



A STUDY OF THE RELATIONSHIP BETWEEN FACTORS INFLUENCING
THE OVERALL EVALUATION OF EXTENSION: A CASE STUDY OF NIVEA
BRAND AND ITS EXTENDED BRAND (NIVEA BATH)

By

PAPONE PAWAPOOTANONT

A Thesis submitted in partial fulfillment
of the requirements for the degree of

Master of Business Administration

Graduate School of Business
Assumption University
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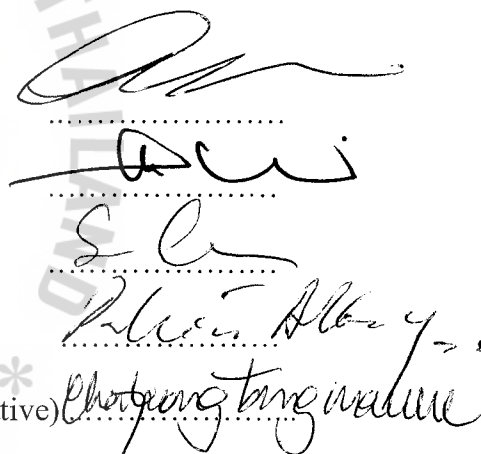
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ABSTRACT

The launch of new products can be an attractive growth strategy, however this is not without risk. An increasingly popular approach to reducing risk when launching new products is to follow a brand extension strategy. However, there is also the danger that it could dilute the strength of the original brand and convey the wrong perception with a consequent detrimental effect on the original brand. Therefore, given the importance of brand extensions, a better understanding of this topic is essential.

The aim of this study was to investigate the similarity, reputation, perceived risk and innovativeness related to consumer' evaluations of the brand extension. Sample Survey method was used to collect the data. This research used the non-probability sampling method, the respondents were male and female consumers who know the brand NIVEA and NIVEA BATH CARE. The locations where the researcher collected the data were the four selected branches of TOPS Market Place in Bangkok. The questionnaire was distributed to 384 respondents.

The Bivariate Test was used to test the relationship between the similarity of original brand, parent brand reputation, perceived risk, innovativeness and the overall evaluation of extension. All four null hypotheses in this research were rejected, which means that there is the statistical relationship between the pairs of dependent and independent variables.

Perceived similarity was the most important factor in the evaluation of brand extension when compared to other factors. The findings of could imply that consumers perceived the NIVEA BATH CARE as similar as NIVEA brand when the product category was extended and closely-related to the original product category.

These findings suggest that managers should consider all variables as key factors influencing the success of their planned brand extension.



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TABLE OF CONTENTS

ABSTRACT	i
ACKNOWLEDGEMENT	iii
TABLE OF CONTENTS	iv
LIST OF TABLES	vi
LIST OF FIGURES	vii
 CHAPTER 1 GENERALITIES OF THE STUDY	
1.1 Introduction of the Study	1
1.2 Statement of the Problem	4
1.3 Research Objectives	6
1.4 Scope of the Research	7
1.5 Limitations of the Research	8
1.6 Significance of the Study	8
1.7 Definition of Terms	9
 CHAPTER 2 REVIEW OF RELATED LITERATURE	
2.1 Definition and Features of Independent Variables	11
2.1.1 Similarity of Original Brand	11
2.1.2 Parent Brand Reputation	15
2.1.3 Perceived Risk	16
2.1.4 Innovativeness	19
2.2 Definition and Features of Dependent Variable	21
2.2.1 Overall Evaluation of Extension	21
2.3 Definition and Features of Independent and Dependent Variables	29
2.3.1 Overall Evaluation of Extension by Similarity of Original Brand	29
2.3.2 Overall Evaluation of Extension by Parent Brand Reputation	31
2.3.3 Overall Evaluation of Extension by Perceived Risk	34
2.3.4 Overall Evaluation of Extension by Innovativeness	35
 CHAPTER 3 RESEARCH FRAMEWORKS	
3.1 Theoretical Framework	37
3.2 Conceptual Framework	41
3.3 Research Hypotheses	43
3.4 Operationalization of Independent and Dependent Variables	44
 CHAPTER 4 RESEARCH METHODOLOGY	
4.1 Method of Research Used	46
4.2 Respondents and Sampling Procedures	48
4.3 Research Instrument: Questionnaires	51
4.4 Data Gathering Procedures	53
4.5 Pre-test	53
4.6 Statistical Treatment of Data	54

CHAPTER 5 PRESENTATION OF DATA AND CRITICAL DISCUSSION OF RESULTS

5.1 Descriptive Analysis	58
5.1.1 Descriptive Statistics Analysis of Demographic Data	59
5.1.2 Descriptive Statistics Analysis of all Variables	61
5.2 Hypotheses Testing	65

CHAPTER 6 SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

6.1 Summary of Findings	70
6.1.1 Summary of Respondents Characteristics	70
6.1.2 Summary of Hypotheses Testing	71
6.2 Discussion	72
6.3 Implications	75
6.4 Further Study	79

BIBLIOGRAPHY	80
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APPENDIX	93
Questionnaires English Version	94
Questionnaires Thai Version	97



LIST OF TABLES

TABLE

Table 3.1: Operational definition of influencing variables and measurement	44
Table 4.1: Theoretical sample size for different sizes of population and a 95% level of certainty	49
Table 4.2: Number of respondents in each selected branch of TOPS Marketplace	51
Table 4.3: Rating Scale of Average Weight Means Score	52
Table 4.4: Reliability Analysis Scale	54
Table 4.5: The Interpreting of the Correlation Coefficient	55
Table 5.1: Sex	59
Table 5.2: Age	59
Table 5.3: Highest Education Level	60
Table 5.4: Income per Month	60
Table 5.5: Occupation	61
Table 5.6: Similarity between Original Brand and Extended Brand	62
Table 5.7: Parent Brand Reputation	62
Table 5.8: Perceived Risk	63
Table 5.9: Innovativeness	63
Table 5.10: Overall Evaluation of Extension	64
Table 5.11: Correlations between Similarity and Overall Evaluation of Extension	65
Table 5.12: Correlations between Parent Brand Reputation and Overall Evaluation of Extension	66
Table 5.13: Correlations between Perceived Risk and Overall Evaluation of Extension	67
Table 5.14: Correlations between Innovativeness and Overall Evaluation of Extension	68
Table 6.1: Summary of Results from Hypothesis Testing	71

LIST OF FIGURES

FIGURE

Figure 3.1 Modified Conceptual Framework

41



Chapter I

Generalities of the Study

1.1 Introduction of the Study

Many brands have been commonly recognized since the beginning of the 20th century. However, it was not until the 1950's that branding became an important marketing activity for companies (Blois, 2000). Over the past two decades, it has become evident that brands are among a company's most important assets (Nijssen, 1999).

Davis (2002) stated that the most powerful corporations in the world have all had success related to their strong brands. In addition, these and other successful organizations, tend to manage their brands as key business assets and are making the brands an essential foundation for the long-term strategy of the corporation.

Kotler & Armstrong (1996) stated that brand extension can be defined as using a successful brand name to launch a new or modified product in a new product category. A well-known brand name helps the company enter new product categories more easily. Furthermore, this strategy gives a new product instant recognition and faster acceptance (Hart & Murphy, 1998).

A brand can be defined as a name, term, sign, symbol, design or a combination of these attributes intended to identify products and differentiate them from the brands of the competitors. In addition, a brand identified the maker or seller of a product (Kotler & Armstrong, 1996). Branding assists the consumer's memory process by

identifying the product and making it possible to position relative to other products. Moreover, branding can also transform a product and make it more valued because of the respect that has been created for the brand name (Wells and Moriarty, 2000).

The benefit of a strong brand name is the ability to exploit the brand in a new market or a new market category. In a global marketplace, customers are aware of brands even though the products themselves might not be available (Czinkota & Ronkainen, 2001). Moreover, as the financial risk and promotional costs have increased for introducing new products, firms have renewed their efforts to capitalize on the goodwill associated with existing brand names by launching brand extensions. Over one-half of all new brands introduced were extensions marketed under existing brand names.

Marketers need to create competitive advantages by constantly adapting to and instigating change in the competitive environment (Shocker et al., 1994). A brand is one of the most powerful assets that a company has (Aaker, 1996; Keller & Aaker, 1992). A brand can be used to achieve and maintain competitive advantages of the company. The value of a brand can be measured not only in the strength of the brand in its current products but also in its new products in related businesses (brand extension).

Brand extension has been hailed as the way to achieve growth in a cost controlled environment (Tauber, 1988). By capitalizing on the reputation of an established brand, companies save the high cost of creating new brands. New products which piggyback on favorable brands derive an immediate advantage by entering

from position of strength, thus reducing the risk of failure while the parent brand gains some synergy through the heightened awareness that is generated in successful new product launchers (Aaker, 1991; Park et al., 1986; Shocker et al., 1994; Tauber, 1988).

A worthwhile lesson is that testing may reduce the number of inappropriate, ineffective, or negative brand associations passed on to the extensions. Prospective customers could give their impressions of an extension in the context of the extension category. If, in a concept test, consumers had evaluated the potential for a Bill Blass designer chocolate line, information about their perceptions and preferences might have been valuable, and helpful to management. Such findings might allow modifications to reduce the problem that might be the cause of losing the existent consumers in the long-term (Park & Zaltman, 1987).

The success of brand extension is largely determined by how consumers evaluate the extensions (Klink & Smith, 2001). In order to improve success rates of brand extensions, it is important to measure the significance and relative importance of factors affecting consumer evaluations of brand extension (Sattler et al., 2002).

However, brand extensions have become an increasingly popular option for firms launching new products to capture a new segment of consumers in the marketplace. For example, many skin care industries, such as NIVEA try to introduce products for men under the concept “Because Man and Woman have different types of skin... then NIVEA FOR MEN is the secret answer of that difference” and also

under the concept of “Turns ordinary water into skin” NIVEA BATH CARE is first launched in the bath care category (www.nivea.com/product, accessed on 02/05/04).

Generally, a weak brand is not likely to be extended in a real situation. Therefore, in this research only the leading brand was investigated in terms of market share (a brand name that would be immediately recalled when its product category was mentioned). NIVEA is the leading brand in overall skin care business. In Thailand, the growth rate of NIVEA brand in the year 2003 increased by 20% (www.brandagemag.com accessed on 25/11/04)

Therefore, the aim of this study was to investigate the similarity, reputation, perceived risk and innovativeness and their relationship with the consumer evaluations of the brand extension. In doing so, this research will provide a better understanding of the phenomena by highlighting the consumer's perception of the overall evaluation of extension. In addition, the framework used in the study offers an opportunity to unify findings from different studies that examine alternative branding strategies.

1.2 Statement of Problem

Because of high investment when each company wants to develop a new product in the market, they need to make a perfect plan before a new product is launched by line or product extension under the original brand name. Additionally, the company wants to avoid any negative attitude in the consumer's point of view that might affect the original brand name in their mind. The brand extension has been known and benefited every business because it can save cost for introducing the new brand name but it uses only the parent brand to be its generic asset in introducing its

extended products (Aaker and Keller, 1990). There are four factors which are the similarity between the original brand and extended brand, parent brand reputation, perceived risk and innovativeness. Research questions are posed as follows:-

1. What is the relationship between the similarity and the overall evaluation of extension?
2. What is the relationship between parent brand reputation and the overall evaluation of extension?
3. What is the relationship between perceived risk and the overall evaluation of extension?
4. What is the relationship between innovativeness and the overall evaluation of extension?

However, a lot of past research has been conducted on this topic but in various ways because those researches always focused on the effects of extension either toward parent brand or its extended products, regardless of the result on the image of the original brand (Boush et al., 1987; Aaker & Keller, 1990; Park et al., 1991; Boush & Loken, 1991; Dacin & Smith, 1994; Herr et al., 1996; Keller & Sood, 2001/2). In doing so, a better understanding of this topic is needed. It is important for managers to be able to measure and track it at the customer level. For this reason, the purpose of this research was to study the relationship between similarity, reputation, perceived risk and innovativeness and the overall evaluation of brand extension

1.3 Research Objectives

The findings of this study was to be a guideline for any company when they want to extend a new product in the market. Hence, the research objectives were as follows: -

1. To examine the relationship between the similarity between the parent brand toward the extended brand and the overall evaluation of extension, as a guide line to identify the possibility of extension into categories perceived as more similar to the category of the parent brand which is more likely to be accepted compared to extension into less dissimilar product category.
2. To examine the relationship between the parent brand reputation and the overall evaluation of extension, as a guide line for any marketer to identify the possibility about the higher perceived reputations of the parent brand that can be more favorable of the evaluations of the brand extension.
3. To examine the relationship between the perceived risks and the overall evaluation of extension, as a guide line to identify the possibility about the higher confidence of target's consumer which is associated with the extension category that can be more positive of the evaluations of the extension.
4. To examine the relationship between innovativeness and the overall evaluation of extension, as a guide line to identify the possibility for improvement of the product through innovations which can result in positive evaluations of the extended brand.

1.4 Scope of the Research

Nowadays, people use many forms of personality enhancement, especially business people who always want to impress customers, clients or colleagues. Great outfits, hair or even their good looking skin are important factors when they want to relate better to any people they deal with. Therefore, many skin care products are used as a supplement to increase their confidence when they contact someone. That is the main reason why this study concentrated on the skin care industry. Additionally, since the last decade, there have been a few brands in the skin care products such as Pond's, Oil of Olay, L'Oreal (www.brandagemag.com accessed on 25/11/04) in the market that seem like master brands in this product category. However, the increasing competitors in the market may have affected the perception of these brands in the consumers' mind.

In this study, the researcher investigated the original brand which is NIVEA and its extension (NIVEA BATH CARE). In doing so, the variables used in this study are the similarity between the original brand and extended brand, parent brand reputation, perceived risk and innovativeness as independent variables. The Overall evaluation of extension was the dependent variable. This research was conducted only in Bangkok with its high density of people by using the survey research technique with the help of questionnaires. The target respondents were persons who have known NIVEA and NIVEA BATH CARE brand and residing in Bangkok. The target population of this study were consumers who live in Bangkok where people are more exposed to skincare products in daily life. Also both male and female respondents were asked to fill these questionnaires. However, the researcher has collected data by surveying respondents at four locations of TOPS MarketPlace.

1.5 Limitations of the Research

1.5.1 The present study focused attention on investigating consumer evaluation of respondents residing in Bangkok on the brand association of the original brand toward its extended brands. Therefore, its findings may not be generalized for respondents not residing in Bangkok.

1.5.2 The present study focused on investigating the relationship between similarity, reputation, perceived risk, innovativeness and overall evaluation of extension of respondents residing in Bangkok by selecting specific variables. Therefore, its findings may not be generalized for variables not included in the framework of this research.

1.5.3 The present research was conducted in a specific time frame. Therefore, its finding may not be generalized for all times.

1.5.4 The present research collected data at only selected branch of TOPS MarketPlace. Therefore, its finding can be generalized to data collected from other locations.

1.6 Significance of the Study

This study contributes to marketing knowledge in several ways, from a managerial perspective. It contributes to our understanding and ability to target consumers who are potential purchasers and also benefits the managers or persons who want to set their strategy and have more understanding about consumer behavior. Moreover, those companies that have failed experiences will have more understanding about their consumers and adjust the appropriate marketing plan in the future. This type of information is essential when developing communication campaigns and plans before firms launch new products, improve their products,

handle the negative image of the original product that could happen, or just to enhance the value they provide to consumers. The potential contribution of this study is that it will help examine the result of extension and provide tentative conclusions for others who follow in this area to build on.

Knowledge of the relationship between similarity, parent brand reputation, perceived risks, innovativeness and the overall evaluation of extension will greatly enhance the opportunity to make better business decisions. Managers will be able to determine related factors to the consumers' evaluation of brand extension.

1.7 Definition of Terms

Brand extension: Brand extension can be defined as using a successful brand name to launch a new or modifier product in a new product category. A well-known brand name helps the company enter new product categories more easily (Kotler & Armstrong, 1996).

Innovativeness: A personality trait related to an individual's receptivity to new ideas and willingness to try new practices and brands (Leif E. Hem, 2001).

Overall evaluation of extension: In evaluating a brand extension on the basis of its name alone, consumers must use what they know about the core brand to infer the product attributes or benefits of the extension and consider how well the company can make such an extension (Erickson et al., 1984).

Parent brand reputation: The outcome of product awareness, the firm' marketing activities and acceptance in the marketplace (Fombrun & Riel, 1997).

Perceived risks: A multi-dimensional construct consisting of a number of different types of risk including financial risk, physical risk, functional risk, psychological risk, social risk, and time-loss risk, which implies that consumers experience pre-purchase uncertainty regarding the type and degree of expected loss resulting from the purchase and use of a product (Bauer, 1960; Cox, 1967).

Similarity of extension: The degree to which consumers perceive the extensions as similar to other products affiliated with the brand (Smith & Park, 1992).



Chapter II

REVIEW OF RELATED LITERATURE

This chapter describes the theories related to independent and dependent variables to support the research framework. The independent variables are similarity between the original brand and the extended brand, parent brand reputation, perceived risks and innovativeness. The dependent variable is the overall evaluation of extension.

2.1 Definition and Features of Independent Variables

2.1.1 Similarity of Original Brand

Several studies have reported that the greater the similarity between the original and the extended category, the greater the transfer of positive (or negative) affect to the extended brand (Boush et al., 1987; Aaker & Keller, 1990; Park et al., 1991; Boush & Loken, 1991; Dacin & Smith, 1994; Herr et al., 1996; Keller & Sood, 2001/2; Leif E. Hem, 2001). This finding is based on the assumption that consumers will develop more favorable attitudes towards extensions if they perceive high congruence between the extension and the original brand. However, all these studies were amongst student samples and in the only non-student sample, Leif E. Hem (2001) did not find a positive relationship. They provided no exploration for their finding and encouraged others to investigate this.

The salience or accessibility of the core brand associations depends on their strength in memory (Anderson, 1983; Wyver & Srull, 1986), as well as the retrieval cues provided (Lynch & Srull, 1982). The relevance of salient core brand associations depends on their perceived similarity to proposed extensions (Feldman & Lynch,

1988), as well as other factors such as the relative importance of the attribute or benefit and the overall evaluation of the core brand (Dick et al., 1990). Similarity between the core brand and the proposed extension could be based on a variety of dimensions (Aaker & Keller, 1990; Albion, 1985; Boush et al., 1987; Smith & Park, 1990; Leif E. Hem, 2001), e.g. whether the products are seen as substitutes, complements, or involving common manufacturing methods and expertise. Though similarity in judgements can be conceptualized in many ways (Loken & Ward, 1990), one useful approach is to define similarity in terms of the salient attributes shared by the core brand and the extension product class. Those attribute associations may range from concrete to abstract attributes (Bridges, 1990; Park et al., 1990).

The more shared attributes between the extension and the core brand, the more likely consumers are to infer that the quality of the extension product is similar to the quality of the core brand (Boush et al., 1987). When similarity is not as great, extension evaluations will be constructed on the basis of inferred beliefs (Fishbein & Ajzen, 1975).

If the firm finds that it is unable to penetrate the market further with its current brands, it may consider moving into a related market. It could argue that the best way to overcome consumer apathy and competitive resistance would be to stretch its existing name. While the inherent goodwill and awareness from the original brand name may help the new brand's development, however, there is also the danger that it could dilute the strength of the original brand and convey the wrong perceptions with a consequent detrimental effect on the original brand.

Tauber (1993) reviewed a sample of 276 brand extensions to evaluate the different ways of extending brands. He concluded that there are seven types of brand extensions: -

- *Same product in a different form*: for example, Mars Bars extending into Mars Bars ice cream.
- *Distinctive taste, ingredient or component*: an ingredient or component of the current brand is used to make a new item in a different category. For example, Kraft extended the distinctive taste of their Philadelphia cream cheese into Philadelphia Cream Cheese Salad Dressing.
- *Companion product*: where some products are used with others, these lend themselves to brand extensions. For example, Duracell batteries in Duracell torches.
- *Same customer franchise*: marketers develop different brands to sell to their loyal customers. For example, the AA is primarily known for its roadside assistance service to motorists, yet it markets a variety of AA products, such as books, to its customers.
- *Expertise*: brands are extended into areas where consumers believe the original brand has connotations of special knowledge or experience. For example, Canon's perceived expertise in optics was extended into photocopiers.
- *Unique benefit, attribute or feature owned by the brand*: some brands stand out for their uniqueness on a particular attribute, which is extended into a related field. For example, the makers of Sunkist orange drink launched Sunkist Vitamin C tablets.
- *Designer image or status*: some consumers feel that their Saab cars have a higher status by knowing that Saab also work in jet aircraft.

The previous research suggests that consumer evaluation of brand extension vary systematically as a function of the fit between the family brand and the extension category (Park et al., 1991). Fit is a function of salient shared associations between the family brand and the extension product and has been conceptualized in several ways (Keller, 1998). For instance, one stream of research (e.g., John et al., 1998; Loken & John, 1993) has examined it in the context of consistency of the extension with existing brand beliefs or extension typicality. Other common conceptualizations are based on product-related attributes or benefits (e.g. product category; Boush & Loken, 1991) and non-product related attributes or benefits (e.g. image; Park et al., 1991). Specifically, they define fit in terms of product category similarity -- the extent to which the extension product is perceived as similar to the current products of the family brand.

However, most brands are expected to have a low level of ability in manufacturing and/or marketing a product that is “far” from its core capabilities. Consequently, **far** brand extensions are associated with a lower probability of success and higher risk than are **close** extensions (Aaker, 1997).

Because a brand can be viewed as a category composed of products offered under a brand name (Boush, 1993), categorization theory is often used when conceptualizing how consumers evaluate brand extensions (Boush & Loken 1991). Categories possess graded structure, which involves a continuum of category membership, ranging from objects that are highly representative or typical of the category to objects that are clearly not category members. In support of this notion, researchers (Barsalou, 1983; Rips et al., 1973; Rosch & Mervis, 1975) have found

high agreement across people with respect to category membership for items that are either closely related or not at all, with less agreement being observed for items with intermediate degrees of category membership.

When the extension is similar to existing products available under the core brand name, consumer's evaluations of the core brand are relevant in considering the new extension and may therefore be transferred as a means of evaluating the extension. However, when the extension is viewed as being somewhat different from the core brand, the relevance of inputs associated with the core brand is diminished, thereby hindering evaluative transfer (Keller & Aaker, 1992).

2.1.2 Parent Brand Reputation

A basic premise underlying the use of the brand extension is that stronger brands provide greater leverage for extension than weaker brands (Aaker & Keller, 1992; Smith & Park, 1992; Leif E. Hem, 2001). As can be seen in the widely noted definition of brand equity, brand strength has been articulated implicitly in terms of consumers' predispositions towards the brand (Keller, 1993).

In the context of brand extension research, brand reputation has been defined in terms of consumer perceptions of quality associated with a brand (Aaker & Keller 1990; Barone et al., 2000). It has been reported that high perceived quality brands can be extended further and receive higher evaluations than low perceived quality brands. Reputation of a brand in this study is considered as the outcome of product representative of the firm's brand, the firm's marketing activities and acceptance in the marketplace.

2.1.3 Perceived Risk

Perceived risk is a multi-dimensional construct which implies that consumers experience pre-purchase uncertainty regarding the type and degree of expected loss resulting from the purchase and use of a product (Bauer, 1960; Cox, 1967). Perceived risk is usually conceptualized as a two-dimensional construct (Bauer, 1960; Derbaix, 1983; Gronhaug & Stone 1995; Mitchell, 1999; Leif E. Hem, 2001), i.e.:

- (a) Uncertainty about the consequences of making a mistake
- (b) Uncertainty about the outcome

The literature shows that a recognized brand is often relied upon by consumers as a mean of coping with perceived risks (Cox, 1967; Roselius, 1971; Rao & Monroe, 1989). A brand which is extended into a new product category offers a new alternative to consumers, but also impacts on consumers' perceptions of risk. Based on the literature, a well-known brand is a risk reliever and enhances the likelihood of product trial. Berlyne (1970) argued that novel stimuli tend to be highly arousing and trigger aversive reactions. As a person gains familiarity with a brand through repeated exposure, the perceived risk tends to decline and positive affect tends to increase (Baker et al., 1986; Obermiller, 1985). The problem of consumer's perceived risk might be caused by the way of information transmission. The managers should choose appropriate information when considering reducing the perceived risk.

Bauer (1960) advocates "perceived risk" as the uneasiness consumers hold when they face a new shopping method, and various marketing researches have discussed perceived risk in the context of mail-order system. There are several research studies concerning perceived risk (Arndt, 1967; Cunningham, 1967; Kollock,

1999; Einwiller & Will, 2001; Leif E. Hem, 2001), and word of mouth that contribute to reduce perceived risk (Mayer et al., 1995; Mcknight & Chervany, 1996). The marketing theory measures an amount of consumer's information search action as risk reduction behavior (Cox & Rich, 1964; Dowling & Staelin, 1994).

As Cox (1967) observed, consumers appraise buying situations in terms of their tolerance for risk. Once their perception of risk has exceeded a tolerable level they are then likely to engage in risk reducing behavior, either reducing the amount at stake (only buy small pack sizes) or increasing their feeling of certainty that a loss will not occur (seek more information). Research evidence shows that consumers more frequently seek information as a risk reducing strategy (Roselius, 1971; Derbaix, 1983). There are several reasons that can be put forward to explain the results. Firstly the product fields might have aroused a level of perceived risk that is within a tolerable level necessitating no risk reducing activity. Secondly, even if those high in perceived risk did seek more information, because of the low involvement nature of the products, any further information search might be superficial. Locander and Hermann (1979) noted that for low cost, low performance risk items, a "pick up and buy" strategy was more favored than seeking more information. Finally the search process of the high risk perceivers might not have involved a search for other cues on the pack. Instead it may have been either a more detailed external examination of the information cues considered in a superficial manner by the low risk perceivers, or a more extensive search of memory.

Research has shown perceived risk to be a multidimensional construct consisting of a number of different types of risk including financial risk, physical risk,

functional risk, psychological risk, social risk, and time-loss risk (Jacoby & Kaplan, 1972; Roselius, 1971). Financial risk stems from paying more for a product than was necessary or not getting value for the money spent (Roehl & Fesenmaier, 1992). Consumers generally address this problem by 'shopping around' for the most satisfactory price. Physical risk involves the potential threat to a product user's safety or physical health and wellbeing. Functional risk, sometimes referred to as performance or quality risk, is based on the belief that a product will not perform as well as expected or will not provide the benefits desired (Bauer, 1960).

Psychological risk arises from the likelihood that a purchase will fail to reflect one's personality or self-image. Social risk is concerned with an individual's ego and the effect that a purchase will have on the opinions of reference groups. In the cases of social and psychological risk, a poor purchase choice can result in damage to a buyer's social and self-image (Leif E. Hem, 2001). Branding and positioning of products are closely associated with these two types of risk. Time-loss risk refers to the possibility that a purchase will take too long or waste too much time.

Information search activity is entered into with the intent of lowering the consumer's overall perceived risk level. The important factors that influence consumer perceived risk have been studied by several authors (Berthon et al., 1999; Foxall et al., 1998; Harris et al., 1999; Jarvenpaa & Todd, 1997): The findings show that risk depends on :

Their own experience with a product or brand

- Recommendation (word-of-mouth) from family, friends, and colleagues
- Previous imprinting as a result of promotion, usually in association with a specific brand.

In addition to quantity of information, the quality levels of information can work as a critical factor that controls appropriateness of decision-making (Keller & Staelin, 1987). Consumers are likely to employ a phased decision process, first filtering available alternatives and then undertaking detailed comparison of the reduced consideration sets. This typical decision strategy requires quantity and quality of information. Quantity of information is important because it helps consumers form their consideration sets of alternative brands. Quality of information about brands refers to accurate and current information and is essential when consumers need to make their final choices. Particularly, quality of information refers to the usefulness of the available attribute information in aiding a decision maker to evaluate his/her true utility associated with an alternative (Leif E. Hem, 2001).

2.1.4 Innovativeness

Innovativeness is a personality trait related to an individual's receptivity to new ideas and willingness to try new practices and brands. The importance of innovativeness has been examined extensively to the literature on diffusion of innovation (Rogers, 1983) and consumer behavior (Engel et al., 1990). However, there has been limited research into the effects of consumer innovativeness on brand extension evaluations.

Related to the concept of risk is early adoption of new products and media, in itself a potentially risky proposition. The minority of consumers who are the first to buy in a product category have been identified as the key to successful product launch (Midgley, 1977; Leif E. Hem, 2001). As a result, much research in the marketing literature has focused on the role of innovators and early adopters (Carlson &

Grossbart, 1985; Hirschman, 1980; Midgley & Dowling, 1978; Ostlund, 1974; Venkatraman & Price, 1900).

A common theme that has emerged is the identification of innovators in terms of their product adoption behavior (Venkatraman, 1991). That is, consumers who buy products earlier than others are often labeled as innovators. This view may, however, be erroneous as some researchers have argued that innovativeness and early adoption are distinct, if somewhat interrelated, constructs. As mentioned above, innovativeness refers to the underlying personality trait predisposing individuals to new and different experiences, the adoption, on the other hand, involves the actual translation of this personality trait into the behavioral component of purchasing a new product or engaging in a new experience (Venkatraman, 1991). An individual may therefore be an innovator but not necessarily an early adopter, as the translation of innovativeness into adoption depends largely on the nature of the product itself (Gatignon & Robertson, 1985).

Innovativeness can be categorized into general or global innovativeness and domain-specific innovativeness (Flynn & Goldsmith, 1993), with the former referring to a common human personality dimension and the latter dealing with innovative attitudes or behavior within a specific domain of activity (Midgley & Dowling, 1978). The earliest adopters in one product category will not necessarily be early adopters in another (Flynn & Goldsmith, 1993).

2.2 Definition and Features of Dependent Variable

2.2.1 Overall Evaluation of Extension

In evaluating a brand extension on the basis of its name alone, consumers must use what they know about the core brand to infer the product attributes or benefits of the extension and consider how well the company can make such an extension (Erickson et al., 1984).

Kapferer (1994) described the factors which most explain the acceptability of brand extensions as follows:-

- Global image of the brand
- Firm's ability to manufacture the product
- Look of the new product alongside the existing ones
- Perceived difficulty in manufacturing this new product

Moreover, Kapferer (1994) found that before carrying out extension, there are some significant statements that should be verified:-

- A brand's positive association will be transferred to the new products
- Negative associations will remain in place
- Any positive feature of the brand will not become negative when applied to the new product.

Past research on brand extension has predominantly focused on two constructs that evaluate consumer evaluations of brand extension. The first construct is:

- Similarity, which represents either the similarity between the parent and the extension category or between the existing brand and the target category.

Lately, this has been extended to include the notion of “Fit” brand and the extension category (Boush, 1987; Aaker & Keller, 1990; Chakravati, 1990; Park, 1991).

- Brand associations, which refers to the unique meanings associated with a brand name. Brand names often carry with them an overall affective impression, generalized preference or image of quality that can enhance consumers’ reaction to an extension.

The affect associated with the parent brand is transferred to the brand extension only when there is a fit between the parent and the extension category. Fit serves as a signal or cue that the consumers use to make inferences about a new product. Attitude towards the extension was higher when there was a fit between the extension and the parent product classes along one of the dimensions- Transfer/ Complementary products.

Consumer evaluation of a brand extension is frequently described as a transfer process in which core brand associations are conveyed to the extension. As we have seen, brand associations can vary among consumers, across usage situations, and in different competitive environments. Potentially, the core brand may provide a group of salient, product categories which are valid within or across product categories. Ideally, a core brand’s associations can contribute a complex, yet well-defined image to an extension. A well-defined brand usually has a well-defined brand image (Leif E. Hem, 2001). A great benefit of brand extension is the instant communication of a salient image. For example, H.J. Heinz acquired Weight Watchers and introduced the Weight Watchers line of low calorie foods. The Weight Watchers name contributes

recognition and many positive brand associations to the food line (Pitta & Katsanis, 1995)

In addition to brand associations, extension can convey quality associations. To avoid advertising battles based on product specifications, one can compete on the basis of perceived high quality. Hewlett-Packard has used this strategy by extending its name to numerous products and thereby has extended its umbrella of quality to them. When quality is perceived to be high it is valuable to share the benefits of a core product with an extension. Without perceived high quality, however, the task is impossible (Pitta & Katsanis, 1995).

The familiarity also provides consumers with another benefit in the form of reduced risk with a new product. Consumers confronting Diet Cherry Coke for the first time would know that it was a Coca-Cola product of assumed high quality. In reported tests of new products, most support the fact that an established brand name enhances initial consumer reaction, interest, and trial (Pitta & Katsanis, 1995).

Consumers may view an extension for a brand association with other established products as less risky because it signals that the company is likely to be around awhile, and not likely to promote a flawed product (Roselius, 1974)

- *Brand Associations*, which refers to the unique meanings associated with a brand name. Brand names often carry with them an overall affective impression, generalized preference or image of quality that can enhance consumers' reaction to an extension.

Brand extension can be viewed as one basis of brand equity. Termed brand equity, it is defined as the “added value” with which a given brand endows a product (Farquhar, 1989). It has been established that a successful extension can enhance brand equity by marketplace (Aaker, 1991). It has also been documented that the indiscriminate extension of brands may not only damage the reputation of the extended products but also dilute the value of the original product and the family brand name (Aaker, 1993).

The importance of brand equity is that it increases the probability of brand choice, leads to brand loyalty, and insulates the brand from a measure of competitive threats. There are several implications of this. First, a positive image should help solidify its position, differentiate it versus competition, and move it more toward the specialty product category. Thus, it should be able to command higher prices, and encourage consumers to search for it. Second, brand equity implies high levels of awareness which should increase the effectiveness of marketing communication (Aaker, 1993).

Brand associations can span a variety of classifications. Positive brand associations should be unique, strong and most important, favorable. Unique brand associations have been classified into three major categories: *attributes*, *benefits* and *attitudes* (Keller, 1993).

Attributes:

In general, attributes relate to product performance. They can be further divided into product related and non-product related attributes. Product related

attributes are connected to the product's physical characteristics and vary by product category. They are familiarly called features. As an example, components, materials, on-screen programming and stereo sound are all product related attributes of a video cassette recorder. Non- product related attributes are defined as external aspects which are related to a product's purchase or consumption. They include four types of information: price, packaging, the identity of the typical consumer, and where and in what situations the product is used.

Consumers recognize attributes in products and with many product categories, especially shopping goods, actively compare alternatives. The non-product attributes have little to do with product function, but may serve as important cues to help create further associations. For example, consumers often associate price with quality. It is likely that, in their minds, they may group products in category by price. Packaging usually does not affect product function, but serves as a cue to product quality. Quality products are usually sold in quality packages. Associations with the other two non-product attributes can be formed by consumer observation, and often can reflect some consumer inferences. Often brands have a personality, like "rugged", "dependable", or "youthful". The brand personality can result from creative advertising, and/or consumer inferences about the user or usage situation.

Benefits:

Benefits represent the satisfaction that product features convey. They are often specific and represent what specific consumers value. Benefits like high gasoline efficiency may be highly attractive to some automobile buyers, but less important to others who value low purchase price. Benefits are often further classified as

functional, experiential or symbolic (Park et al., 1986). Functional benefits pertain to the intrinsic features possessed by the product and are often linked to relatively low level needs. Experiential benefits are also linked to features and pertain to how it feels to use the product. They represent experiential needs like stimulation, sensory pleasure, or novelty. Amusement parks, water beds, ice cream, and other products convey experiential benefits. The last types, symbolic benefits, relate to consumers' self-concept and can be linked to higher order needs like social or self-esteem needs (Maslow, 1970). Thus, consumers may value durability and simplicity or, in contrast, exclusivity and prestige, if these pertain to their self-image.

Brand Attitudes:

The last and most important association is a consumer's attitude toward a brand. Brand attitude have been conceptualized as a multi-attribute expectancy value model (Fishbein & Ajzen, 1975). The model views attitudes as the sum of all the salient beliefs a consumer holds about a product or service, multiplied by the strength of evaluation of each of those beliefs as good or bad. An important implication of the model is that many positively evaluated beliefs can be overcome by a few strong negatively evaluated beliefs. For example, if consumers view a diet soft drink as tasting good, and having no calories, they may evaluate each of these beliefs as good. However, if they also believe that the sweetener causes cancer, they may evaluate that as very bad, so bad that their overall evaluation is negative, and they avoid the product. The literature on brand attitudes has been related to both product related and non-product related attributes.

As noted above, these brand associations can vary according to their favorability, strength, and uniqueness. It is the purpose of the marketing program to create associations with those characteristics with mechanisms like product positioning, advertising, and others. However, not all associations will be relevant in a purchase situation. For example, the Sprint long distance phone company has engendered many brand associations like high satisfaction, inexpensive rates, and fiber optic quality. It has also created another less relevant association, namely that Candice Bergen is the celebrity spokesperson. Most consumers will not consider this in the purchase process.

In addition, the purchase situation may affect how consumers evaluate favorability of brand associations to the other factors. When under time pressure, consumers may evaluate speed more importantly than when time pressure is low. Under normal conditions, a consumer may value low price more favorably except when time pressure intervenes and speed becomes more important (Keller, 1993).

One other observation about the strength of brand association is noteworthy. Brand association strength is thought to be correlated with the quantity and quality of cognitive processing a consumer devotes to the information. The more elaborate the processing, the more likely a consumer is to recall it. As an example, successful advertisers have tried to increase the amount of consumer involvement by asking questions, and using teaser quizzes, just to get them thinking. These commercials and the product copy points are remembered much more than ordinary ads.

Even the best marketing programs will not be able to achieve a clear set of brand associations with all consumers in a segment. In fact, as the number of competitors in a segment increase, it becomes very difficult to distinguish a unique set of associations. Like clutter in advertising, too many competitors can cause blurring of the brand image among brands (Keller, 1993).

In summary, associations that are unique to the brand, strongly held, and favorably held, are vital for success. However, since the specific associations a consumer holds are dependent on personal values and individual purchase situations, managers must learn what they are and when they operate. In addition, competitive offerings blur the uniqueness of the brand's associations. Therefore, it is important, on a product by product and situation by situation basis, to assess consumers' relevant brand association (Keller, 1993).

The potential for a core product contributing a clearly defined image is really only an assumption. In fact, it has been shown that some positively evaluated core product associations are liabilities for extensions. These negative associations can spell trouble for an extension and need to be assessed clearly beforehand. For example, Crest toothpaste's flavor was positively evaluated in Crest mouthwash. However, for a Dentyne-like product, Crest chewing gum, the "Crest" flavor was a liability. Crest reduced that liability by highlighting the flavor "containing Spearmint and Peppermint". In other cases, like the failed extension, Bill Blass designer chocolates, the Bill Blass name was supposed to add intrinsic to the chocolates, but was not a salient association to consumers.

Aaker and Keller (1990) found several instances in which negative associations might be reduced by adding a second brand name or elaborating on the concept. A second name might provide distancing, as well as the right connotations. They report that Campbell's Soup called its line of spaghetti sauces Prego after they found that consumers associated the name Campbell's with being watery and orange. They suggested that another extension might be able to use the Campbell's name if coupled with a second name like Special Torino. Thus, the name, Campbell's Special Torino with associations appropriate for spaghetti sauce. The second name would convey a feeling of rich, thick, and "Italian" – better associations than orange and watery.

2.3 Definition and Features of Independent and Dependent Variables

2.3.1 Overall Evaluation of Extension by Similarity of Original Brand

An important aspect of the brand extensions is the fit between the parent brand and the extension, or the extension similarity. Prior research in the field of brand extensions has primarily focused on the responses of consumers to brand extensions of manufactured goods (Aaker & Keller 1990; Park et al., 1991; Dacin & Smith 1994). As a result, a number of factors that influence consumer's evaluations of brand extensions have emerged (Aaker & Keller 1990; Boush & Loken 1991). These include the image of the parent brand, the information consumers have about the extension, and particularly the fit between the parent brand and the extension. With regard to the latter, consumers' evaluations of brand extensions depend in part on the similarity of the extension and the existing brand category and/or the relatedness of the market (Bridges, 1992). The brand category consists of a brand name, a product or sets of products, key attributes (both functional and expressive) and attribute

relationships, and is generally referred to as the brand schema. A brand schema represents all information consumers possess about the brand (Bridges, 1992). Two brand schema dimensions have been identified in the literature (Bridges, 1992; Keller & Aaker 1997; Park et al.,1991): (1) product related or concrete, functional associations and (2) non-product related or abstract, image based associations.

Both dimensions play a role in determining the similarity of the fit between the parent brand and the extension and consequently consumer evaluations of the extension (Park et al., 1991; Bridges 1992; Aaker & Keller 1990; Broniarczyk & Alba 1994; Keller & Aaker, 1992; Dacin & Smith, 1994; Boush & Loken, 1991; Keller & Aaker, 1997; Leif E. Hem, 2001). Product-level similarity depends on the relationship between the extension and the parent brand. When the extension shares the same attributes or the same usage-situations with the parent brand, the product-level similarity will be high. Image consistency depends on the extension's ability to reflect the brand concept, particularly when the extension is made to a new market. It will be high when the extension is consistent with the brand's meaning for consumers and when the extension and the parent brand share the same image-related associations. In this case, the most important basis of fit is what Aaker and Keller (1990) call transferability, i.e., the degree to which a firm operating in a product class is able to make products in another product class.

In general, the studies of similarity or fit between the parent brand and the extension show a positive relation between the product similarity and consumers' evaluations of the extension. When the similarity is high, consumers base their evaluation of the extension on their attitude towards the parent brand (Keller & Aaker,

1997). This means that extension evaluations are higher for well-established parent brands. When the similarity is low, consumers base their evaluation of the extension more on core attributes and benefits of the extension. However, in most cases, low similarity between parent brand and extension, whether in terms of related product class or related markets leads to lower levels of consumer acceptance, regardless of the strength of the parent brand (Keller & Aaker, 1997; Boush & Loken, 1991; Leif E. Hem, 2001). In addition to the similarity between the parent brand and the extension, the distinction between corporate and product image play a role. Keller and Sood (2000) suggested that evaluations of parent brands that are already well and will not change significantly as a result of favorable extension experience. Gurhan et al., (1998) showed that enhancement effects exist for brand extensions that are similar to the parent brand.

2.3.2 Overall Evaluation of Extension by Parent Brand Reputation

Even if consumers have not sampled the new products offered by the company, they infer that they may at least be of reasonably good quality, and the company therefore must have some expertise in that product area, because the products have been accepted in the market place (Burtkrant & Cousineau, 1975; Cohen & Golden, 1972). Consumers may view an extension for a brand association with other established products as less risky because it signals that the company is likely to be around a while, and not likely to promote a flawed product (Roselius, 1974).

Most of the brand extension research to date has focused on product brand extensions, and not on the role of corporate- level associations in the evaluation of extensions. Keller and Aaker (1997) concluded that:

“In general, a corporate brand may be more likely to possess intangible attributes or organizational characteristics that span product classes than a product-brand whose associations are more likely to be product-specific.”

Consumers will evaluate the extension higher when corporate credibility is high (Keller and Aaker, 1997). Rao et al., (1997) stated brands convey important information about a company’s image. Andrew (1988) argued that extensions of corporate brands, are in effect, image transfers.

Keller and Aaker (1992) found that a successful extension reinforces the family brand name but only for average quality brands. No significant improvements were observed when the family brand name was already very strong. These findings imply that successful extensions may enhance the equity of less dominant brands to a greater extent than they do master brands.

Termed brand equity, it is defined as the “added value” with which a given brand endows a product (Farquhar, 1989). It has been established that a successful extension can enhance brand equity by reinforcing the core image of the brand and increasing its visibility in the marketplace (Aaker, 1991). However, it has also been documented that the indiscriminate extension of brands may not only damage the reputation of the extended products but also dilute the value of the original product and family brand name (Aaker, 1993).

The effect of an unsuccessful brand extension on family brand name is less unanimous. On one hand, Keller and Aaker (1992) and Romeo (1991) found no significant dilution of family brand name arising from failed extension. More recently, however, Loken and John (1993) provided evidence that failed extensions can dilute the family brand name when such extensions are moderately typical of the original product category. To the extent that master brands may be perceived as exemplars of their original product categories, equity dilution from failed extensions should be greater for less dominant brands which are less typical of their categories than for master brands. Essentially, this implies that master brands will be diluted no matter what the outcome of extension is. Thus, extension success or failure will affect master brands to a lesser degree than less dominant brands.

A worthwhile lesson is that testing may reduce the number of inappropriate, ineffective, or negative brand associations passed on the extensions. Prospective customers could give their impressions of an extension in the context of the extension category. If, in a concept test, consumers had evaluated the potential for a Bill Blass designer chocolate line, information about their perceptions and preferences might have been valuable, and helpful to management. Such findings might allow modifications to reduce the problem (Park et al., 1987).

Consumer evaluation of a brand extension is frequently described by a transfer process in which core brand associations are conveyed to the extension. As we have seen, brand associations can vary among consumers, across usage situations, and in different competitive environments. Potentially, the core brand may provide a group of salient, positively evaluated, relevant associations which are valid within or across product categories. Ideally, a core brand's associations can contribute a complex, yet

well- defined image to an extension. A well-established brand usually has a well-defined brand image. A great benefit of brand extension is the instant communication of a salient image. For example, H.J. Heinz acquired Weight Watchers and introduced the Weight Watchers line of low calorie foods. The Weight Watchers name contributes recognition and many positive brand associations to the food line (Weilbacher, 1993).

The benefit of extension is enhancing the core product. Like a successful offspring, an extension may reinforce the core product's brand image instead of weakening it. Diet Cherry Coke is clearly positioned as a tasty, low-calorie soda and reinforces Diet Coke's association with low calorie content and good taste (Weilbacher, 1993).

2.3.3 Overall Evaluation of Extension by Perceived Risk

Familiarity also provides consumers with another benefit in the form of reduced risk with a new product (Aaker and Keller, 1990). Consumers confronting Diet Cherry Coke for the first time would know that it was a Coca-Cola product of assumed high quality. In reported test of new products, most support the fact that an established brand name enhances initial consumer reaction, interest, and trial.

Brand names are particularly useful keys because the brand name becomes so closely tied to the product in the minds of consumers (Keller, 1998). Brand extension has many advantages in terms of immediate consumer awareness, saving in expenses of introducing extensions compared with those of new products, reducing risk of failure of extension, and greater market share and advertising efficiency (Smith &

Park, 1992; Tauber, 1988). However, there are some dangers of brand extension in terms of potential negative effects of brand extensions on its parent brands, possible spillover of negative publicity and forgoing new brand names (Aaker, 1990; Loken & Roedder, 1993; Roedder John et al., 1998).

Negative associations can also be reduced by providing a brief elaboration of an extension attribute about which subjects may be uncertain and which has the potential to damage the extension (Aaker & Keller, 1990). For example, antibiotics have a number of side-effects. When the Upjohn Company introduced an antibiotic, thought to have an adverse side-effect, for use in debilitated penicillin-allergic patients, doctors were given elaboration information. The information that the side-effect occurred less frequently than with penicillin avoided undue negative associations.

Anticipating the risks to extension

On a psychological level, brand extension assumes three hypotheses: -

- That the brand's positive associations will be transferred to the new product.
- That negative associations will remain in place.
- That any positive feature of the brand will not become negative when applied to the new product.

2.3.4 Overall Evaluation of Extension by Innovativeness

Some work was undertaken by Keller and Aaker (1997), albeit briefly, and more recently by Klink and Smith (2001). A common observation is that individuals high in innovativeness are more venturesome and more willing to try new brands. The

response difference between highly innovative and less innovative consumers reflects, to some extent, differences in risk-taking propensity. Innovators tend to be less risk averse than other consumers.

A firm positions its brand by using the organization's attributes, such as innovation, a drive for quality, and a concern for the environment. A firm can position its brand with respect to a competitor. Sometimes it is not important how good customers think a firm is, but how they believe it is better than a given competitor. While this brand association can be accomplished by comparative advertising, it is not usually allowed in some countries (Cateora, 1996).

The communication and advertising of the brand extension is also involved to evaluate the awareness of the company's brands. There are some support statements which are the probability of success of a brand extension increases as support in terms of advertising and promotion increases (Reddy et al., 1994) and the probability of success of a brand extension is higher for advertising slogans that emphasize attributes which are shared by the core brand and the extension's category (Boush, 1993).

If the firm finds that it is unable to penetrate the market further with its current brands, it may consider moving into a related market. It could argue that the best way to overcome consumer apathy and competitive resistance would be to stretch its existing name. While the inherent goodwill and awareness from the original brand name may help the new brand's development, however, there is also the danger that it could dilute the strength of the original brand and convey the wrong perceptions with a consequent detrimental effect on the original brand (Leif E. Hem, 2001).

Chapter III

Research Frameworks

In this chapter, theoretical framework, conceptual framework and research hypotheses are described. Finally, the operationalization table will be presented in order to define all variables which are being tested as well as the level of measurement used.

3.1 Theoretical Framework

As NIVEA BATH CARE brand has been recently launched in the marketplace, it is considered to be the new extension of NIVEA brand. In order to examine the relationship between similarity, parent brand reputation, perceived risk, innovativeness and the overall evaluation of extension, these variables have been defined by Leif E. Hem (2001) and applied in this study.

Similarity

Similarity is the degree to which consumers perceive the extensions as similar to other products affiliated with the brand (Smith & Park, 1992). Several studies reported that the greater the similarity between the original and extended brand, the greater the transfer of positive (or negative) affect to the extended brand (Boush et al., 1987; Aaker & Keller, 1990; Park et al., 1991; Boush & Loken, 1991; Dacin & Smith, 1994; Herr et al., 1996; Keller & Sood, 2001; Leif E. Hem, 2001). This finding is based on the assumption that consumers will develop more favorable attitudes toward extensions if they perceived high congruence between the extension and the original brand. Smith and Park (1992) did not find a positive relationship. One of the major

causes of brand extension failure is when the extension is perceived to be outside the perceived area of competence by potential customers (Andrew, 1998).

Parent Brand Reputation

In the context of brand extension research, brand reputation has been defined in terms of consumer perceptions of quality associated with a brand (Aaker & Keller, 1990; Barone et al., 2000). It has been reported that high perceived quality brands can be extended further and receive higher evaluations than low perceived quality brands. Reputation of a brand in these studies is considered as the outcome of product quality, the firm's marketing activities and acceptance in the market place (Leif E. Hem, 2001).

A basic premise underlying the use of brand extensions is that stronger brands provide greater leverage for extensions than weaker brands (Aaker & Keller, 1992; Smith & Park, 1992). As can be seen in the widely noted definition of brand equity, brand strength has been anticipated implicitly in terms of consumers' predispositions towards the brand (Keller, 1993).

Perceived Risk

Perceived risk is a multi-dimensional construct (Functional risk, Performance risk, Physical risk, Psychological risk, Social risk and Financial risk) which implies that consumers experience pre-purchase uncertainty regarding the type and degree of expected loss resulting from the purchase and use of a product (Bauer, 1960; Cox, 1967). Perceived risk is usually conceptualized as a two-dimensional construct (Bauer, 1960; Derbaix, 1983; Gronhaug & Stone, 1995; Mitchell, 1999; Leif E. Hem, 2001) as follows:

- (a) Uncertainty about the consequences of making a mistake
- (b) Uncertainty about the outcome

When extending a well-known brand into a product category perceived as risky, the brand can serve as a credible risk reliever, signal an acceptable quality level, and thus increasing its likely acceptance (Dowling & Staelin, 1994).

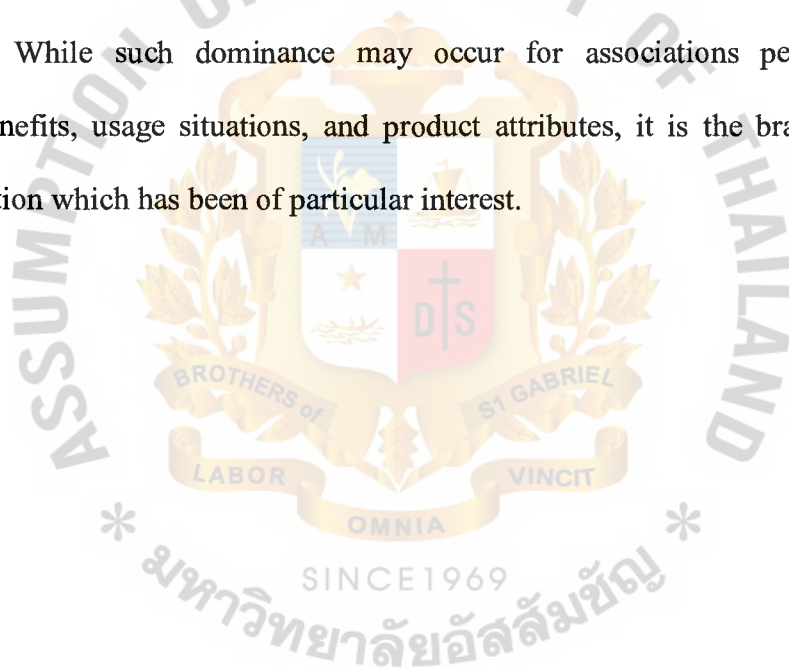
Innovativeness

Innovativeness is a personality trait related to an individual's receptivity to new ideas and willingness to try new practices and brands. The importance of innovativeness has been examined extensively in the literature on diffusion of innovation (Rogers, 1983) and consumer behavior. However, there has been limited research into the effects of consumer innovativeness on brand extension evaluations. A common observation is that individuals high in innovativeness are more venturesome and more willing to try new brands (Stenkamp & Baumgartner, 1992). The response differences between highly innovativeness and less innovativeness consumers reflect, to some extent, differences in risk-taking propensity. According to Rogers (1983), one of the most salient traits of consumer innovators is the comfort they gain from taking risks.

The Overall Evaluation of Extension

In evaluating a brand extension on the basis of its name alone, consumers must use what they know about the core brand to infer the product attributes or benefits of the extension and consider how well the company can make such an extension (Erickson et al., 1984).

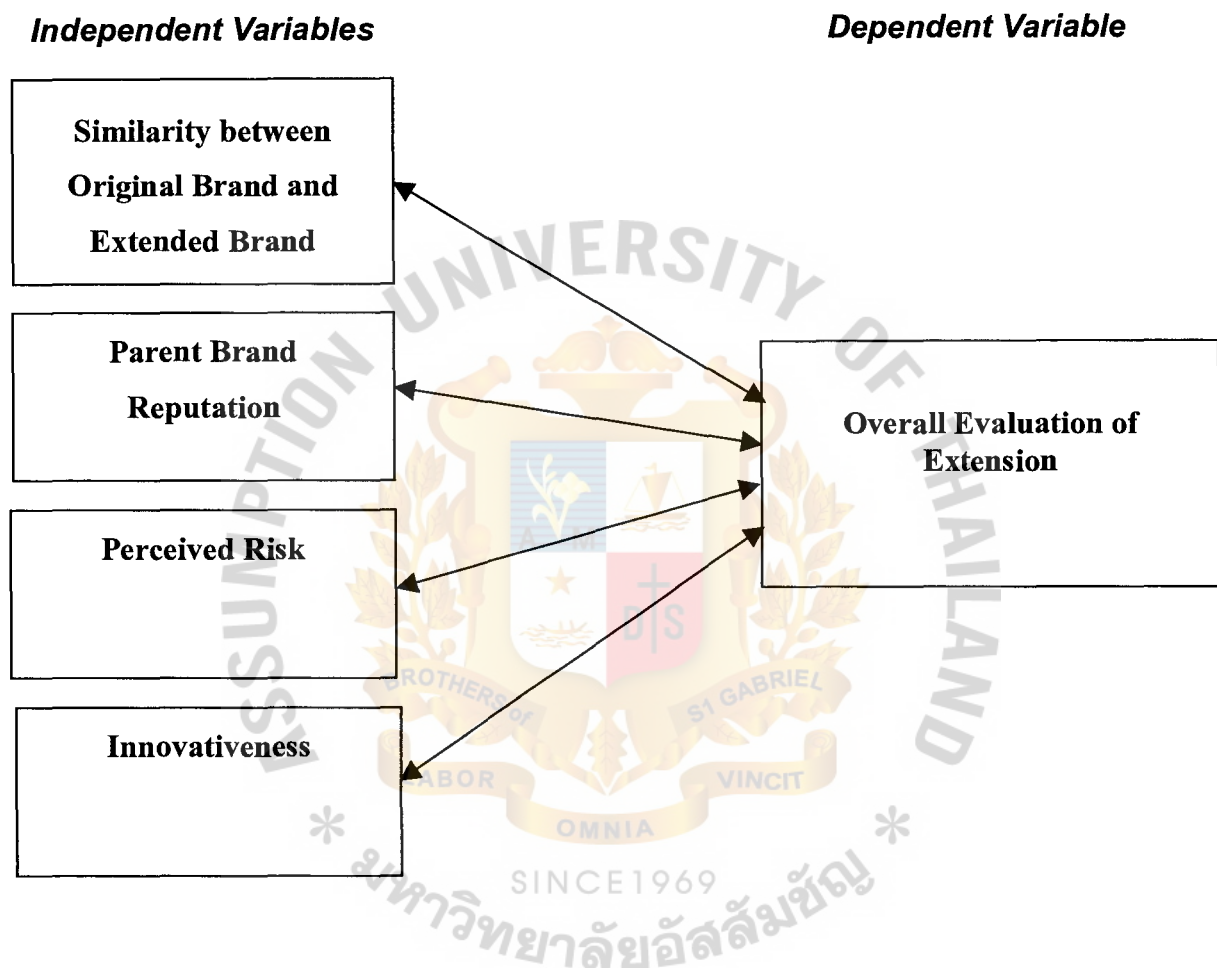
It has been documented that the indiscriminate extension of brands may not only damage the reputation of the extended products but also dilute the value of the original product and the family brand name (Aaker, 1993). The focus of research has shifted toward examining factors which may moderate the effects of brand extension on the equity of the parent brand. These include brand effect, product category similarity and dominance, brand-specific association, brand knowledge, and brand portfolio characteristics (Bousch et al., 1987; Broniarczyk & Alba, 1994; Dacin & Smith, 1994). Farquhar (1989) argued that the extent to which a brand dominates a particular association in the minds of consumers may affect brand extension possibilities. While such dominance may occur for associations pertaining to consumer benefits, usage situations, and product attributes, it is the brand-product class association which has been of particular interest.



3.2 Conceptual Framework

The following framework is based on Theoretical Framework: -

Figure 3.1 Modified Conceptual Framework



In particular, from the study of Leif E. Hem (2001), the researcher has used his concept as the useful practice for adjusting the conceptual framework and applied by using the independent and dependent variables which consist of similarity between the original brand and extended brand, parent brand reputation, perceived risk, innovativeness and the overall evaluation of extension as a representative set. His study investigated the impact of category similarity, brand reputation, perceived risk and consumer innovativeness on the success of brand extension in FMCG (Fast

Moving Consumer Goods), durable goods and service sectors. The findings show that extensions into categories more similar to the original brand tend to be more readily accepted as the reputation of the original brand is an important factor influencing the success of the extension. Perceived risk about the extension category was only found to enhance acceptability of extensions for durable goods and service brands. Innovative consumers are more positively disposed towards service brand extensions than FMCG and durable goods brand extensions.

In this study, the researcher focused on the particular brand in the skin care category. The original brand is NIVEA brand and the extended brand is NIVEA BATH CARE.



3.3 Research Hypotheses

Ho1: There is no relationship between similarity and the overall evaluation of extension.

Ha1: There is a relationship between similarity and the overall evaluation of extension.

Ho2: There is no relationship between parent brand reputation and the overall evaluation of extension.

Ha2: There is a relationship between parent brand reputation and the overall evaluation of extension.

Ho3: There is no relationship between perceived risk and the overall evaluation of extension.

Ha3: There is a relationship between perceived risk and the overall evaluation of extension.

Ho4: There is no relationship between innovativeness and the overall evaluation of extension.

Ha4: There is a relationship between innovativeness and the overall evaluation of extension.

3.4 Operationalization of Independent and Dependent Variables

Table 3.1: Operational definition of influencing variables and measurement

Concept	Concept Definition	Operational Definition	Level of Measurement	Question No.
1. Similarity between the original brand and extended brand	The degree to which consumers perceive the extensions as similar to other products affiliated with the brand.	1) The consumers perceived that NIVEA BATH CARE product represents the original product category of NIVEA brand. 2) The consumers perceived that NIVEA BATH CARE product is typical of the original product category of NIVEA brand. 3) The consumers perceived that there is no overlap between NIVEA BATH CARE product and the existing NIVEA brand. 4) The consumers perceived that NIVEA BATH CARE is similar in using situation with NIVEA brand.	Interval	1-4
2. Parent Brand Reputation	The outcome of product awareness, the firm' marketing activities and acceptance in the marketplace.	5) The consumers perceived that products under NIVEA brand are widely accepted by skin care consumers. 6) The consumers are very satisfied with the product quality of NIVEA brand. 7) Any product category of NIVEA brand, the consumers are confident in terms of quality.	Interval	5-7
3. Perceived Risk	A multi-dimensional construct which implies that consumers experience pre-purchase uncertainty regarding the type and degree of expected loss resulting from the purchase and use of a product.	8) When consumers approach the shelf, they always feel rather confident to pick products under NIVEA brand before the competing brands. 9) When the consumers buy Skin care products, they always compare benefits, ingredients before making their decision. 10) It is easy for consumers to know what skin care brand is the best option in the market. 11) The consumer got enough information which makes them confident in their purchase of NIVEA skin care products. 12) The consumers are annoyed with themselves, if they made the wrong choice (the brand that they picked up is not NIVEA). 13) The consumers feel no danger or negative consequence if they choose the NIVEA brand.	Interval	8-13

Concept	Concept of Variables	Operational Components	Level of Measurement	Question No.
4. Innovativeness	A personality trait related to an individual's receptivity to new ideas and willingness to try new practices and brands.	<p>14) The degree that consumers like to find some new and unfamiliar experience by trial use at point of sale.</p> <p>15) The degree that consumers like to experience novelty by buying products of NIVEA brand to try.</p> <p>16) The degree that consumers are continually seeking the products of NIVEA brand that are innovative, first with advances in products to trial use.</p> <p>17) The consumers perceived that NIVEA is successful, representing the superior quality of product beyond competitors.</p> <p>18) The consumers perceived that NIVEA is outstanding in continually launching the innovative products to the market.</p>	Interval	14-18
5. Overall evaluation of extension	Evaluating a brand extension on the basis of its name alone, consumers must use what they know about the core brand to infer the product attributes or benefits of the extension and consider how well the company can make such an extension.	<p>19) The consumers perceived that the extended product (NIVEA BATH CARE) is highly associated with the original brand (NIVEA brand)</p> <p>20) Overall, the consumers perceived that they are very positive about the extension of NIVEA brand.</p> <p>21) Overall, the consumers perceived that they have a good attitude toward NIVEA BATH CARE which is an extension of NIVEA brand.</p> <p>22) The consumers are confident that NIVEA BATH CARE will be widely accepted by other consumers because it is a product of NIVEA brand.</p>	Interval	19-22

Chapter IV

Research Methodology

In this chapter research methodology is described which was used in this research. It will also describe the respondents and sampling procedure, the research instrument and questionnaires, data collection and gathering procedure and statistical treatment of hypotheses testing.

4.1 Method of Research Used

The descriptive research study is typically concerned with determining the frequency with which something occurs or the relationship between two variables (Churchill, 1991). Thus, the descriptive research is used to describe the characteristics of certain groups as well as to estimate the proportion of people in a specified population who behave in a certain way (Churchill, 1999). The descriptive research is designed to be employed in this study in order to describe the demographic characteristics and the respondents' perception on similarity, parent brand reputation, perceived risk, innovativeness and overall evaluation of extension.

This research study used survey as a research design. The survey technique usually gathers information from people by using of questionnaires for the primary purpose of describing or predicting some phenomena. This method will provide direct communication where the researcher gathers information through face-to-face contact with respondents. There are many advantages: quick, inexpensive, efficient, and accurate means of assessing information about the population (Kumer et al., 1999).

Based on the survey information, the researcher then decided to use structured self-administered questionnaires. The questionnaires will help the researcher to know exactly what information is needed and how to measure the variables of interests. The questionnaire with close-ended questions was used for data collection because it is the most flexible method compared to other methods. Close-ended questionnaire helps respondents to make quick decisions by making a choice among several alternatives.

This study investigated the relationship between similarity, parent brand reputation, perceived risk, innovativeness and the overall evaluation of extension. Hence, the questionnaire had been developed by Hem (2001) and this has been used as a tool in the data collection method. The five point Likert- scale is used as the indicator measuring the degree of perceptions.

Moreover, to explore the reasons that lie behind the statistical facts for measuring the relationship between similarity, parent brand reputation, perceived risk, innovativeness and the overall evaluation of extension and linkage shown in Figure 3.1 on p.41 that may emerge from the surveys. Thus, to obtain some background information where absolutely nothing is known about the problem area, the hypotheses are formulated for investigation (Maholtra & Birks, 2000). Thus, the hypotheses about the relationship between similarity, parent brand reputation, perceived risk, innovativeness and the overall evaluation of extension were examined in this research.

4.2 Respondents and Sampling Procedures

Target Population

Population refers to the entire group of people, events or things of interest that the researcher wishes to investigate (Sekaran, 1992). Zikmund (1997) stated that “population” is defined as any complete group of entries that share some common set of characteristics. Davis and Cosenza (1993) mentioned that population refers to the complete set of unit of analysis under investigation. The target populations of this research study are both males and females who have known NIVEA and NIVEA BATH CARE brand and are residing in the Bangkok Metropolis. The researcher collected data by surveying respondents who have known NIVEA and NIVEA BATH CARE brand at TOPS Market Place in Bangkok. There are seven branches which are Bangna, Chidlom, Sukhumvit, Sukhumvit 24, Silom Complex, Central World Plaza and Thonglor. The researcher selected four from among the seven branches.

Sampling Size

According to the website of the Department of Provincial Administration, Bangkok has the registered residents of 5,903,965 in which migrants who come to work or study are not included. However, the approximate number of people who lived in Bangkok (registered and unregistered), is around 10.5 million (www.dopa.go.th accessed on 03/12/04).

Table 4.1 Theoretical sample size for different sizes of population and a 95% level of certainty

Population	Required sample for tolerable error			
	5%	4%	3%	2%
100	79	85	91	96
500	217	272	340	413
1,000	277	375	516	705
5,000	356	535	897	1,622
50,000	381	593	1,044	2,290
100,000	382	596	1,055	2,344
1,000,000	384	599	1,065	2,344
25,000,000	384	600	1,067	2,400

Source : (Anderson, 1996)

Therefore, the sample size for this research was roughly 384 respondents because the exact population was not known. It is difficult to calculate the number of TOPS MarketPlace customers out of the total population in Bangkok. Nevertheless, the number of the target population is less than 25,000,000. When considering the limitation of the study, the sample size of 384 respondents at 5% of tolerance error should be the most suitable one, according to table 4.1

Sampling Method

The sample of this research was specific to the male and female respondents who live in Bangkok only and four from the seven locations of TOPS MarketPlace were used as the locations for collecting the data. The researcher selected TOPS MarketPlace because the characteristics of shopper in TOPS MarketPlace are closely matched with NIVEA and NIVEA BATH CARE target's consumers. For this research, the researcher has designed the sampling method into two stages as follow: -

Stage1— Non-probability sampling method that is unrestricted is called Convenience sampling. The researcher selected four branches from the seven branches of TOPS MarketPlace locations in the Bangkok area. These were Bangna Branch, Silom Complex Branch, Thonglor Branch and Central World Plaza Branch. This method is used to ensure that the various subgroups in a population are represented on pertinent sample characteristics to the exact extent (Zigmund, 2000). The researcher selected these four branches because they represent a variety of consumer demographics to cover all segments of NIVEA consumers (the others are Sukhumvit, Sukhumvit 24 and Chidlom). The sales volume of NIVEA products in 3rd Quarter of each selected branch are different (www.brandagemag.com accessed on 25/11/04), therefore, the population of respondents in this study are categorized into four different groups. The proportion of the population for each branch is as follows:

Table 4.2: Number of Respondents in each selected branch of TOPS Marketplace

Branch	Sales revenues (Bath) 2004,Q3	Respondents
Bangna	483,569 (24%)	92 (24%)
Silom Complex	598,726 (29%)	111 (29%)
Thonglor	513,204 (25%)	96 (25%)
Central World Plaza	447,378 (22%)	85 (22%)
Total	2,042,877 (100%)	384 (100%)

Source : Thanachai, Product Group Manager of NIVEA, sales report (2004, Q3)

Stage 2—Non-probability sampling method that is unrestricted is called Convenience technique. This is the least reliable design but normally the cheapest and easiest to conduct. The researcher has the freedom to choose whomever to find and who are most conveniently available (Zigmond, 2000). Thus, the researcher collected data from persons at the four selected locations of TOPS MarketPlace in Bangkok. It must be noted that people who participated in filling in the questionnaires received a premium set from NIVEA BATH CARE as a token of appreciation from the researcher.

4.3 Research Instrument: Questionnaires

In this investigation, the questionnaire was used as an instrument to acquire several aspects of the overall consumer evaluation of extension. To achieve that data, the questionnaire was classified into two parts. All questions were presented by using the five point Likert- Scale:

Part I: Consumer's perception about the similarity between the original and the extended brand, parent brand reputation, perceived risk and innovativeness, and

another dependent variable which is the overall evaluation of extension. The five point Likert-scale is used to indicate the degree of respondents assigned to each statement from strongly agree to strongly disagree.

Part II : Personal Data were investigated in terms of sex, age, highest education, occupation and income per month.

The score obtained from the respondents in each variable was used to calculate the means. The mean score is weighted as follows:

Intervals calculated for each weighted means score level (Sasithorn, 1995)

$$\begin{aligned}
 \text{Level} &= 5 \\
 \text{Range} &= \text{Max.} - \text{Min.} \\
 &= 5 - 1 = 4 \\
 \text{Interval} &= \text{Range} / \text{Level} \\
 &= 4 / 5 \\
 &= 0.8
 \end{aligned}$$

Table 4.3: Rating scale of average weight means score

Rating Scales	Interpretation
4.20-5.00	Strongly agree/most important = highest positive
3.40-4.19	Agree/important = positive
2.60-3.39	Neutral = neither positive nor negative
1.80-2.59	Disagree/ not important = negative
1.00-1.79	Strongly disagree/ not at all important = highest negative

Source: Sasithorn (1995)

4.4 Data Gathering Procedures

Primary Data

There are four selected locations of TOPS MarketPlace that include: Bangna, Silom Complex, Thonglor, and Central World Plaza. All data were collected through survey by using questionnaires as the instrument to gather information of consumer perception about similarity, reputation, perceived risk, innovativeness, the overall evaluation of extension and the demographic characteristics of respondents. A self-administered questionnaire was used for collecting the information obtained from respondents in sampling units.

Secondary Data

Secondary data was obtained from many sources such as libraries, business textbooks, Internet journals, and website that are related to the topic in which the researcher is interested.

4.5 Pre-Test

Churchill (1999) stated that each question in the questionnaire should be reviewed to ensure that the question is not confusing or ambiguous, potentially offensive to the respondent, leading or bias inducing and also is easy to answer. Pre-test is vital and is defined as trial runs with a group of respondents for the purpose of detecting problems in the questionnaire instructions or design. Vanichbuncha (2001), mentioned that in order to conduct the Pilot survey or Pre-test, the number of respondents should be at least 25 samples. In this research, 40 respondents participated in the pre-test.

The researcher used the Cronbach's Coefficient Alpha Scales (Cronin & Tayler, 1992) to test reliability of questionnaires. The result of the reliability analysis after examining of the pilot study is shown in Table 4.4

Table 4.4: Reliability Analysis- Scale (Cronbach's Coefficient Alpha)

Operational Dimensions	Reliability
Similarity	0.7428
Parent Brand Reputation	0.6824
Perceived Risk	0.7005
Innovativeness	0.6317

Sekaran (1992) mentioned that if the reliability value is at least 0.6, it is considered reliable. As the result of reliability analysis from the pre-test as shown in Table 4.4, questionnaires in this research are sufficient for examining the relationship between independent and dependent variable because Coefficient's Alpha Scale of the pilot study in each variable is greater than 0.6 .

4.6 Statistical Treatment of Data

For measuring the data, the Statistical Package for Social Science (SPSS) is a favored tool. The basic statistics of percentage and mean were used to analyze the general information such as the demographic profile. Pearson Correlation Coefficient was used to analyze the relationship reliability. A value between -1 and +1 indicates the strength of the linear relationship between two or more variables.

Correlation Analysis

Correlation analysis involves measuring the closeness of the relationship between two or more variables; it considers the joint variation of two measures, neither of which is restricted by the experimenter (Churchill, 1991).

A positive correlation reflects a tendency for a high value in one variable to be associated with high value in the second. A negative correlation reflects an association between a high value in one variable and a low value in the second variable. The expression for the sample correlation coefficient (r) is called the Pearson product-moment correlation coefficient that measures the degree to which there is a linear association between two interval scaled variables (Kumar et al., 1999). Correlation analysis has a value between -1 and +1 that indicates the strength of the linear relationship between two quantitative variables called Bivariate correlation, or among three quantitative variables called partial correlation. Both of the correlations were used to analyze this research.

Salkind (2002) identified the degree of relationship between variables as follows:

Table 4.5: The Interpreting of the Correlation Coefficient

Correlation between	Meaning
0.81-1.00	Very Strong
0.61-0.80	Strong
0.41-0.60	Moderate
0.21-0.40	Weak
0.00-0.20	Very Weak

Source: Salkind, 2000

Pearson Product-Moment Correlation Coefficient

The concept of simple correlation provides a measure of the relationship between two variables, and the Pearson product-moment correlation coefficient was used for this study. The correlation coefficient can be expressed as follows:

$$r_{xy} = \frac{n\sum xy - (\sum x)(\sum y)}{[(n\sum x^2 - \sum x^2)(n\sum y^2 - \sum y^2)]^{1/2}}$$

When, r_{xy}	=	The correlation coefficient between x and y
N	=	The size of sample
n	=	The number of sample
x	=	The individual's score on the x variable
y	=	The individual's score on the y variable
xy	=	The product of each x score time its corresponding y score
x^2	=	The individual x score, square
y^2	=	The individual y score, square

As discussed earlier, the calculation of the correlation coefficient r assumes that the variables, whose relationship is being tested, are metric. If this assumption is not met either partially or completely, it affects the value of p . A simple test of hypothesis can be performed to check the significance of the relationship between two variables, measured by r . This involves testing the null hypothesis $H_0: \rho = 0$ against the alternative hypothesis $H_1: \rho \neq 0$. To test the significance of this relationship, the test statistics t can be computed by using

$$t_r = \frac{r-\rho}{[(1-r)^2(n-2)]^{1/2}}$$

When, t_r = t - distribution

r = The correlation coefficient

ρ = The population correlation coefficient

n = The number of sample



Chapter V

Presentation of Data and Critical Discussion of Results

This chapter presents the results of the data analysis according to the procedure discussed in the previous chapter. The analysis results are based on the data of 384 samples, collected from four selected locations. The collected data was grouped in the following two sections: The first section is the descriptive statistics analysis of demographic data of respondents including sex, age, highest education, occupation and income per month and are presented by frequency and percentage and descriptive statistics analysis of all variables. The second section is hypothesis testing which is to examine the relationship between similarity of the original brand to the extended brand, parent brand reputation, perceived risk, innovativeness and the overall evaluation of extension.

5.1 Descriptive Analysis

Descriptive statistics were employed to analyze the relationship between similarity, parent brand reputation, perceived risk, innovativeness and the overall evaluation of extension. This is composed of two parts: First is demographic data of respondents which is presented in frequency and percentage, and the second part is descriptive statistics analysis of variables which are presented in number of cases, mean, and standard deviation.

5.1.1 Descriptive Statistics Analysis of Demographic Data

This part identifies the characteristics of the respondents who participated in this study. Their sex, age, highest education, occupation and income per month are shown in tables 5.1-5.5

Table 5.1: Sex

Male and Female Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	109	28.4	28.4	28.4
female	275	71.6	71.6	100.0
Total	384	100.0	100.0	

Table 5.1 shows the gender of respondents in this research. It is viewed that among the 384 respondents, 109 respondents of the sample size are male and 275 respondents are female, representing 28.4% and 71.6%, respectively. The majority of the respondents in this research study are female, while the minorities are male.

Table 5.2: Age

Number of Years a Person Lives

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid below 18 years old	4	1.0	1.0	1.0
18-25 years old	89	23.2	23.2	24.2
26-35 years old	253	65.9	65.9	90.1
36 years or more	38	9.9	9.9	100.0
Total	384	100.0	100.0	

Table 5.2 illustrates the ranges of the respondents' age. The majority of the respondents are aged between 26-35 years old, counted for 65.9%. The second group is aged between 18-25 years old (23.2%), the third group is aged between 36-45 years old (9.9%), the fourth group is aged below 18 years old (1.0%), respectively.

Table 5.3: Highest Education Level**Highest Education of a Person**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	high school	6	1.6	1.6	1.6
	college	10	2.6	2.6	4.2
	university certificate	44	11.5	11.5	15.6
	bachelor degree	286	74.5	74.5	90.1
	master degree	35	9.1	9.1	99.2
	doctorate	3	.8	.8	100.0
	Total	384	100.0	100.0	

Table 5.3 shows the highest education level of the respondents. The majority of all respondents (74.5%) held Bachelor Degrees, 11.5% held University Certificate, 9.1% held Master Degrees, 2.6% were from College, and 1.6% had completed High school.

Table 5.4: Income Per Month**Individual Income per Month**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	8000 baht or less	13	3.4	3.4	3.4
	8001-12000 baht	83	21.6	21.6	25.0
	12001-16000 baht	117	30.5	30.5	55.5
	16001-20000 baht	101	26.3	26.3	81.8
	20001 baht or more	70	18.2	18.2	100.0
	Total	384	100.0	100.0	

From the total number of respondents when classified by their income per month, it was found that the biggest group of respondents were those whose income per month ranged between 12,001-16,000 Baht and it was followed by those whose income per month ranged between 16,001-20,000 Baht, 8,001-12,000 Baht, 21,001 Baht or more and 8,000 Baht or less, respectively. Their percentage was 30.5%, 26.3%, 21.6%, 18.2% and 3.4%, respectively.

Table 5.5: Occupation**The Job that a Person Does**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid student	27	7.0	7.0	7.0
management	76	19.8	19.8	26.8
government	28	7.3	7.3	34.1
employee	151	39.3	39.3	73.4
owning business	102	26.6	26.6	100.0
Total	384	100.0	100.0	

As shown in Table 5.5, it can be seen that a very large number of the total respondents were working as employees, and it counted for 39.3%. This was followed by those whose occupation was business owners, management people, working in government and students. Their percentages counted for 26.6%, 19.8%, 7.3% and 7.0%, respectively.

5.1.2 Descriptive Statistics Analysis of all Variables

This part presents the descriptive statistics analysis of variables and are shown in tables 5.6-5.10 in terms of the number of cases, minimum, maximum, mean and standard deviation of similarity between the original brand and the extended brand, parent brand reputation, perceived risk, innovativeness and overall evaluation of extension.

Table 5.6: Similarity Between Original Brand and Extended Brand

Descriptive Statistics

	N	Mean	Std. Deviation	Meaning of Mean
You think NIVEA BATH CARE product represents the original product category of NIVEA brand.	384	4.16	.544	Agree
You think NIVEA BATH CARE product is typical of the original product category of NIVEA brand.	384	4.20	.538	Strongly Agree
You think that there is no overlap of NIVEA BATH CARE product with the existing NIVEA brand.	384	4.21	.490	Strongly Agree
You think NIVEA BATH CARE is similar in usage situation with NIVEA brand.	384	4.32	.465	Strongly Agree
MEANSIMI	384	4.2207	.34032	Strongly Agree
Valid N (listwise)	384			

From the result as shown in table 5.6, it can be seen that the mean of similarity between the original brand and the extended brand is 4.2207. This further explains that consumers perceived NIVEA BATH CARE as quite similar to NIVEA brand and there were some related features between the original brand and the extended brand.

Table 5.7: Parent Brand Reputation

Descriptive Statistics

	N	Mean	Std. Deviation	Meaning of Mean
You feel that products under NIVEA brand are widely accepted by skin care consumers.	384	4.09	.446	Agree
You are very satisfied with the product quality of NIVEA brand.	384	4.22	.536	Strongly Agree
Any products category of NIVEA brand, you have confidence in quality.	384	4.27	.491	Strongly Agree
MEANREPU	384	4.1936	.34298	Agree
Valid N (listwise)	384			

From the results as shown in table 5.7, it can be seen that the mean of the parent brand reputation is 4.1936. This signifies that the consumers perceive the NIVEA brand reputation has some involvement with purchasing decision and consumers are confident to choose NIVEA over other brands because NIVEA represents high quality.

Table 5.8: Perceived Risk

Descriptive Statistics

	N	Mean	Std. Deviation	Meaning of Mean
When you approach the shelf, you always feel rather confident to pick products under NIVEA brand before competing brands.	384	4.27	.536	Strongly Agree
When you buy skin care products, you always compare benefits, ingredients before making your decision.	384	4.14	.477	Agree
It is easy to know what skin care brand is your best option in the market.	384	4.26	.467	Strongly Agree
You got enough information which makes you confident in your purchase of NIVEA skin care products.	384	4.11	.501	Agree
You should be annoyed with yourself, if you made the wrong choice (the brand that you picked up is not NIVEA).	384	4.14	.493	Agree
You feel no danger or negative consequence if you choose the NIVEA brand.	384	4.12	.493	Agree
MEANRISK	384	4.1740	.37628	Agree
Valid N (listwise)	384			

From the result as shown in table 5.8, it can be observed that the mean of consumers' perception in terms of risk when they purchase the product is 4.1740. Thus, consumers feel confident to choose NIVEA brand because consumers have enough useful information to decide what brand they want to choose.

Table 5.9: Innovativeness

Descriptive Statistics

	N	Mean	Std. Deviation	Meaning of Mean
You like to find some new and unfamiliar experience by trial use at point of sale.	384	4.23	.442	Strongly Agree
You like to experience novelty by buying products of NIVEA brand to try.	384	4.30	.459	Strongly Agree
You are continually seeking the products of NIVEA brand that is innovative, first with advances in products to trial use.	384	4.22	.611	Strongly Agree
You think NIVEA successfully represents the superior quality of product beyond its competitors.	384	4.18	.573	Agree
You think NIVEA is outstanding in continually launching the innovative products to the market.	384	4.18	.591	Agree
MEANINNO	384	4.2208	.34804	Strongly Agree
Valid N (listwise)	384			

From the result as shown in table 5.9, it can be seen that the mean of consumers' perception about innovativeness of the brand is 4.2208. This means that consumers who like to try some new experience tend to buy innovative products. Consumers preferably choose the products under the innovative company's' name and tend to buy innovative products and are not afraid to try.

Table 5.10: Overall Evaluation of Extension

Descriptive Statistics

	N	Mean	Std. Deviation	Meaning of Mean
You think that the extended product (NIVEA BATH CARE) is highly associated with the original brand (NIVEA brand)	384	4.27	.600	Strongly Agree
Overall, you are very positive about the extension of NIVEA brand.	384	4.12	.601	Agree
Overall, you have a good attitude toward NIVEA BATH CARE which is the extension of NIVEA brand.	384	4.01	.521	Agree
You are confident that NIVEA BATH CARE will be widely accepted by consumers because it is a product of NIVEA brand.	384	4.30	.459	Strongly Agree
MEANOVER	384	4.1751	.39426	Agree
Valid N (listwise)	384			

From the result as shown in table 5.10, it can be seen that the mean of the overall consumers' evaluation of extension is 4.1741. This suggests that the overall attitude of consumers toward the company' extended brand is more likely to be favorable. Consumers have positive feelings toward the original brand and perceive some relationship between the original and the extended brand.

5.2 Hypotheses Testing

In this section, results for hypothesis testing are explained. There were four hypotheses that were tested. The analysis results of the hypotheses are explained in the following tables from table 5.11-5.14.

Hypothesis 1

Ho1: There is no relationship between similarity and the overall evaluation of extension.

Ha1: There is a relationship between similarity and the overall evaluation of extension.

Table 5.11: Correlations between Similarity and Overall Evaluation of Extension

Correlations		MEANSIMI	MEANOVER
MEANSIMI	Pearson Correlation	1	.690*
	Sig. (2-tailed)	.	.000
	N	384	384
MEANOVER	Pearson Correlation	.690*	1
	Sig. (2-tailed)	.000	.
	N	384	384

**. Correlation is significant at the 0.01 level (2-tailed).

The results of the Bivariate test are shown in the table 5.11. It indicates that there is a statistically significant relationship between similarity between the original brand and the extended brand and the overall evaluation of extension at the two-tailed significance of .000 which is less than .01 ($.000 < .01$). Accordingly, the null hypothesis (Ho1) is rejected which means that there is a relationship between similarity and the overall evaluation of extension.

The Pearson correlation is at .690. It means that similarity and the overall evaluation of extension have a positive relationship at the .690 or 69.0 percent at the 99 percent confident level.

Hypothesis 2

Ho2: There is no relationship between the parent brand reputation and the overall evaluation of extension.

Ha2: There is a relationship between the parent brand reputation and the overall evaluation of extension.

Table 5.12: Correlations between Parent Brand Reputation and Overall Evaluation of Extension

Correlations		MEANREPU	MEANOVER
MEANREPU	Pearson Correlation	1	.632*
	Sig. (2-tailed)	.	.000
	N	384	384
MEANOVER	Pearson Correlation	.632*	1
	Sig. (2-tailed)	.000	.
	N	384	384

**. Correlation is significant at the 0.01 level (2-tailed).

Table 5.12 shows the results from the Bivariate Test analysis that there is a statistically significant relationship between parent brand reputation and the overall evaluation of extension at the two-tailed significance of .000 which was less than .01 ($.000 < .01$). Accordingly, the null hypothesis (Ho2) is rejected which means that there is a relationship between the parent brand reputation and the overall evaluation of extension.

The Pearson correlation is at .632. It means that parent brand reputation and the overall evaluation of extension have a positive relationship at the .632 or 63.2 percent at the 99 percent confident level.

Hypothesis 3

Ho3: There is no relationship between perceived risk and the overall evaluation of extension.

Ha3: There is a relationship between perceived risk and the overall evaluation of extension.

Table 5.13: Correlations between Perceived Risk and Overall Evaluation of Extension

Correlations		MEANRISK	MEANOVER
MEANRISK	Pearson Correlation	1	.480*
	Sig. (2-tailed)	.	.000
	N	384	384
MEANOVER	Pearson Correlation	.480*	1
	Sig. (2-tailed)	.000	.
	N	384	384

**. Correlation is significant at the 0.01 level (2-tailed).

As presented in table 5.13, the null hypothesis is tested by using the Bivariate Test analysis to test the significant relationship between the perceived risk and the overall evaluation of extension. The results indicated that there was a statistically significant relationship between the perceived risk and the overall evaluation of extension at the two-tailed significance of .000 which was less than .01 ($.000 < .01$). Therefore, the null hypothesis (Ho3) is rejected, showing that there is a relationship between the perceived risk and the overall evaluation of extension.

The Pearson correlation is at .480; it means that perceived risk and the overall evaluation of extension have a positive relationship at the .480 or 48.0 percent at the 99 percent confident level.

Hypothesis 4

Ho4: There is no relationship between innovativeness and the overall evaluation of extension.

Ha4: There is a relationship between innovativeness and the overall evaluation of extension.

Table 5.14: Correlations between Innovativeness and Overall Evaluation of Extension

Correlations		MEANINNO	MEANOVER
MEANINNO	Pearson Correlation	1	.624*
	Sig. (2-tailed)	.	.000
	N	384	384
MEANOVER	Pearson Correlation	.624*	1
	Sig. (2-tailed)	.000	.
	N	384	384

**. Correlation is significant at the 0.01 level (2-tailed).

From table 5.14, using the Bivariate Test analysis, there is a statistically significant relationship between the innovativeness and overall evaluation of extension at the two-tailed significance of .000 which was less than .01 ($.000 < .01$). Accordingly, the null hypothesis (Ho4) is rejected which means that there is a relationship between the innovativeness and the overall evaluation of extension.

The Pearson correlation is at .624; it means that innovativeness and the overall evaluation of extension have a positive relationship at the .624 or 62.4 percent at the 99 percent confident level.



Chapter VI

Summary of Findings, Conclusions and Recommendations

This chapter consists of four major sections. The first section is a summary of findings of the research. The second section contains the discussion of four hypotheses and the conclusions of the research. The third section contains the recommendations and the last section offers suggestions for the further research.

6.1 Summary of Findings

6.1.1 Summary of Respondents Characteristics

Based on the data of 384 respondents collected and composed of 109 male and 275 female respondents, the largest age group of respondents is between 26-35 years old (65.9%). For the highest education level, the majority of the respondents are Bachelor degree holders (74.5%). For occupation, most of respondents are employees (39.3%). The income per month of the respondents is between 12,001 Baht to 16,000 Baht (30.5%).

According to Table 4.3, it can be seen that the calculated mean score of similarity is 4.2207; it could imply that consumers perceived that NIVEA BATH CARE is very similar to NIVEA brand in terms of usage which means the perception of higher quality is delivered to consumers through perception of similarity because the more shared attributes between the NIVEA BATH CARE and NIVEA brand, the more likely are consumers to infer that the quality of the extension product is similar to the quality of NIVEA. As the mean of parent brand reputation is 4.1936, it could imply that consumers perceive NIVEA as a well-reputed brand. The mean score of perceived risk is 4.1740 which means that consumers have high confidence and

feeling of certainty to choose NIVEA or NIVEA BATH CARE products because they perceived less risk will occur if they purchase some brand which is familiar. Moreover, it could imply that consumers get enough information of NIVEA or NIVEA BATH CARE because if consumers have feeling of uncertainty about what to select when they are in front of the shelf of skin care products, it mean consumers possess insufficient information and hesitate to pick up products of NIVEA and related products of NIVEA brand or other competing brands. As the innovativeness level is 4.2208, it means consumers of NIVEA are willing to try new products (NIVEA BATH CARE), and they think that if NIVEA has extended its products, it is worth giving them a try. As the mean of overall evaluation of extension is 4.1751, it means consumers have good attitude toward the extension (NIVEA BATH CARE) of NIVEA brand, and they have very high positive feeling between NIVEA and NIVEA BATH CARE.

6.1.2 Summary of Hypotheses Testing

Table 6.1: Summary of results from hypotheses testing

Hypothesis	Significance	Results
Hypothesis 1	.000	There is a relationship between the similarity and the overall evaluation of extension
Hypothesis 2	.000	There is a relationship between the parent brand reputation and the overall evaluation of extension
Hypothesis 3	.000	There is a relationship between the perceived risk and the overall evaluation of extension
Hypothesis 4	.000	There is a relationship between the innovativeness and the overall evaluation of extension

The Table 6.1 provides the summary of results from hypotheses testing. It explains that all four null hypotheses were rejected and it also shows that all variables

are significant at 99% confidence level. This means that there is the statistical relationship between the pairs of dependent and independent variables.

Based on the hypotheses testing, it appears that all the variables are significant at the 99% confidence level. This could imply that all the variables are important determinants of consumers' overall evaluation of brand extension.

6.2 Discussion

This study advances knowledge of brand extension in several ways. First, it was found that perceived similarity has the highest positive relationship with the evaluation of brand extension when compared to other factors. It was also found that the Pearson correlation value is 0.690 (see Table 4.5) which is interpreted as the strong positive relationship between similarity and overall evaluation of extension. Consumers perceived that NIVEA and NIVEA BATH CARE brand has high similarity which is related to the overall evaluation of this extension. This finding is supported by the hypothesis in the brand extension literature which confirms that any brand which is extended into similar categories should receive high consumer evaluations (Aaker & Keller, 1990). Similarity will be based on total feature overlap or occur at the product class level. Instead, a single brand association may provide a persuasive connection between the brand and an otherwise dissimilar extension category. In this research, the researcher selected NIVEA BATH CARE as the extended brand of NIVEA brand which from the result of this study, could imply that consumers perceived the NIVEA BATH CARE as similar to NIVEA brand when the product category was extended closely to the original product category.

Second, the reputation of the parent brand is another important factor influencing the likelihood of a successful brand extension. The finding shows that the correlation is 0.632, which can be explained that the NIVEA brand has strong relationship with the evaluation of extension (see Table 4.5). Building a favorable reputation for a parent brand is an important contributor to the success of brand extension. Consumers use reputation as a means of inferring quality of the product because consumers tend to use brand names as a signal of quality and value. Brand names can often be repositories for a company's reputation: high quality of product or performance of one product can often be transferred to another product via the brand name (Moorthy, 1985). A strong brand position means the brand has a unique, credible, sustainable and valued place in consumers' minds. It revolves around a benefit that helps your product or service to stand apart from the competition. Good positioning gives you the direction required to focus on the organization and focus a firm's strategic efforts. Loyal customers continue to pay premium prices for the brand, increasing the profitability per customer. The longer a firm can retain a current customer, the more profitable that customer becomes and the more willingly that customers pay a premium price for the brand (Davis, 2002).

For the perceived risk, Pearson correlation is 0.480 which is represented as a moderate relationship between perceived risk and the overall evaluation of extension. Consumers perceive that they feel either confident or not confident to choose the brand. It could imply that if the company gives insufficient information to the consumers about the position, market activity, promotion or anything about the brand, it may have some feeling of uncertainty to choose the brand. Consumers may turn to choose other competing brands that provide more useful information and meet

consumers' need. There are indications that consumers' evaluations of brand extension are influenced by their perceptions of the risk associated with the new category. This reinforces the perspective of brands as risk relievers (de Chernatony, 2001). The result of perceived risk is less related to the overall evaluation of extension, however, the impact of perceived risk may encourage consumers to prefer brand extensions from well-known parent brand since they reduce the negative consequences of making a wrong decision.

Finally, the correlation of innovativeness and overall evaluation of extension is 0.624, and it is shown that there is a strong positive relationship between innovativeness and the overall evaluation of extension and this result is supported by Keller and Aaker (1997), who mentioned that an innovative corporate image leads to positive brand extension evaluation. Developing a reputation for innovation and being first also helps to establish reputations that are particularly valuable when access to the latest technology such as new extract formula is part of the brand equity that is of value to business consumers. These first innovative measures have been shown to influence positively the willingness both to try and recommend new products earlier, resulting in faster diffusion (Zandan, 1992). Consumers prefer firms that continually develop products and always produce innovative products. Consumers choose the brand as they choose friends; people always choose friends who have personality close to them. Consumers who like novelty and new experience will also like to try new products.

These findings suggest that managers should consider perceived similarity, parent brand reputation, perceived product category risk, and product innovativeness

as key factors influencing the success of their planned brand extension. Marketing managers of NIVEA brand can put more emphasis on marketing communication through mass media because, in the real situation, only the very strong brands or leading brands (such as NIVEA) is more likely to be extended. By understanding some of the variables that influence consumers' perception about the acceptability of brand extension, marketers should be better able to develop more effective strategies. The failure to understand one's competitors is ultimately the failure to know one's consumers: who they are, how they think, and how the brand can be adapted to meet their needs. Once marketers understand that their brand faces both traditional and nontraditional competitors, they can study the benefits they provide, their strengths and weaknesses, and their future directions.

6.3 Implications

The following recommendations about factors influencing the overall evaluation of extension can be reviewed to suggest and can be used depending upon the situation.

Similarity

In general, studies of similarity or fit between the parent brand and the extension show a positive relation between the product similarity and consumer's evaluations of the extension. When the similarity is high, consumers base their evaluation of the extension more on core attributes and benefits of the extension. NIVEA's marketer should pre-consider the distance of extension because if NIVEA has been extended too far, it may dilute brand equity of parent brand (NIVEA) and this dilution may affect the association between consumers and the brand. Consequently, if the brand fails in extension, consumers may switch to competing

brands. However, in most cases, low similarity between parent brand and the extension, whether in terms of related product class or related markets, leads to lower levels of consumer acceptance, regardless of the strength of the parent brand (Keller & Aaker 1997; Boush & Loken 1991). In addition to the similarity between the parent brand and the extension, the distinction between corporate and product image plays a role.

It is very important for the company to pay attention sensitively to each factor. However, Loken and John (1993) discussed several directions for diminishing the degree of damage from extensions including shoring up the positive associations consumers hold for the brand through such means as increased corporate advertising. Besides, dilution of association with the original product category is the most crucial thing that marketers have to focus on because the marketers have to understand the position of the brand in the marketplace, not just financial and market share information, but the association consumers make between the brand and the extended brand.

Parent Brand Reputation

NIVEA brand is the leading brand in the overall skin care market. NIVEA covers almost every segment (woman, man, and baby). NIVEA's target consumers are women who have modern lifestyles, who want to be beautiful with natural skin. Brands with higher perceived reputation should provide consumers with greater risk relief and so encourage more positive evaluations than brands of lower reputation. NIVEA has to be concerned and strengthen its company reputation. This strength can enhance the brand, when consumers buy the products they will feel secure with their

choice. When a brand is launched, consumers have neither used, nor know concrete attributes, to judge its quality. Consequently, consumers rely heavily on cues such as brand reputation (Wernerfelt, 1988; Zeitham et al., 1996). Therefore, the managers can encourage this reputation by marketing promotion to develop the positive attitude of consumers and transfer this feeling to trust and loyalty. If the brand holds a good reputation, consumers will also develop the sense of “owning” the brand because the prestigious brands are associated with higher prices; the higher price, the more one can signal that one is special (rich).

When the organization is visible, or when a corporate brand is involved, it can play an important role by showing that a brand represents more than products and services including, having a concern for consumers, being innovative, striving for high quality, being successful, being oriented toward community and being a global player. Therefore, consumer loyalty is indicated by an intention to perform a diverse set of behaviors that signal a motivation to maintain a relationship with the local firm, including allocating a higher share of the category wallet to the specific service provider, engaging in positive word of mouth, and repeat purchasing (Zeithaml et al., 1996).

Perceived Risk

A brand which is extended into a new product category offers a new alternative to consumers, but also impacts on consumers' perceptions of risk. From the results of this research, perceived risk has the lowest relationship with the overall evaluation of extension because the well-known brand is a risk reliever and enhances the likelihood of product trial and thus increases its likely acceptance. NIVEA marketers should reduce the risk which may occur from the launch of the new

product. Marketing managers should concentrate by giving information, marketing information, or commercial advertising to maintain the brand awareness in consumers' mind. Risk perception is part of a consumers' own experience; if consumers have good experience after using NIVEA and the extended brand of NIVEA, risk will be lessened. Word-of-Mouth from friends, colleagues and related people, can enhance the positive feeling to consumers and this source of information is very important for purchasing decisions. Moreover, results of promotional activities are also very important because if the company delivers good advertising that can create brand awareness and can be more memorable in the consumers' mind, it implies that the company has succeeded in marketing communication. In case the management feels that it is necessary to change the direction of a brand or change a product, it must be careful not to change it too quickly. There are many examples of companies that have changed a product or brand too drastically or too quickly. The product has certain attributes and characteristics that increase the product acceptance to the consumer. If any of these attributes are changed or eliminated, this acceptance delivered to the consumer is also changed.

Understanding of dimensions of perceived risk enables marketers to present their brands to instill consumer confidence (Assael, 1995). For example, acting as a guarantee of consistent quality, a brand reduces performance risk. The more information that is made easily available to consumers, and the more they are given opportunities to reduce the consequences of choice, the lower the perceived risk such as performance, financial, psychological, and time risk (Jarvenpaa & Todd, 1997; Mitchell, 1999). Consequently, a high possibility exists that positive information for a specific brand decreases perceived risk for the brand, whereas negative information

for considered brands solidifies consumer risk perceptions more and more, and it may increase the possibility that consumers will switch from the considered brand to other competitive brands (Nedungadi, 1990; Nedungadi et al., 2000).

Innovativeness

Successful brands make firms sensitive to the upkeep of quality; however, NIVEA being the leading brand, there is a need to maintain the quality for being the market leader. The concept of branding or identification leads to an increase in the quality of the offerings in the marketplace. When a consumer trusts the brand, decision-making is faster and easier.

Therefore, a manager must create a set of positive associations of the brand in the consumer's mind. This task is the essence for creating a positive feeling toward consumers. Whenever consumers develop a positive feeling toward the company brand it will create good attitude toward both brand and firm (Keller, 1993).

6.4 Further Research

In this study, the researcher provided a simple instrument to measure the relationship between similarity, parent brand reputation, perceived risk, innovativeness and the overall evaluation of extension, and the advantage of this scale is not only the small number of items, but also the ability to measure the individual factors and the overall evaluation of extension. Further research can be conducted on models with increased items.

Moreover, into the framework presented earlier, the extended brand is closely-related to the parent brand. Moreover for further application, it would also seem appropriate to give further attention to far differences.

Further studies may explore other variables based on the strength of a brand's relationship with usage situations, specific product attributes, and consumer benefits.

Finally, it would be useful to conduct studies related to cultural differences in acceptance of brand extensions.



3 : Perceived Risk	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
8) When you approach the shelf, you always feel rather confident to pick products under NIVEA brand before competing brands.					
9) When you buy skin care products, you always compare benefits, ingredients before making your decision.					
10) It is easy to know what skin care brand is your best option in the market.					
11) You got enough information which makes you confident to purchase NIVEA skin care products.					
12) You should be annoyed with yourself, if you made the wrong choice (the brand that you pick up is not NIVEA).					
13) You feel no dangerous or negative consequence if you choose the NIVEA brand.					

4 : Innovativeness	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
14) You like to find some new and unfamiliar experience by trial use at point of sale.					
15) You like to experience novelty by buying products of NIVEA brand to try.					
16) You are continually seeking the products of NIVEA brand that is innovative, first with advances in products to trial use.					
17) You think NIVEA is successfully representing the superior quality of product beyond competitors.					
18) You think NIVEA is outstanding in continually launching the innovative products to the market.					

5 : Overall Evaluation of Extension	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
19) You think that the extended product (NIVEA BATH CARE) is highly associated with the original brand (NIVEA brand)					

	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
20) Overall, you are very positive about the extension of NIVEA brand.					
21) Overall, You have a good attitude toward NIVEA BATH CARE which is the extension of NIVEA brand.					
22) You are confident that NIVEA BATH CARE will be widely accepted by consumers because it is a product of NIVEA brand.					

Part II : Personal Data

- Sex:** ☐ Male ☐ Female
- Age:** ☐ Below 18 ☐ 18-25 ☐ 26-35
☐ 36 or more
- Highest Education:** ☐ High School ☐ College ☐ University Certificate
☐ Bachelor Degree ☐ Master Degree ☐ Doctorate
- Occupations:** ☐ Student ☐ Management ☐ Government
☐ Employee ☐ Owning business ☐ Others (Please identify)
.....
- Income per month:** ☐ 8,000 or less ☐ 8,001-12,000 Baht ☐ 12,001-16,000 Baht
☐ 16,001-20,000 Baht ☐ 20,001 or more

	ไม่เห็นด้วย อย่างยิ่ง 1	ไม่เห็นด้วย 2	ไม่มีความ เห็น 3	เห็นด้วย 4	เห็นด้วยอย่างยิ่ง 5
7) ไม่ว่าจะเป็นสินค้าประเภทใดก็ตามที่อยู่ภายใต้ตราสินค้าแม่ “นิเวีย” คุณจะรู้สึกเชื่อมั่นในคุณภาพได้ทันที					

3 : การรับรู้ต่อความเสี่ยง

	ไม่เห็นด้วย อย่างยิ่ง 1	ไม่เห็นด้วย 2	ไม่มีความ เห็น 3	เห็นด้วย 4	เห็นด้วยอย่างยิ่ง 5
8) เมื่อใดก็ตามที่คุณกำลังเลือกซื้อผลิตภัณฑ์ดูแลรักษาผิว คุณจะรู้สึกแน่ใจว่าจะเลือกพิจารณาสินค้าภายใต้ตราสินค้าแม่ “นิเวีย” ก่อนสินค้าอื่นๆ					
9) เมื่อใดก็ตามที่คุณกำลังเลือกซื้อผลิตภัณฑ์ดูแลรักษาผิว คุณจะมักจะเปรียบเทียบข้อมูลต่างๆ เช่น คุณสมบัติ, ส่วนประกอบของผลิตภัณฑ์ ก่อนการตัดสินใจซื้อ					
10) มันเป็นเรื่องง่ายที่คุณจะรู้ว่าผลิตภัณฑ์ดูแลรักษาผิวยี่ห้อใดเป็นตัวเลือกที่เหมาะสมกับคุณที่สุดในตลาดสินค้าประเภทนี้					
11) คุณได้รับข้อมูลของผลิตภัณฑ์อย่างเพียงพอ ทำให้คุณมั่นใจที่จะเลือกซื้อผลิตภัณฑ์ดูแลรักษาผิวภายใต้ตราสินค้าแม่ “นิเวีย”					
12) คุณรู้สึกไม่พอใจตัวคุณเอง ถ้าคุณเลือกซื้อผลิตภัณฑ์ดูแลรักษาผิวโดยผิด โดยที่ตราสินค้านั้นไม่ใช่ สินค้าของ “นิเวีย”					
13) คุณไม่รู้สึกถึงความอันตรายหรือผลเสียที่จะได้รับภายหลังหากคุณเลือกซื้อผลิตภัณฑ์ดูแลรักษาผิวภายใต้ตราสินค้าแม่ “นิเวีย”					

4: ความก้าวล้ำและความเปลี่ยนแปลง

	ไม่เห็นด้วย อย่างยิ่ง 1	ไม่เห็นด้วย 2	ไม่มีความ เห็น 3	เห็นด้วย 4	เห็นด้วยอย่างยิ่ง 5
14) คุณชอบที่จะแสวงหาสินค้าที่มีความแปลกใหม่ และชอบที่จะทดลองใช้สินค้าดังกล่าว ณ จุดขายอย่างสม่ำเสมอ					
15) คุณชอบที่จะสัมผัสประสบการณ์แปลกใหม่กับการซื้อสินค้าภายใต้ตราสินค้าแม่ “นิเวีย” มาทดลองใช้					

	ไม่เห็นด้วย อย่างยิ่ง 1	ไม่เห็นด้วย 2	ไม่มีความ เห็น 3	เห็นด้วย 4	เห็นด้วยอย่างยิ่ง 5
16) คุณมักจะหาซื้อผลิตภัณฑ์ภายใต้ตราสินค้าแม่ “นีเวีย” ที่เป็นสินค้าที่มีรูปแบบแปลกใหม่อย่างต่อเนื่อง					
17) คุณคิดว่าตราสินค้าแม่ “นีเวีย” ประสบความสำเร็จในด้านความสามารถที่จะบ่งบอกถึงความก้าวล้ำของคุณภาพสินค้าที่อยู่เหนือกว่าคู่แข่ง					
18) คุณคิดว่าตราสินค้าแม่ “นีเวีย” มีความโดดเด่นในการที่จะนำเสนอผลิตภัณฑ์ชนิดใหม่ๆออกสู่ตลาดอย่างสม่ำเสมอ					

5: การประเมินผลโดยรวมของการขยายตราสินค้าของ นีเวีย

	ไม่เห็นด้วย อย่างยิ่ง 1	ไม่เห็นด้วย 2	ไม่มีความ เห็น 3	เห็นด้วย 4	เห็นด้วยอย่างยิ่ง 5
19) คุณคิดว่าสินค้า “นีเวียบาร์แคร์” ที่ได้ขยายออกสู่ตลาดนั้น มีความเกี่ยวเนื่องโดยตรงกับตราสินค้าแม่ “นีเวีย”					
20) โดยรวมแล้ว คุณมีความรู้สึกพึงพอใจจากการที่สินค้าแม่ “นีเวีย” ขยายตราสินค้า “นีเวียบาร์แคร์” ออกสู่ตลาด					
21) โดยรวมแล้ว คุณมีทัศนคติที่ดี ต่อสินค้า “นีเวียบาร์แคร์” อันซึ่งอยู่ภายใต้ตราสินค้าแม่ “นีเวีย”					
22) คุณมีความเชื่อมั่นว่าสินค้า “นีเวียบาร์แคร์” จะได้รับการตอบรับเป็นอย่างดี เพราะสาเหตุที่เป็นสินค้าภายใต้ตราสินค้าแม่ “นีเวีย”					

ส่วนที่ 2: ข้อมูลส่วนตัว

- เพศ: () ชาย () หญิง
- อายุ: () ต่ำกว่า 18 ปี () 18-25 ปี () 26-35 ปี
() 36 หรือมากกว่า
- การศึกษาสูงสุด: () มัธยม () วิทยาลัย () อนุปริญญา
() ปริญญาตรี () ปริญญาโท () ปริญญาเอก
- อาชีพ: () นักเรียน/นักศึกษา () ผู้บริหาร/ผู้จัดการ () รับราชการ
() พนักงานบริษัท () ธุรกิจส่วนตัว () อื่น.....
- รายได้ต่อเดือน: () 8,000 บาทหรือต่ำกว่า () 8,001-12,000 บาท () 12,001-16,000 บาท
() 16,001-20,000 บาท () 20,001 บาทหรือมากกว่า

