**The brand extension impact on brand Image of parent brand in apparel Industry of Pakistan.**

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**Literature Review**

**Master in Business Administration**

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**Literature Review**

The previous studies shows that the brand extension is been well clarified as the approach of brand in which the new products or product has been launched under the existing or earlier know brand name (Somro, 2017). Because many of the international organizations are supposing some response from their target market. This response can be positive or negative. Because their target market or their clients are already well informed with the current brand name and image of the parent brand (Somro, 2017). This is examined by previous studies there are also many disadvantages of brand extension. If the brand extension remains unsuccessful, it extensively affects the brand equity. There are also the chances that it may thrash the entire brand image of the parent brand (brand dilution). Moreover it can create negative opinion towards the parent brand (Somro, 2017) .

In the market place brand extensions have become famous gradually option for firms launching new products. For launching new products the financial risk and publicity costs have increased, firms have renewed their strategies and capabilities to exploit the goodwill related with current brand names by starting brand extensions. That point must raise in minds that there are chances of repeated brand extensions will eventually wear out a brand name and that failed brand extensions will fragile the equity related with a well-established brand name.

The characteristics shows that can be either consistent or inconsistent with the image already planned by the family brand name a new brand extension with the same family brand name. We can estimate in that way that, one issue of decreasing affects to the question of how consumers' current perception about the family brand name are changed by conveying new information by the brand extension that is inconsistent with the family brand beliefs. It follows that global evaluations of family brands may be weak when there will change in family brand beliefs, signifying the importance of understanding reduction at the level of specific beliefs that since global evaluations consider as a function of beliefs which observed by many attitude theorists.

In brand extension, if the parent brand and its extension both are deals in a similar product type, then it’s difficult for brand managers to segregate both and educate the consumers regarding why they launch a new product by using brand extension. For example, if the parent brand is for rice and their extension is also offering the rice then this type of extension are very rare probabilities of differentiate the core brand and its extension. Moreover the brand name of the parent brand cannot work as a cue for competitive advantage for the core brand. Some of the real time examples of this branding are mentioned here. First example is of Cadbury chocolate biscuits, In Cadbury chocolate biscuits the name of this biscuits are clearly communicate its audience that the upper coat of these biscuits are not coated with ordinary chocolate but the special coat is of Cadbury chocolate. Moreover the Mars ice cream bars, mars milk drink and the coke diet all of these are examples of this.

Whenever, the firm or organization undergoes the process of brand extension, the customer may feel the effect of this brand extension or initiation of new product induction. When a brand doing impulse brand extension in a very limited time frame, the customers are very keen about the quality of new products. And also make some initial perceptions about the new products of the brand. These perceptions and impressions of the customer are also influence by the other reasons and attribute of the Parent brand (Yeung, 2005). The recent studies, suggest that the brand extension are also evaluated by this impression. This is very real, In spite of the resemblance among the parent brand and its own extension. It is also considered that mediator impact a lot on perceptions of core extension similarity (Yeung, 2005) .

In brand extension, if the parent brand and its extension both are deals in a similar product type, then it’s difficult for brand managers to segregate both and educate the consumers regarding why they launch a new product by using brand extension. For example, if the parent brand is for rice and their extension is also offering the rice then this type of extension are very rare probabilities of differentiate the core brand and its extension. Moreover the brand name of the parent brand cannot work as a cue for competitive advantage for the core brand. Some of the real time examples of this branding are mentioned here. First example is of Cadbury chocolate biscuits, In Cadbury chocolate biscuits the name of this biscuits are clearly communicate its audience that the upper coat of these biscuits are not coated with ordinary chocolate but the special coat is of Cadbury chocolate. Moreover the Mars ice cream bars, mars milk drink and the coke diet all of these are examples of this.

According to previously done studies, it is also take into consideration that how well the new extension fit with the perception of the core brand (Aaker, 1990). In brand extension, it is not only consider the physical similarity to the product that are just identical with core brand but it is also consider the similarity in their function or the context in which the new product is used. If the customer perceive quality or expectations are not fit with the actual new product. Then it is difficult for consumer to transfer their attitude or not show any willingness for new brand extension. And the customer may make wrong belief with respect to extension products (Aaker, 1990) . Consumer experience is an actual result of the association among organization and their customer over the span of their connection. This collaboration is comprised of three parts the customer visit on the company’s contact point, the brand encounter Points the purchaser connects with brand, and the environment in which the customer encounters (Outlets and showrooms) along with their experience. A decent consumer encounter implies that the person's participation amid all purposes of contact coordinates the person's desires.

Both in academic and industrial studies, the brand equity were one of the most important aspects of branding. Whenever we discuss the branding it is essential to explore the brand equity by all means. The research studies which were based on the brand equity essentially explore the problem in view of consumers or either organization point of view. In consumer’s point of view, it usually observed accumulation of data on consumer perception measure of brand equity from customers by assessment and experiments, also evaluate the feelings, perceptions and attitude towards the brand. It is also engage in collecting information on the customers showed liking or disliking behavior, by using feedback mechanism or actual purchase data.

It was observed from the last some decades that the failure rate of new products has increased at a high rate. Therefore most of the organizations are again shifted towards brand extension strategies to launch new products or brands. Some are the benefits of brand extension strategy includes, higher acceptance rate, little advertisement and promotion expenditure and relatively less chances of failures because the target market knows the core brand values. Contradictory to these benefits the organizations were also facing some resistance while launching new products or brands by using brand extension strategies. Because of this, center of attention for many investigators is to find out the aspects that cause failure for brand extension or depict the negativity for parent brands.

One of the most significant factor that affect the attitude of brand towards extension is, perceived quality of parent brand. This perceived quality is shift from parent brand to its own extension products. On the reversal mode the perceived quality of extension can spoil the image and brand equity of the core brand. The common perception of the consumers are that they perceive that high price means high quality product and ultimately credible, dependable. The brand extension strategies are totally relying on the idea that is correlated with the core brand value, which can be shift to the extension brand. The basic objective of this research work is to find the relationship among parent brand image and the consequent effect of brand extension. The researcher use two variables on independent side and only single variable on dependent side.

New Product introduction with the previously known brand name and recognition can enhance the brand image, brand equity and also can obtain more brand awareness (Li, 2017). The successful transition of the outcome depends on the extension boldness and the parameters to which the new extension is alike to their core brand. A successful brand extension focuses on the perceived image suitable, extension attitude, category fit, in new brand or product the brand extension are simply categorized as the member of the core brand category, this is way the transfer or shift of effect in the stronger commitment condition (Li, 2017).

The downward brand extension shows strong positive effect on supposed fit, this is why the downward brand extension is more favorable. As far as technological direction concerned, it equalizes the effect of fit on brand extension. Fit has strong negative effect on upward brand as compare to the downward brand extension. Fit can also moderates the effect of brand loyalty on brand extension. When the fit is high, then the effect of brand loyalty is definitely high. Contradictory to this if the fit is low, ultimately the brand loyalty can have the negative effect on brand extension. The technological direction can moderate the effect of fit on brand loyalty and ultimately brand extension. The moderating effect of fit on brand loyalty is neutral in cause of upward brand extension. On the other side, in downward brand extension, the fit increases the effect of brand loyalty greatly.

Brand extension involves, Line extension, multi branding, developing new brands and brand rationalization also. Previous studies finds that the successful brand extension in view of consumer acceptability may damage the purchase intention and brand awareness of parent brand (Li, 2017). And if the extension gas a low fit between extension and the core brand, then a negative effect will occur on the consumer purchase intention towards the core brand because the attitude towards the extension (Li, 2017) .

In multi branding the product category is same but new brands will add on. Such as in Pakistan market the PNG have many brands for every product category (Li, 2017).

It usually refer to as the when an organization entering a new product category they create new brands as well. Like Coca cola and PEPSI both entered in a new segment which is mineral water with new brand names such as kindly and Aquafina respectively. And Honda in introduced a new brand to distinguish its luxury cars segment for a specific target market (Yeung, 2005).

A previously well-known and successful brand enters in a new market or extending the previous product range or category it usually implements Brand Extension. Because of brand extension the company may acquire different benefits such as promotional and advertisement cost will be minimized. More other whenever a launch a new brand then it’s cost will be high, therefore the brand extension is a helpful tactic for a cost effective new merchandise induction. Customers and the marketers both get benefits of the previously well reputed brand name. Distinctive type of brands can be distinguished in the mind of customers, in a specific brand evaluation and brand recognition (Yeung, 2005).

Most of the times buyers will regularly buy one of the main three brands, which are in apriority in their minds. Customers perceived the association of quality with the core brand. Because in brand extension the acceptability rate is quite high for new brand. For example, the Maggi extended from Maggi noodles to other product within the same line like, Maggi soup and Maggi Ketchup (He, 2010).

Management of brands should pay more care and caution on upward brand extension, where a lower tech brand extended to a high tech product brand. Moreover, if the upward brand extension is not observed as the perfect fit between core brand images, the brand trustworthiness ultimately have a negative impact. Therefore it is very important and difficult to manage the fit between the lower technological principle brand and the high technological extension (He, 2010). In marketing theories as well as in marketing practices the brand equity plays a fundamental role. Most of the organizations invest a large amount of their investments on their brand equity since many years. That organization gain results from their investment in product market as well as financial markets, they also get benefits by leveraging their brand equity in new brand extensions (Datta, 2017)

The consumers are willing to pay higher value for the good fit extension when they are close to the extension information, but the consumers are less willing to pay when the poor fitting extension between parent brand and their extension ([Huang, Jia et al. 2017](#_ENREF_11)). The promotion of the new extended product or brand is more easy or effective, if the core brand is already famous or well known, therefore the information of the new extended brand can obtain more awareness in support of the parent brand (He, 2010). Knowledge and information measures consumers understanding, brand awareness and all other information related to brand. On the impactful side it is not only the brand information or understanding but also its identity. Brand identity is generated by brand information, brand communications, or by consumer’s real time experience with the brand (Datta, 2017).

Some fashionable items, such as apparel, footwear, accessories and many other products that exhibit similar characteristics, brands give a specific identity and distinguish that products from other consumer’s goods. Luxurious fashion items can show the self-image and also suppose some personal importance to the individual (Forney, 2005). About millions of people are working in this billion dollar industry around the globe, which contributory affect every consumers today. Culture and our society collectively exhibited by fashion, as a characteristic innovation, it shows how the people describe themselves. It is directly proportional that those brands that have the high rate of relevance. Mostly have greater impact of their knowledge and brand information in the mind of their consumers. For such brands the customers perception is usually positive, high acceptability, trusted ones and personally appropriate to them because they understand well (Datta, 2017). From the buyer’s perspective the buying experience should really be understood. We used that phrase “how your target buyers perceive” that shows the meaning of it. Many people in sales, marketing, and other fields of an organization will tell you what they think, but true north here is the buyer’s perception of the experience. Only the customer or buyer can tell you the actual steps they must take to get to a purchase, what they need at each step, and about their satisfaction levels during the purchase experience. The buying experience includes the complete process that the buyer engages in as they move from prestige level to purchase. The prestige level represents what the buyer is doing before they go on board on the buying experience, while purchase represents the final step that moves someone from as buyer to customer.

Most of the studies have found that brand loyalty shows strong impact on purchase intention in the traditional offline retailing world (Datta, 2017). A strong brand name not only attracts new customers, but also has the lock-in ability to make customers feel comfortable with their purchase decisions. A study conclude that brand orientation is positively related to the customer online purchase intention.

When we extend core brand into similar category it is called “Close extension”, and when we extend core brand into non-related product that is called “Distance extension”. In this situation and conditions quality of extension must be maintain for success of core brand. For the core brand and extension product distancing is a purposeful attempt to increase and improve the perception (Soomro, 2013). While using umbrella extension same brand name was used for many products the firm must make sure and take care of the quality perception of the core products has also been spread to all extensions of the firm. Same as when organizations introduce “related brands” in the same product category with observable differences in price and quality levels; this kind of extension is known as vertical extension.

In the decision-making process the perception is important. In the market where branding was used the products were no longer only purchased for the functional characteristics, but in start for the common or in some cases, product communicated with psychological identity. Building on these mature concepts, one of these concepts can be elaborated by focusing two determinants that effect a consumer’s perception of brands. Brand Positioning was important with extensions of brand as it may change the fit with their two similar knowledge sources, the parent brand and extension’s category (Soomro, 2013). The brand extension knowledge can stop from the parent brand and category, its development must be a suggestion process. Inferencing was the mixture of multiple sources of knowledge into one concluded formation (Soomro, 2013).

The customer’s perceived image fit and the perceived category fit; both are the strong determinants of extension attitude. On the other side, the customer purchase intension towards both the extension brand and the core brand is the result of the attitude to the extended product (He, 2010). Therefore, it is clear that the brand image of core as well as the extension is depends on the extension attitude. That’s why, implying that the product brand image after the brand extension depends on the extension attitude (He, 2010). The best intellective strategy of brand extension is to offer a new brand which offers a quality product with a premium and economical prices, in this way the brand image of the parent brand is not effect in a negative side.

In recent days the customers are well educated and have many alternatives for the same product. If the product concentration is low, than its difficult for customers to choose from many similar brands then they set some decision making criteria for selecting from such a crowded categories (Datta, 2017) . On the other side of the coin the brand with high relevance, information and knowledge facilitate their customers to exhibit itself out of this overcrowded situation (Datta, 2017) . Social products are also have another approach like social value may be greater in some product categories which are more likely visible to other people such as cigarette, or products which are frequently shared with others such as alcoholic drink ([Datta, Ailawadi et al. 2017](#_ENREF_5)).

According to some researchers, it was essential that in order to study potential the respondents are not aware with the extension. For example some brands executed step down brand extension in recent times in the French market (Levi’s) and also other brands that have executed step down brand extension not in their market but other countries like (Armani) is not launched in France market yet . The loyal customer with specific brands is not really concerned about the prices of the products. But customer should know about the value, knowledge, relevance and the value of money of that brand (Datta, 2017).

The consumer brand commitment is also important in determining the extension attitude. The high level of consumer loyalty give additional focus on image fit when assessing the extension (He, 2010). Moreover, the consumers with high brand commitment will not willing to even buy the extension that has a significant difference from their parent brand or the current products of the brand (He, 2010).

The experience of parent brand in the past significantly moderates the relationship between successful brand extension and marketing support. This evaluation was acknowledged with enhancing moderation (Somro, 2017). In recent world the brand survival has been very difficult. Most of the small and medium enterprises closed down, and on the other hand the multinational corporations are very keen that how to expand and diversify their businesses. Most of the big entities like Pepsi Co, Apple Inc., Coca Cola, Samsung, Toyota, and Wal-Mart are survived because of their brands extensions and diversifications. Most of the small and even the big entities are incredibly keen to utilize every single penny on new plans, even joint venture or new startups. Multinational corporations are very careful about every dollar spend must produce something productive, but not go down the drain as the every stakeholders perceive positive aspects (Somro, 2017).

As this study is based on the apparel industry, therefore the finish goods and service both are concerned. In service industry the success drivers measure the parent brand quality in brand extension (Völckner, 2010). The parent brand quality has shown deep effects on brand extension. This refer to the use of famous brand name when launching its extension or new product within the same brand (Völckner, 2010). Brand quality is the impression of value that a brand accomplishes for its valued customers. Quality is regularly characterized as the meeting the desires (need and wants) of consumers. For instance, a client may expect a markdown lodging network to have spotless, agreeable rooms. Albeit such inns may acquire few stars, they can at present be seen as high caliber because of the consumer's desires in respect to cost. Sometimes the consumers may face the risk of wrong selection of product or brand, the most probabilities of wrong selection is in diapers and detergents. This risk may vary because of some quality variance in product categories (e.g. coffee). In other product categories this risk is consequently low because of less quality focus (Datta, 2017). It was proven that the customers have a well-managed selection of product in a well concentrated product category. Consumer can make an easy comparison in different substitutes accurately, intentionally and comprehensively. And these all collectively makes a brand distinct while consumers making a selection process (Datta, 2017).

According to the some earlier studies, two things are concerned first one is perception of fit and the second one is new extended brands with one of three dimensions and a very high level of perceived value against core brand, in this situation the attitude was usually favorable towards extension (Soomro, 2013). Parent brand is a current brand that offers rise to a brand increase (extension) by supporting the united items/benefits by sharing its brand image and loyalty. Every extended brand made under the parent brand has some vital components identified with the core brand alongside certain separated elements. Generally the upheld items are came from new classes of items and can be connected or unimportant to the current item classifications for the core brand.

Even the brand extension undergone with the name of previously reputed and famous brand will increase the consumer’s attentions towards the newly launch product. But the coin have both side, if the new product fail to satisfy the consumers, it will cause some negative perceptions and can damage the entire brand image of the company (Somro, 2017). Some tactics are there to decrease these threats for parent brand, which are more popular day by day. Most of the research studies have been undergone to find and clarify the conditions and possible factors that lead towards the successful brand extension, but some aspects still need investigation or further research as well (Somro, 2017).

The traditional understanding always consider the vertical brand extension category, whenever the effect of fit is analyzed on both brand commitment and brand extension by analyzing their main effect on interactive special effects can be equalized by technical direction (He, 2010). These are the most important things because in earlier studies the researchers were only totally depending on the effects of fit and brand loyalty and also consider the boundaries and conditions. But in recent studies very little investigation did on moderating effect of fit on brand loyalty’s impact on brand extension evolution. Previous studies suggest the fit is not only the success factor of brand extension. Such as, the brand Virgin and Easy.com were extended their product category to a great extent, and some of these products are totally dissimilar to the core brand (Völckner, 2010). One of the major reasons of this product success is the strong brand loyalty that related with parent brand. Secondly and the most important is that the researchers studied the major and interactive effects of brand commitment and the fit also in a rising and newly developed and under investigation (observable fact), in respect of technological based brand extensions (He, 2010). Most of the time many brands undergo certain special levels of technology difference between core brand and their extension. Hence, there is a big room to investigate the loyalty and fit between core brand and their extension, after effects of the extension on core brand.

Those brands that have the strong history for launching multiple brands also have positive customer evaluation. In this same manner, consumer level of innovativeness was directly proportional to how consumer evaluates brand extension. The level of acceptability was high in innovative consumers likewise, positive and favorable for brand extension (Völckner, 2010). A business strategy including an organization marketing a few comparative items as their own competitors, each with their own individual brand identity. A Multi branding procedure has a few benefits as a method for securing more prominent rack space with small distance for equal products. This strategy additionally takes into account consider a market by involving all cost and quality opening. As far as FMCG sector study performed in North America has not been demonstrate the South Asian circumstances and exclusively in Pakistan’s background (Somro, 2017). Under the influence of multinational corporations in local market, it is difficult for local brand to grow even they feel tough resistance whenever they try to expand even (Somro, 2017).

The term brand extension usually refers to the promotion of any brand which is connected with the organization (Muhammad, 2016). Majority of the big entities using famous and previously well acknowledged names to public new product variety, this is only to enhance brand knowledge as well as to gain more stability in the market with the same name. The presence of art is also affect the perception of luxury brands (Muhammad, 2016). Logo and other things such as art line also had more optimistic merchandise assessment than without art line products. According to the studies higher the luxury perception gets higher the product evaluation. On the other side, it is not compulsory that higher brand image fit can lead to more positive product evaluation. When the research participants had positive product assessment, it is, therefore, essential that higher purchase intention (Kim, 2012).

In brands the “unique”, “high quality” both suggests the brand extension. The words “luxurious” and high status both were ideal for representing luxury brand (Kim, 2012). Fashion items, Like, garments, accessories, footwear and other goods that have the similar functions, make them separate, exclusive and noticeable from other brands and commodity items (Kim, 2012).

One of the most vital resource that brands have, that is brand equity, because of this the study on measurement and calculations of brand equity is very important and frequent on both levels (academic and industrial researches). The previous studies on brand equity were viewed against both point of view, from the customer point and the organization point of view also considered. As far as brand equity concerned with respect to customer can be evaluate on the basis of assessment or experiments, customers information is also used to check the customer’s perception, customer’s feeling regarding specific brand and the customer’s attitude towards brands. We can also measure brand equity by gathering data related to customer’s liking and disliking behavior, this information can be obtain from self-reported like feedback mechanism and from purchase data (Soomro, 2013).

From the last few decades the failure rate of new entrants (new products) increases at very high rate and this is not only in Pakistan, the new products are also facing chances of failure globally (Soomro, 2013). Because of this many of the local and multinational corporations have reverted back to brand extension strategies to begin new brands or even new product range (Somro, 2017). Because the parent brand by default awareness, brand image, customer loyalty are directly shift to new product of the same brand. That is why, the new product generally acceptable, low promotional cost, and also comparatively very low choices of failure under the big shelter (Somro, 2017). On the other side of the picture, companies still faced some problems while introducing new brands by using brand extension. So many researchers are very keen and try to find out the factors that customers use while “evaluating the brand extension”, and also focusing on the factors that contribute for the accomplishment or failure of brand extension strategies (Somro, 2017) .

Previous study suggests that the art can be use as the marketing tool in luxury apparel industry. Luxury plays a vital role in many of the marketing field but specially in fashion marketing industry (Kim, 2012).The luxury positioning in the mind of customer is not only the aim of luxury brands but also contemporary and casual brands aimed the same ([Kim, Ko et al. 2012](#_ENREF_16)). Because of this the use of art as the marketing tool is a way to increase the luxury perception of the brand (Kim, 2012) . Finding of a research shows that organizations should not approach to that brand extension category which the customers hate to assume it as substitute to the core brand. On the other hand the companies should go for the extension like multi branding, because of this the good will may transfer to the extended brand and it would have some positive and favorable impact on the core brand and may also effect the good will of the parent brand in a positive way (Soomro, 2013).

The previously done studies investigate the brand extension category of businesses that are going to expend a variety of their brand’s products. In Pakistan culture most of the brands are not flourishing when they undergone in the process of brand category, also brand quality, So the researchers find out the gap of knowledge that is existing in the market, which is brand extension in Pakistan’s market specifically Faisalabad city (Muhammad, 2016). A consumer that has strong association or loyalty with specific brand is not the same in the cause of its extension. Most of the companies are just focusing on the customer’s attitude, regardless of this the customer’s purchase intensions are more important than consumer’s attitude, because it directly proportional to the company’s profitability. Therefore the purchase intension and the acceptability both are the main focal points of the core brand companies (Muhammad, 2016).

The negative effect of brand extension is also noticeable, whenever a brand fail to precede brand extension, it depict some negative impact on parent brands. By the result of this negative impact the brand equity and the brand loyalty of the core brand is also on a risk. Because the customers are perceive that the whole brand is not up to the mark. In this way the extension brand or product and parent brand both is in trouble. In recent studies, the noticeable thing that research observed is the distance between parent brand and their extension. In close extension the extended brand showing similar trades and attributes to the parent brand which is closely associated with core brand. In horizontal extensions, the distancing is compulsory and natural. In a result of unsuccessful horizontal extension there are very rare chances of parent brand damage and same opposite for vertical extension.

Brand extension is a phenomenon, by which the previously known brand name is utilize to support and transfer the goodwill of parent brand into the new product or extension. The main objective of this research work is to find out the possible outcomes of brand extension for core brand in respect of consumer value. In step down brand extension, it usually observed that the customer perceive the quality of new product is low, as compare to the other products that brand currently sell. Brand, concept reflects the meaning related with the brand which determines its Positioning in the mind of consumers. Most of the research on brand extension based on the FMCG sector, on the other side the service industry is neglected or very little attention paid in research, in respect of brand extension research (Völckner, 2010).The brand extension refers to the concept that marketing and advertisement of any product or brand which are linked with the organization. A well know and well recognized brand name would have increased the imminent of wants, desires and get the loyalty of the consumers which other brand not get because of their not compatibility in view of consumers preference.

In apparel industry like fashion marketing the mix strategies implemented like Product, price, place, promotion. Therefore the placement and the promotional marketing strategies just found as a art tool has to be examined. Most of the brands make use of art as a main tool of their promotion and place tactic (Kim, 2012). Like the visual art used in the promotion advertisement of LG Electronics (Kim, 2012).It usually observed that the intentions and behaviors are modified after the modification of brand effective evaluation like brand image, emotional attachment and trust (Magnoni, 2008). According to a recent study, in a joint study of core category and the extended one the brand loyalty is probably high among those who are only loyal with the extension product category.

Furthermore, there is very limited research on factors that predict the achievement of fashion brands specifically apparel brand extensions. Although the automotive industry is very aggressive for competition in respect of manufacturing aptitude far exceeding current market demand . Most of the companies control or sometimes completely close facilities to reduce fixed costs, which incurred by fixed labor cost (Kim, 2012). Some recent investigation are carried on the perception of customer that are purely loyal with the parent brand will also show the similar perception or liking behavior with their extended products or product category, with comparison to those customer who are not even loyal with the parent brand (Kim, 2012). In the vice versa of this concept, the customer can also show the more loyalty with the extension product category and then ultimately this loyalty will transfer in core product category. In comparison to those customer who are even not loyal with extension product category (Kim, 2012) .

To sustain profitability in automotive sector is very difficult. Approximately every auto company have a well know brand name, it is also seen that auto companies are always looking for new market to grape more opportunities in other product categories. About each automobile brand is developing its own certified merchandise programs, such involve specialty outdoors, sports products, clothing, contact lenses, households, luggage, motorbikes and kids riding toys also no one can expect from BMW for clothing products, but they actually did, like trendy apparel, polo shirts, T shirts, sweatshirts and zip up tops, also sports caps, and light weight jackets also (Muhammad, 2016). BMW other products are also found in great quantity such as travel accessories, gadgets, collectibles, watches, rucksacks, coffee mugs, leather products, books, poker set, and tic tac toe game all having some identifiable round logo like BMW logo (Muhammad, 2016).

Customer satisfaction plays a significance role in the field of marketing as the customer satisfaction leads to repeat purchase behavior of the customer (Somro, 2017). The multinational and international companies are very keen when they are launching new product in the existing market. These companies are focusing on the brand loyalty towards the particular brand in order to expand the market share. They companies checked the brand loyalty of parent brand first, whenever they try brand extension. Because brand loyalty of parent brand can play a success factor in brand extension (Somro, 2017).

Multinational corporations also get benefits from brand extension strategies, like the success and growth in existing and newly develop markets. The success percentage is not 100% every time, because brand extension can be failed due to several reasons, such as different circumstances and movement encountered by the organization in a specific market. Perfect match between core brand and extension can gain the market shares for the organization (Völckner, 2010). Luxurious products can attract the customer or their target market and get a higher wallet share as compared to some other non-luxurious products. When an individual buying a specific and a luxurious product they perceive, he or she is buying a product which is prestigious and high status product.

The purchasing of luxury products is totally demands on the income and the salary level of the individual. Previous studies find a new and unique method to measure the overall loyalty that is associated with any product within umbrella brand from other products or category by which brand competing. With the help of this strategy the investigator are able to find the involvement of every individual product from the different product category under the same umbrella brand (Völckner, 2010).

In recent studies the one brand extension variable that is the distance which present among the core brand and the extension. In close extension in the same product range can show the same characteristics and features as the principle brand. On the other side the distant extension surely in disparate product categories are totally demand on the quality association from the core brand as a success factor (Muhammad, 2016) . In horizontal extension, the distance is natural. Vertical extensions are more likely to destroy the image of core brand as compare to horizontal extension. That is why the horizontal extension is usually in different and more isolated product categories. Hence, most of the consumers perceive that the horizontal extensions are not closely associated to core brand. A horizontal brand expansion is the point at which a brand name is connected to another item or service in either a related item category or in an item classification totally new to the organization. The halo effect and the brand association may be decrease in downside distancing in brand extension. If there is enough gap or distant between principle brand and extension than the horizontal extension may suffer (Muhammad, 2016).

When there is no association and inconsistency between step down extension and the parent brand, it depicts a negative impact on core brand. On the other hand it may be positive or sometimes neutral when the step down extension and the parent brand both are associated and have a consistency between them (Magnoni, 2008). In brand extension if the parent brand is prestigious or even not, the brand image must be modified. When we are totally considering a prestigious brand the evolution is perceived as negative. On the other side, it rarely occur that the positive with respect to non-prestige brand (Magnoni, 2008) . Another investigation shows that the cross category brand loyalty under the specific brand or called umbrella branding. This study also exhibits the multiple product categories that have the cross category loyalty for the core brand. This research is based on weather some customers that are loyal with the parent brand are actually also loyal with their extension or not, or the customer behavior is only associated with parent with only (Magnoni, 2008) .

In some brand extent the extensions may be show the same product category also the same features from their parent brand. In distant extension from parent brand, may be in not linked product categories and totally depend on the quality association from parent brand success (Muhammad, 2016). On the other side, when we are discussing horizontal extensions the distance is essential by nature. It is proven from previous studies that horizontal extension can damage the core brand then vertical extension. Therefore consumers can easily recognize that the horizontal extension is not close to their parent brand (Muhammad, 2016).

On the other side, in vertical extension it usually involve the introducing the relevant brand in the same product category but different in prices and the other features like quality also. In vertical extension, the distance is very limited between core brand their extension. The brand equity leverage very quickly in vertical brand extension. Though, the risk of negative information is higher in vertical brand extension than horizontal brand extension because the new product is very similar to the core brand, distancing is negligible (Muhammad, 2016).As a brand extension strategy, the vertical brand extension is extensively implemented in many industries. For example, automobile industry, the different models are offer to attract different market segment with respect to pricing strategy (Muhammad, 2016).

Some psychosomatic investigators advocate that consumers do not intentionally and separately assess every new influencer to which they are practiced, on the other side of the coin, the consumers usually evaluate a specific stimulus in terms of a member of a previously recognized mental category (Muhammad, 2016) . The main roles in brand extension are association with brand, strongly held and favorable to held. Moreover particular association that a consumer holds demands on the individual purchase condition and personal values, the managers of the company must learn that what they are and when they should operate. On the other side the offerings from competitor’s side can change or blur the uniqueness of the brand’s associations (Muhammad, 2016). It was generally found that the capability of a specific brand to shift its own brand loyalty to its loyal customers from core brand to its extension products or brand usually ignored (Völckner, 2010). A recent study investigated that the evidence regarding the customers that are strictly loyal with parent brand’s products have the higher probabilities to attach with the same core brand as compare to their extension or extended products. One another important question is whether there some different in aspects of extension product categories as compare to the core brand category (Völckner, 2010).

Brand extension of service industry need less research attentions. In practice this focus differentiate with the importance of service brand extensions; service companies have comprised the concept of brand extensions. Outlined examples include the extensions of the ‘‘easy’’ brand to car rentals, Internet cafe´s, and banking services as well as the extensions of the Virgin brand to holiday cruises extension success. In brand extension we also test for controlled effects, including the interactions of the three dimensions quality with the fit variable, and we compare results across three parent brand types of the parent brand’s (Klink, 2001).

By making brand-extension strategies we can enhance success chances of new products, even though they expose reduction of risks in brand image. The present work analyzes shows that how brand-extension evaluation can affect the current brand image and by five main factors related to brand associations by proposes a theoretical model formed extension congruency and extension attitude. The model estimation includes structural equation analysis using data from many surveys developed under market conditions (Salinas, 2009).

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