored 3.44 and undergraduate customers scored 2.73, It is noted that the educational qualification have a difference of opinion towards brand loyalty of customers. The calculated F-value is 19.688 and P-value of 0.001 which is significant at one percent level. Hence there is a significant difference of opinion towards brand loyalty based on the educational qualification. It is found that ITI diploma holders have the

higher level of brand loyalty in their business, but undergraduate customers have a low level of brand loyalty.

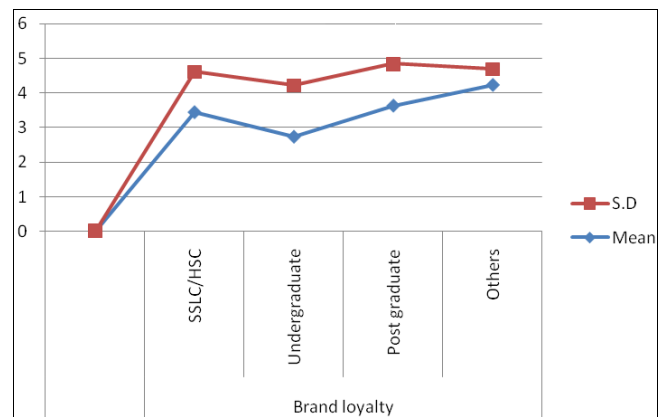


Chart 6

For brand reputation of customers, ITI, diploma hold customers secured the mean value of 4.39, followed by postgraduate customers secured a mean value of 3.77, SSLC/HSC completed customers secured a mean value of 3.14 and undergraduate customers scored a mean value of 2.86. It is noted that the educational qualification have difference of opinion towards the brand reputation of customers. The calculated F-value is 25.369 and P-value of 0.001 which is significant at one percent level. Hence there is a significant difference of opinion towards brand reputation based on educational qualification.

It is found that for ITI, diploma holders have a higher level of brand reputation but undergraduate customers have a lower level of brand reputation than other qualification customers.

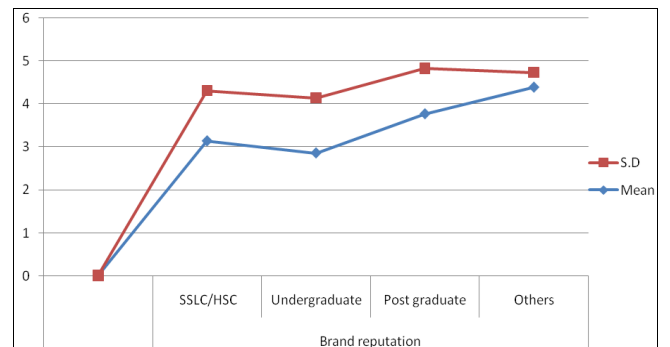


Chart 7

From the ANOVA result while observing the P-value it is significant at one percent level. Hence there is significant difference of opinion towards Brand determinants based on education. In order to find out the difference between education and brand determinants of customers further Bonferroni post hoc test is applied.

From this test result it is to be found that Undergraduate hold customers differ from SSLC/HSC, Post graduate and other categories like ITI/diploma hold customers towards brand determinants regarding brand awareness. Whereas in the case of brand positioning, brand trust, brand loyalty, brand association, brand images and brand reputation, ITI/diploma hold customers are differ from SSLC/HSC, undergraduate and postgraduate degree hold customers.

Conclusion

Brand extension plays a vital role in driving growth in the service sector by capitalizing on established brand equity. Understanding how consumers perceive key determinants such as awareness, positioning, loyalty, trust, association, and image is crucial for successful branding extensions. Through careful research and strategic implementation of suggested recommendations companies can enhance their brand extension efforts and carve out a unique position in the market. Brand extension is a strategy that allows companies to leverage the equity of their existing brand by expanding into new product categories. In the home appliances industry, brand extension plays a crucial role in driving growth and maintaining a competitive edge. One key importance of brand extension in home appliances is the ability to capitalize on brand awareness. When consumers are already familiar with and trust a particular brand, they are more likely to consider purchasing other products within the same brand portfolio. This not only helps to increase sales but also strengthens overall brand loyalty. Brand position is another critical factor that can be enhanced through successful brand extension in home appliances. By extending their brands into new product categories, companies have an opportunity to reinforce their positioning as innovative and reliable providers of quality products. The establishment of strong brand loyalty is yet another benefit of effective brand extension in this sector. When customers have positive experiences with one product from a particular company's lineup, they are more inclined to try other offerings under the same trusted umbrella. This creates repeat business and fosters long-term customer relationships. Furthermore, successful extensions can help build and strengthen consumer trust in the overall brand. By consistently delivering high-quality products across different categories, companies can establish themselves as trustworthy players in the market. Effective branding extensions allow for stronger associations between various products within a company's portfolio. When consumers recognize certain qualities or values associated with one product from a specific company, they may transfer those perceptions onto other products offered by that same company.

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