

Brand Extension For Synonymity Brands- A Case Study Of FMCG

Ms. Noopur Bhargava¹, Dr. Renu Pareek²

¹Research Scholar, School of Management, JECRC University, Jaipur.

²Professor, School of Management, JECRC University, Jaipur.

Abstract

In today competitive world of FMCG there are various brand name are available and fight for a space in consumer brands. Though there are some of brands which paste themselves in consumer lexicon and became verb, this brands are called synonymity brands. Most of the synonymity brands have a top of mind awareness and high brand loyalty. Through this study researcher is trying to analysis the effect of brand extension for synonymity brands. In this paper 6 synonymity brands of FMCG has been taken into consideration and researcher tried to identify the perception and awareness about the same. Along with that the light has been thrown on the relationship between the original and extension brands. For the present study primary data was collected from 50 respondents regarding brand extension for brands. The data was sorted and charts were prepared and analysis was done with the help of t-test and correlation.

Keywords: Synonymity Brands, Brand extension, FMCG, Consumer perception, Relationship with brand extension.

Introduction

Brand

The word “brand” is derived from the Old Norse word “brandr” which means “to burn” as brands were and still are the means by which owners of livestock mark their animals to identify them (Keller, 2009). Branding is giving identification to products and services. It is all about creating differences. Branding has been around for centuries as a means to distinguish the goods of one producer from those of another. According to American Marketing Association “A brand is a distinguishing name and/or symbol (such as a logo, trademark, or package design) intended to identify the goods or services of either one seller, or a group of sellers, and to differentiate those goods or services from those of competitors”. A brand is therefore a product, but one that adds other dimensions that differentiate it in some way

from other products designed to satisfy the same need.

Brand Extension

A company has a strong brand name than it may go for the extension of particular name. Here company use establish brand name for new products or product category. It helps in launching new product. If successful it helps company to reach new customer base, new demographic, increase sales and boost profits. But it may not be the case always; brand extension can go wrong as well. Like in case of Nirma which is mostly associate with detergent powder. Company though of giving a brand extension and they introduced Nirma salt. Consumers were not able to associate detergent power with eating ingredient salt.

Brand extension works when original and new product share a common characteristics that

consumer can easily identify. And it fails when there is mismatch between original and new product.

Synonymity Brands

For a product or service there is no greater recognition than getting their brand verbified. This happens when a particular brand became so popular among the customers that this brand became a verb to describe the whole product category. Using this brand name in normal say to day life became a trend. Till here it looks very positive for a company or brand but this does not happen always.

A brand name used in this way can lead to the genericide of the brand name. It means brand name loses its trademark and legal right and this name became the public name. This comes under the Lanham Act 1946. Brands should be very careful regarding the same. There should

be proper advertising, patent rights awareness and brand positioning so brand does not become genericide.

FMCG Sector

The Fast Moving Consumer Goods (FMCG) sector is a key contributor of the Indian economy. FMCG sector is more lucrative because of low penetration levels (especially rural region), well established distribution network, low operating cost, lower per capita consumption, large consumer base and simple manufacturing processes for most of products. Large section of the society is regularly consuming branded products of this sector. FMCG sector is the one which is most used in our day to day life. There are many brand names which we are using for the whole product range. In this study will be talking regarding following for brand extension.

Table I

Maggi	Dettol
Vaseline	Vicks
Gillette	Odomos

Source-Self Developed

Maggi- This is instant noodles by the Nestle Company, which have different product line with brand name Maggi. Originally Maggi originated in Switzerland in 1884, when Julius Maggi invented powdered pea and bean soup. After two years invention of ready to eat soup and liquid seasoning came into existences.in year 1947 nestle acquired brand Maggi. Julius

Maggi knew about importance of brand identity and brand loyalty so he got register his sign and brand name to ward off would be imitators.

From very starting Maggi noddle was attached with deep red and golden yellow colours. This combination of colours is still being used in many products of brand Maggi.

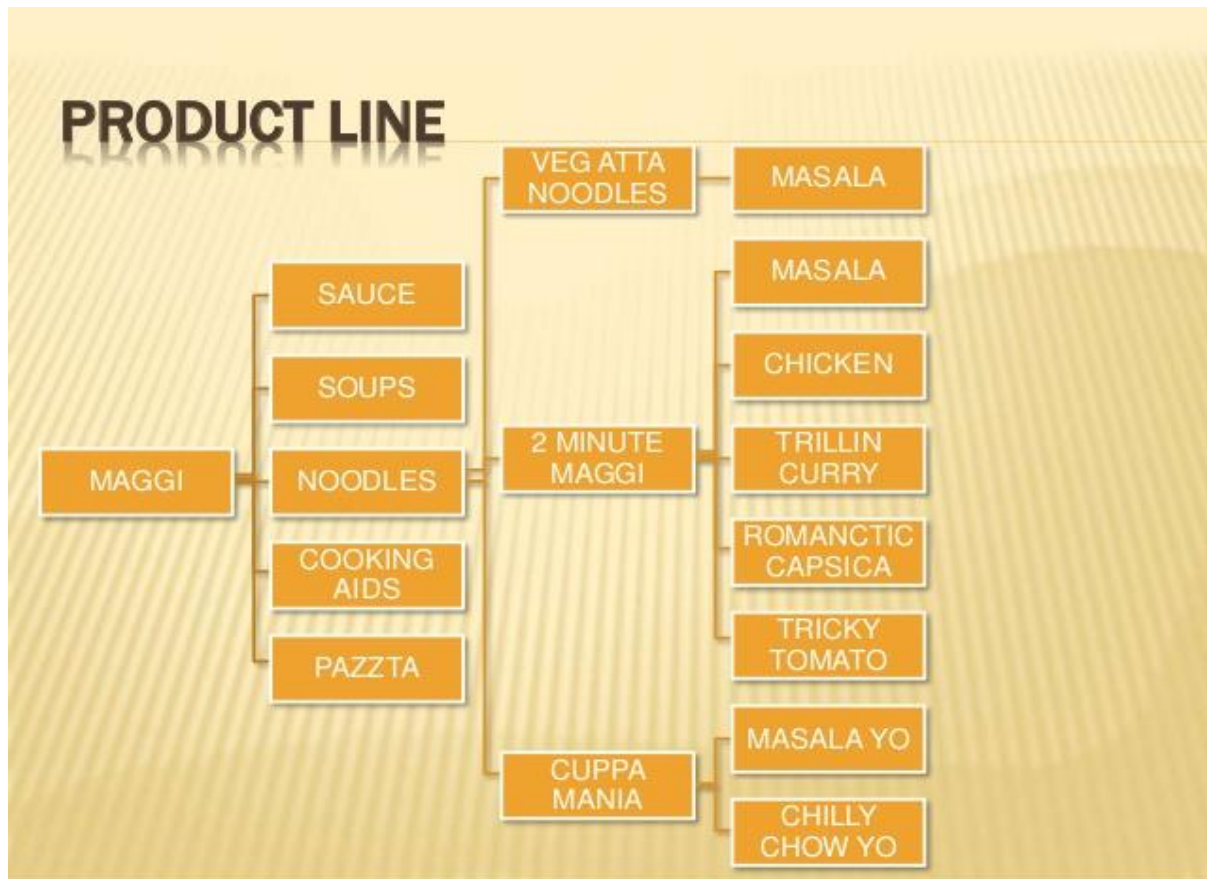


Image 1- Source-<https://www.slideshare.net/ChaithanyaaAnumalasetty/maggie-53029854>

Dettol- Around 80 years back in 1932 antiseptic solution of Dettol was used in Hospital of UK for disinfection of skin during surgical procedure. Dettol was launched in India in 1933. This brand name is owned by

Reckitt Benckiser. In 1979 Dettol began to expand its product category from antiseptic solution to soap, hand wash to protect people from the infection because of germs. This is present in more than 124 countries



Image 2- Source-<https://nikhilbhambureblog.wordpress.com/2013/09/15/product-mix/>

Vaseline- Though brand Vaseline has so many product ranges but here we are going to talk about petroleum jelly only. It started in 1859 with Robert Chesebrough, an American chemist, when he noticed that oil workers are using a oil from rod wax to heal their cuts and burns. Then he collected that material and refines it in order to product gel which we call

petroleum jelly. In 1872 he got patent rights for this jelly and called it Vaseline. This brand name is a combination of two words- wasser and elation means water and olive oil respectively. Currently Vaseline brand is owned by HUL. For over 135 years this brand has marvelled at skin care product range.



Image 3 -Source-<https://www.hul.co.in/brands/beauty-personal-care/vaseline/>

Vicks- Pharmacist Lunsford Richardson made Vicks a household name throughout the world. During influenza pandemic Vicks helped the world to breathe easier. Deadly Spanish flu outbreak made the sales of Vicks very high, some of the customers even stocked up this to fight off diseases. Its sales skyrocketed from \$900,000 to \$2.9 million in single year due to

pandemic. As a country of monsoons and winters India was primed for this product. Surin Banta MD of Vicks India was very keen on his strategies and soon his work was paid off. Now Vicks is associated with common cold in India and now there is no looking back. This brand is owned by Procter & Gamble.



Image 4-Source-<https://www.vicks.co.in/en-in>

Gillette- In 1895 King C Gillette worked on idea of a razor blade which could fit into a holder and can be replacing when dulled. In 1901 the American safety razor company soon renamed as Gillette safety Razor Company, for which production was started in 1903. On 15th November 1904 Gillette was granted patent for his invention. For over 100 years men are using

Gillette Razor blade for shaving. In those years this has made different type of razor base on the innovation and advancement. Some of the famous type are like –adjustable, ATRA, SENSOR, MACH3, FUSION, BODY, In January 2005 Gillette Company was merged with Procter & Gamble.



Image 5-Source-<https://www.modernretail.co/retailers/pg-is-investing-in-new-categories-and-product-innovation-as-gillette-falters/>

Odomos- In year 1946 after the invention of DEET (Synthetic repellent invented by US Army) insect repellent came into existences. Samuel Gertler of US department of Agriculture received a patent in 1946 for using DEET as insect repellent in the form of cream,

lotion or powder. It was after 1957 only the products were made available to general public to use, earlier it was only for military personnel. In India a popular brand of mosquito repelling cream is Odomos. this is almost 50 year old brand which has a generic status in market. The

brand was originally from Balsara come into Dabur portfolio in 2005 after acquisition of Balsara Hygiene Products. Odomos has a

monopoly in cream market thus this brand is a synonymity brand (Verbified brand) for cream category.



Image 6-Source-<https://www.indiamart.com/ksmart-life/odomos.html>

Literature Review

Before the start of any research the very first step is to study the past studies. With the help of literature review, research gap can be found out and it can be decided the scope of present study. Researcher has tried to study most of the papers related to brand extension for brand in FMCG.

Richa Joshi Ranjan Yadav (2019) in their research talks about Brand extension is a strategy to expand portfolio and take advantage of established brand. In their study they try to identify variables which effect brand extension. The framework for study was structural equation modelling (SEM). They took sample of 234 for coca cola brand for the Y generation customer in Indian Market. They identified that effect of perceived risk, consumer innovativeness, parent brand reputation, and perceived quality on brand extension is positive and significant.

A study by **Kalpesh Prajapati ,Viral Bhatt (2019)** examines perception and behaviour of consumer in the direction of brand extension in FMCG segment. They worked on factors such as similarity between parent brands and extend

brand, reputation of mother and extended brand. They concluded that consumers of Ahmedabad are loyal to brand. The retail offers and display occasionally cause you to change brand but usually they don't experiment with new brand. The stronger the other brand; it will be easier for companies to expand that name. if consumers find similarity between original and new brand than it will be connected easily.

Harleen Kaur (2017) for her study took six parent brands of FMCG sector and their brand extension. They distributed questionnaire and total 837 responses was recorded in proper manner. They find out that there is perceived fit between the parent brand and its extension has a direct association with attitude of customers towards brand extension.

Anil Sharma, Mubina Saiffee (2017) talks about Success and failure of brand extension depends on consumer, how they evaluate brand extension. Factors such as consumers innovativeness and consumer loyalty plays major role. For this 1000 sample size was taken. it is found that brand extension is dependent on factors related to parent brand. Consumer level of innovativeness has a positive impact on their evaluation of brand extension.

Study by **Priya Grover (2015)** analyse about brand extension. New product failure often tempt marketer to leverage their well-known synonymity brands to minimize risk if failure. Because of synonymity brand name extension companies are able to reduce cost of new brand introduction. While there are significant benefits in brand extension strategies there can be risk, resulting in severely damages brand. So firms need to be very careful and must analyse the consumer market. This research paper shed light into how consumers evaluate brand extension within FMCG sector. They have identified that having a loyal customer base increase the chances of successful brand extension.

Utpal Debnath (2015) says that-A brand name is a seller's promise to deliver specific set of feature, benefits and services to consumer. Maggi noddle which enjoyed brand loyalty and brand connect failed miserably after the health issued raise for noddle. Nestle India ran a campaign around theme Main Aur Meri Maggi inviting Indian consumers to share their stories with Maggi. In this way Maggi brand became more powerful and positive in the minds of consumers of India. With such aspect it has better market share, wider sales volume and higher profit for Nestle India.

Nahed Mohamed, Mohamed Abdul (2014) studied about brand extension in FMCG in Egypt and focus mainly on factors consisting brand extension strategy, identify factors that enhance brand equity. They have identified three factors namely perceived quality, brand loyalty and brand association for the same. The research employed questionnaire for 415 consumes to investigate impact of brand extension on brand equity. The result revealed that there is positive relationship between brand extension and consumer based brand equity among FMCG in Egypt. Brand familiarity, brand image have a significant effect on brand equity.

Paper by **Parag and Richa (2014)** find out that for brand extension to be successful there need

a positive association between establish brand and new brand. Maggi is good example for brand extension. Maagi brand has a loyal customer base, brand equity and trying to expand its market share. It has launched different variants of soups and sauces and has come up with supportive and rational brand extensions. Through this study they find out that Maggi has taken successful brand extension and are able to increase their sales as well.

Kavita Srivastava, Narendra KSharma (2012), study aims to investigate the impact of perceived quality, brand extension incongruity, involvement and perceived risk on consumer attitude toward brand extension. For this they prepared questionnaire and applied regression analysis .they found out that perceived risk and involvement have stronger influence on evaluation of FMCG brand extensions.

Mahsa Hariri and hossein vazifehdust (2011) article seeks to scrutinize impact of brand extension on its current brand image in FMCG sector. They have taken 391 observations through categorical sampling and questionnaire was made filled. It was concluded that initial image plays an important role in extension attitude, perceived category fit and final brand image. Hence it's recommended that companies strengthen their brand image before going for brand extension. They should extend only if their initial brand image is of high quality.

Dhanjay bapat and JS Panwar (2009) study is based on primary information collected from 403 consumers through questionnaire. The question was regarding customer knowledge of brand, products associated with brand, favourability for brand extension and overall evolution of brand extension. It is imperative for the brand managers to identify borrowed brand association that can be emphasised during advertising campaigns. Extension advertisement can increase importance of crucial brand associations and helps in establishing linkage between brand and extended categories.

Anand Kumar and etall (2009) is a case study about evolution of parent brand and its subsequent extension in different product category. Dettol brand has immense trust and loyalty of the customers and this is synonymity brand name in case of antiseptic liquid solution. To achieve fast growth and leverage high brand equity of Dettol Reckitt Benckiser India Limited rolled out number of brand extensions such as soap, hand wash, sanitizer and so on. Brand extension was followed by the new market, growth in terms of volume as well as profits.

Modern Branding innovator David Aaker talks Brand extension can dramatically affect a key strategic asset, both in its original setting and in new context, the wrong extension decision can be strategically damaging. This article is talks about brand extension decision and its impact. First it considers rationale for an extension, and contribution for an extension which makes the brand name: the good. Next it discusses the bad-how the brand name harms the extension. He has talked about the different strategy and issues rose by brand extension.

Objectives

In today world consumers are king of the market. Once a company have a synonymity brand name; it is a good idea to go for the extension as well. Through this paper researcher is trying to identify the consumers' perception towards brand extension as well as awareness among consumers for the same.

1. To identify perception and awareness among consumer for brand extension for synonymity brands.
2. To find similarity of attributes between original and extension brand.
3. To understand marketing implications in developing strategies for brand extension.

Research Methodology

The present study is exploratory as well descriptive in nature. For this both primary and secondary data have been used. Structured questionnaire has been administrated for the purpose of collecting data. The questionnaire was distributed among 50 respondents. The questionnaire was designed to elicit information on the following aspects: Consumer perception for synonymity brand extension, awareness about various brand extension products, Identification of product category. For this following brands were evaluated-

- 1) Maggi
- 2) Dettol
- 3) Vaseline
- 4) Vicks
- 5) Gillette
- 6) Odomos

The similarity between original brand and extension brand was measured on the basis of parameters like-1) Feature,2) Occasion of usage 3) Need satisfaction, 4) Skills required for manufacturing by using five point Likert Scale.

Hypothesis

H0 1- There is no awareness among consumer for brand extension.

H1 1- There is awareness among consumer for brand extension.

H0 2- There is no similarity of attributes between original and extension brand.

H1 2- There is similarity of attributes between original and extension brand.

Data Analysis and Findings

Hypothesis 1-To know about perception of consumers' researcher asked to consumers to select the brands name they will buy; if these brands go for brand extension.

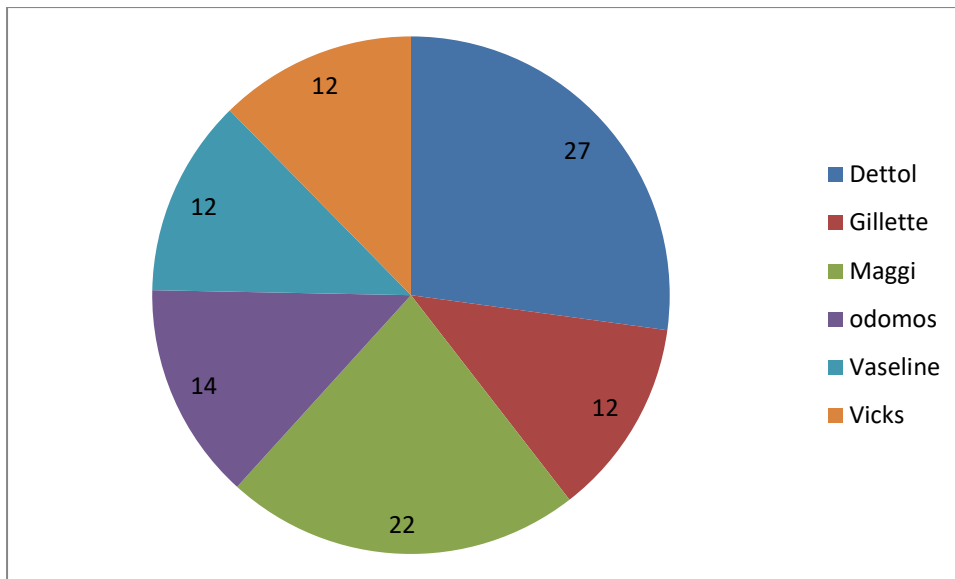


Image 7-Source-Self Developed

On the basis of above chart its visible that Dettol brand has the highest percentage of positive perception for brand extension. Each of the synonymity brands has got response from the consumer; it means consumers are

positively associated with the brands. Synonymity brand have a positive image in the mind of consumer; thus if synonymity brands goes for brand extension than consumer will be loyal to them and will buy the products from new product category as well.

	Maggi	Vaseline	Dettol	Vicks	Gillette	Odomos
More than 80%	Ketchup	Lotion	Soap, Handwash	Inhaler	Foam	Mosquito Repellent Gel
50-80%	Soup, Ginger Garlic Paste	Lip Balm		Paracetamol	Lotion	Mosquito Repellent Wrist Band
20-50%		Soap	Lotion, Sainitizer		Soap, Handwash	
Less Than 20%	Mosquito Repellent Wrist Band	Inhaler	Inhaler, Foam	Lip Balm	Sainitizer	Lotion

In this paper researcher is talking about 6 synonymity brands which have gone for brand extension. Question was asked to choose different product with respect to particular synonymity brands. On that data Chi Square-

Goodness of fit was applied at 5% level of significance, to test the hypothesis about awareness.

The Calculated value for this is 0.0475 and tabulated value is 0.67. Since calculated value is less than tabulated value, thus null hypothesis can be rejected. Through this it can be analysed that awareness among consumers; about brand extension of synonymity brand is high and they

can recognize other product category as well for the synonymity brands.

Hypothesis 2- For this consumer were asked to rate original and extension brand on 4 attributes and average similarity score is as follows :

	Features	Occasion of usage	Need Satisfaction	Skills required for Manufacturing
Maggi	3.55	3.87	4.37	3.79
Vaseline	3.81	3.07	2.95	3.17
Dettol	3.39	4.03	3.95	4.13
Vicks	3.01	3.47	3.29	3.45
Gillette	2.7	3.05	2.85	3.15
Odomos	3.91	3.56	3.63	3.82

On the above data Chi square-independence of attributes were applied at 5% level of significance, to test the hypothesis about similarity. The Calculated value for every brand is presented in table. Tabulated value is 0.67 and for every brand calculated value is less than tabulated value, thus null hypothesis can be rejected. Through this it can be analysed that there is similarity of attributes between original and extension brand.

Managerial Implications

These findings can be helpful for brand management theory as well as practice. This helps in understand the consumer perception and awareness regarding original brand and

brand extension. This helps in verifying why some brands have successful brand extension and other does not. If original and new brand belongs to same product category; there are high success rate. As its been observed that for synonymity brands all have done extension in similar product category and thus market leader as well. It is imperative for brand managers to identify borrowed brand associations that can be emphasised during advertising campaigns. Repeated exposure to appropriate brand association helps consumer establish linkage between original brand and extension categories. While doing extension, researcher identified brand can use following association while doing brand extension.

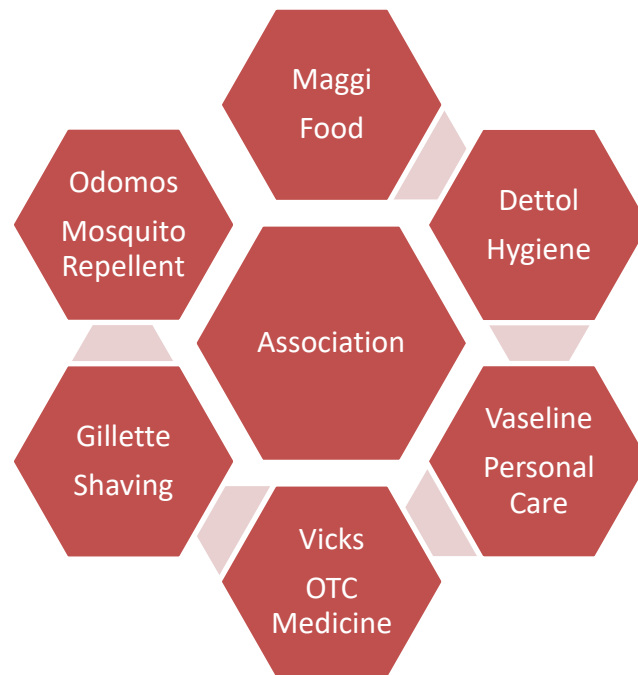


Image 8-SourceSelf Developed

Little has been known about relative importance of brand associations in explaining brand extension success. Therefore, managers would have not known the importance of brand association.

Conclusion

Some brands are pasted in the consumer mind that this name became synonym for the whole product category. This brand name have loyal customer base which doesn't switch to other easily. This synonymity brand name enjoys first mover advantage, market leader, better profits and when they go for brand extension than also they enjoy all this benefits.

Once a company has a loyal customer base for brand name than company can take a risk for the brand extension. Most of the brand extensions are done on horizontal basis because consumer are able to relate and recall the brand easily. In FMCG sector there have been numerous brand extension. For the verbified brand the brand extension has been by Maggi, Vicks, Dettol, Odomos, Gillette and Vaseline.

On the basis of literature review and analysis we conclude that if synonymity brands are

market leader than the brand extension of this brand name also will get benefits associated with parent brands. This synonymity brands have a positive perception among consumers for the brand extension. To be successful for brand extension the parent and child brand should be of related product category.

Synonymity brands have high brand equity; thus when these brands go for brand extension in other product category than also high brand equity remains with them. Consumers can identify different products category of synonymity brand extension and are willing to use or buy them as well.

Though while doing brand extension in case of synonymity brands of FMCG sector, companies can have benefits of synonymity brands but marketer should be careful and need to done proper research as well.

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