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Abstract

Brands, and especially the topic of this study, brand extensions, are debated issues both in the academic literature as well as in the real business life. Brand extensions have been of interest for a number of companies recently, and one can easily see examples of extended brands in everyday life. This is understandable, since as competition in the markets gets fiercer every day, relying on existing strong brands can be a significant advantage for a company. Extending a brand requires careful consideration, however, as with an unsuccessful extension a company may harm the core brand severely.

This thesis aimed at studying the brand extension of a Finnish faucet brand into an international design bathroom concept. Particular interest was in the possible impacts the extension may have on the image of the brand. The case company in the thesis is Oras Ltd – a Finnish manufacturer of faucets. Oras has now exploited a new area of business together with the Italian designer company Alessi, and is participating in a new design bathroom concept called Il Bagno Alessi. Thus, the objective of this thesis was to examine the relationship between the brand extension, Il Bagno Alessi by Oras, and the Oras brand image. The main research objective was studied by dividing it into three sub-objectives: exploring factors constituting the brand image, reflecting the relation between the brand image and the brand identity, and examining the brand extensions.

This thesis is a qualitative case study, in which the empirical data was collected through in-depth interviews. The theoretical part is based on the frameworks for brand identity by Aaker – Joachimsthaler and Kapferer, and brand image by Gordon, Keller and Plummer. New conceptual models for both concepts were, however, initiated in order to suit the purposes of this particular study. Both the image and the identity of the Oras brand were examined in the thesis in order to attain a suitable background and basis for studying the possible impacts of the extension to the image. The extensions were then studied also from the brand image viewpoint.

The findings show that in general, the Il Bagno Alessi by Oras definitely has consequences also to the brand's image. Overall, the interviewees strongly believed the consequences to be rather positive. Additionally, some concerns related to Il Bagno Alessi by Oras were expressed. The extension involves great risks relating to the image of the brand, indeed, but additionally, it offers significant potential for the brand.

Key words	Brand extension, brand image, brand identity
Further information	