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The Impact of Brand Extension Strategy on the Brand Equity of Fast Moving Consumer Goods (FMCG) in Egypt

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Abstract

Purpose: ThisStudy the brand extension in FMCG (fast moving consumers goods) focuses on Food and Beverages sector in Egypt analyzes the factors consisting Brand extension strategy, Identify factors that enable enhanced brand equity through brand extension, Measures the effects of the brand extension strategy on brand equity.The empirical study investigate the impact of the three important factors constitute Brand Extension on Consumer-Based Brand Equity as the dependent variable but it will be measured using three factors which are perceived quality, Brand Loyalty, and Brand Association, and also test the relationships between the factors constituting Brand Extension with the three factors constituting Brand Equity. **Methodology/Approach:** The research employed questionnaire for sample constitute 415 Egyptian consumer to investigate the impact brand extension strategy on brand equity , testing hypothesis by applying both Correlation Spearman between brand extension strategy, brand equity and Multiple Regression analysis to find the effect independent variable (brand extension: Similarity, Brand reputation& Consumer innovativeness, Brand familiarity), on dependent variable (brand equity). **Findings:** The results reveal thatthere is positive strong relationship between brand extension and consumer based brand equity amongst Fast Moving Consumer Goods (FMCG) in Egypt. Brand familiarity, brand image/ consumer innovativeness excluding similarity, have a significant effect on the brand equity.**Research limitations/implications:** As the study is conducted only within one industry there is a risk that the results may represent industry-specific factors that are not representative of all consumer markets. The findings have practical application and are relevant for marketing managers and brand managers. **Originality/value:** Detailed insights and key lessons from the field with regards to how brand extension affects brand equity should be conceptualized and measured are offered.

Keywords: Brand Extension, Brand Equity, Similarity, Reputation of parent brand & Consumer Innovativeness, Brand familiarity, Perceived quality,Brand loyalty Brand association.

1. Introduction

In today's world, where the consumer is constantly exposed to more and more brands in almost any kind of environment, the importance of exploiting those brands which have managed to reach the consumer's mind and gained a strong position has increased (Andreas& Carl, 2006). Up to ninety percent of new products get launched in one year as an extension of a brand (Keller 2003). Countless cases can be listed as successful brand extensions examples, while the advantages of brand extensions have been widely discussed; there are also quite a lot of failures which cannot be ignored. Statistics shows that there is an unexpected 84% failure rate among brand extension in some categories (Ernst & Young, 2003). Intoday's branded world brand extensions due to their in- built efficiencies and advantages forfirms have become important tool for brand managers. Since brand extensions are key drives ofgrowth, expansion and marketability for firms as a result it has become an integral part of abrand life cycle (Kapferer, 2001). Launching a new product is a costly strategy as it may cost a company as much as US $ 1000million (Randall, 2000). This is substantial amount of investment and there is no surety ofsuccess. Given the view that new product is considered as a strategic investment, thereforecompanies look forward to reap the benefits of this investment by launching a brand in someother product class (Mohibullah&Abid, 2009).The success of a brand extension can be measured interms of gross profits, market share and the years of successful product life cycle (Grime,Diamantopoulos & Smith, 2002).

In the Egyptian market; with population of 91.2 million people in January 2013 (Capmas.gov.eg). The expenditure on Foods and Beverage was almost 40% from the family income (Capmas.gov.eg).

The Egyptian Market of Fast Moving Consumer Goods (FMCG has a good opportunity for growth , In the market of the beverage for example the sales volume of juice increased from 2005 till 2012 between 19 % and 22 % yearly (Nielsen Company , Egypt,2012).. The sales volume of milk increases annually between 18 % and 45 %, also the annual increases of Potatoes salesvolume (Kg) is 39.39% and for frozen beef (Kg) Markup percentage 31.74 %.

The main driver of Egyptian consumer to buy (FMCG) is low prices.

So the FMCG brand managers prefer to use the brand extension through using the same brand name of group of products which give them a good opportunity to decrease the cost of marketing campaigns which lead to price less than competitors rather than affording high cost of building a new brands with high competition of the Egyptian products and imported products.

The current research aims tostudy the brand extension in FMCG (fast moving consumers goods) focusing on Food and Beverages sector in Egypt Analyzes the factors consisting Brand extension strategy, Identifiesfactors that enable enhanced brand equity through brand extension, Measures the effects of the brand extension strategy on consumer based brand equity.

2. Literature Review

2.1 Brand Extension Literature

Keller (2008) defined brand extension as the use of well-known brand names for new product introductions.

Tung, Cheng and other (2010) and Kotler (2000) classified the brand strategies into five strategies, which comprise the extension of product line, brand extension, multiple brands, new brand, and co-branding etc.

Kotler &Armstrong (2007) mentioned that firms can follow many strategies for brand extensionssuch as new product launching, multi-branding and or launching a totally new brand. Theconcept of multi- branding infers launching extra brands under the same product in which thefirm is already competing. The main advantage lies in this strategy as the firm can target a largerconsumer base through its additional value added services and features (Kotler & Armstrong,2007).

P&G is a prime example of this strategy as it has many shampoo brands appealing tovarious consumers segment of the population. Whereas, a new brand is launched when a popularbrand (Cash Cow) becomes a dog in the growth share matrix also called BCG matrix (KotlerPhilip, 2006).

Chen and Gu (2012) analyzed the challenges and opportunities a company faces when implementing brand extension strategy. Four factors (Brand loyalty, Brand awareness, and perceived quality and Brand association) in Aaker's brand equity are used to compare two brand extension cases. The survey was conducted in UK and Japan. The results indicated that Challenges always exist in brand extensions no matter how successful the parent brand is. When stretching the brand to a new category, the company should be aware of consumers' strong brand loyalty to an existing brand, Opportunities can be found accompanied by challenges at the same time. The loyalty of an existing welcomed brand can make good contribution to brand extension

Tung, Cheng & others (2010), concluded that the more successful brand strategies that a company has, the higher brand equity will be recognized by the consumers, that is, the brand strategies has a positive effect on the brand equity, by investigating 450 consumers in Taiwan health food market via questionnaires .

Pina Jose, Iversen Nina and MartinezEva (2010) addressed the "Feedback effects of brand extensions on the brand image of global brands: a comparison between Spain and Norway".The sample tested in this study consists of 200 Spaniard respondents and 267 Norwegian. They revealed that Brand familiarity has a direct positive effect on attitude towards the extension and, increasing familiarity with the parent brand has a direct positive effect on the adaptation of the parent-brand image and the higher the degree of perceived image fit, the more favorable the attitude towards the extension and the effect of perceived image fit on extension attitude is weaker/stronger when consumer innovativeness is high/low.

Hem andIversen(2008)investigated that how consumers evaluate extensions and how an antecedent state of consumers, such as consumer knowledge and perceived similarity, can influence the evaluation of extensions. Tested in a study amongst 760 consumers in Norway, They figured out the different perceived similarity dimensions influence the evaluation of extensions differently depending on the nature of the parent brand. It also found that Competence similarity, usage similarity and associative similarity have a positive effect on evaluations of extensions. It extends the knowledge of how perceived similarity dimensions influence the evaluation of extensions of both simple (search and experience) and complex (credence) products.The positive effect of usage similarity is stronger for extensions from complex product categories than from simpler product categories.

Cheng, Hu & others (2009) attempted to explore the relationships between brand strategy, and brand equity, the data collected from 115 questionnaires investigation method in Taiwan, reveals that the wider the brand strategy extends, the clearer the channel strategy appears.

Durrani& Hussain (2009) explored the use of brand extension strategies in the Pakistani context. And why do companies in general and specially in Pakistan use brand extension? Which indicatedone of the important factors for brand extensions is growth and brand extensions can be a motivation for enhancing the recognition and recall

of the parent brand.
Campbell and Keller (2003) Studied “BrandFamiliarity and Advertising Repetition Effects”. The study surveyed in Panama and showed that the brand familiarity moderates the attitudinal effects of repetition and the attitude towards the advertising had a greater influence on attitude toward the brand for unfamiliar brands compared with familiar brands.
Hem ,Chernatony and Iversen , 2001,” Studied Factors influencing successful brand extensions “investigate how the antecedents of similarity, reputation, perceived risk and innovativeness influence consumers' evaluations of brand extensions by surveying 701 consumers in Norway, which conclude thatperceived similarity is a crucial factor in the evaluation of services brand extensions. The reputation of the parent brand is a crucial factor influencing the likelihood of a successful brand extension. Building a favorable reputation for a parent brand is an important contributor to the success of brand extensions.
Kristinsdóttir (2010) defined consumer innovativeness “as the relative willingness of a consumer to try a new product or service. It is the degree of how much faster a consumer is to adopt an innovation than other consumers.” This is often measured by how long time has gone between the launch of a new product and the consumers' adoption of that given product (Blake et al., 2003).
Innovativeness is a personality trait related to an individual's receptivity to new ideas and willingness to try new practices and brands increase (Leif, Leslie, Nina, 2001, Claire Blok, 2011). Consumer innovativeness is suggested to be related to behaviors and characteristics of consumers (Goldsmith et al., 2003which has been related to the success of brand extensions (Klink&Smith, 2001; Vo¨lckner&Sattler, 2006). The idea is that more innovative consumers more easily accept brand extensions because they are more adventurous and less dependent on perceptions of related-ness (perceived fit) between the extension and the parent brand (Czellar, 2003). of brand extensions as well as impact subsequent feedback effects (Jose, Nina and Eva, 2010). Some studies show that consumer innovativeness can have a positive influence on brand-extension evaluations, for both FMCG (Vo¨lckner& Sattler, 2006) and services (Hem et al., 2003).
The discussion of previous literature review related to brand extension strategy suggests that itcompose of:

- ***Similarity***is the degree to which consumers perceive the extensions as similar to other products affiliated with the brand (Hem,Chernatony, 2001, Hem andIversen, 2008).
- ***Reputation of parentbrand & Consumer Innovativeness***
  - *Reputation of parent brand*considered as the outcome of product quality, the firm's marketing activities and acceptance in the market place, Brands with higher perceived reputation should provide consumers with greater riskrelief and so encourage more positive evaluations than brands of lower reputation (Hem,Chernatony and Iversen, 2001, Keller, 2008, Chen and Gu ,2012).
  - *Consumer innovativeness*is the relative willingness of a consumer to try a new product or service. It is the degree of how much faster a consumer is to adopt an innovation than other consumers(Kristinsdóttir, 2010).
- ***Brand familiarity*** which reflects consumers' direct and indirect experience with the brand and with its entire product portfolio (Pina, Iversen&Martinez,2010, Campbell and Keller, 2003).

When a brand name is extended to offer recognition, credibility, and a quality association, initially successful, a brand extension may be susceptible to competition. Extensions should improve the core brand, but there is a risk that an extension could arouse negative attribute association. The extension must fit the brand; a meaningful association that is common to the brand and the extension can provide the basis of fit. An extension usually will create new brand associations; outcome of a brand extension is an opportunity to enhance brand equity.
2.1 Brand Equity Literature
Aaker (2005) Defined Brand equity as a set of assets and liabilities to a brand's name and symbol that adds to or subtracts from the value provided by a product or service to a firm and/or a firm's consumers”. These assets and liabilities can be grouped into four categories: brand loyalty, brand awareness, perceived quality, and brand associations.
The reason why brand equity occurs and how marketers can create this is captured in Keller's (2008) definition: "Consumer-based brand equity occurs when the consumer has a high level of awareness and familiarity with the brand and holds strong, favorable, and unique brand associations in memory.
Radder(2002) studied “Building brand loyalty within selected segments of the south African fast moving consumer goods market”, investigated what strategies an organization could implement to achieve and sustain loyalty from current and prospective consumers towards its brand in a highly competitive, FMCG market in South African, which conclude toBrand loyalty exists where a brand has become a consumer's preferred choice, and where there is a deeply held commitment to re-buying the brand or service.
Carlson & Johansson(2006), examined “Category Extensions - Factors Enhancing Brand Equity, Ekonomiska institution”, surveyed factors that enable enhanced brand equity through category brand extension in Sweden, it concludedthatIf the brand is represented by several product categories and these carriers fit the brand concept, the result is a brand image high in abstraction level. A high level of abstraction in the consumers' associations to

the brand enhances the transferability, which increases the possibilities to conduct future extensions that enhance brand equity. The lowered risk of brand dilution thanks to several product categories is furthermore a factor that enables indirect enhancement of the brand's equity. A category extension can increase the correlation between self-image and brand image and thereby enhance brand equity.
Lee, Ching , Chen (2011)investigated the relationship between the variance of two brand images and dimensions of brand equity after M&A(Merge and acquisition), which found out the variance with the greatest value across both brand images was brand association and acquiring a brand with a superior image can create better brand associations than acquiring one with an average image. Meanwhile, acquiring a brand with a better image creates the same effect on brand loyalty as it does on brand association.
Boisvert, Burton(2011) tested the effect of parent brand salience, branding strategy and extension innovativeness positioning on the extent of transfer of associations from the parent brand to a brand extension in Taiwan. The results showed that the branding strategy, the innovativeness of the extension and the salience of parent brand associations influence the extent of transfer of brand associations.
Balaji (2009)Investigated Interrelations among the Brand Equity Dimension in India, identifying which factors are influential in building brand equity. He concluded to Brand awareness, perceived quality and brand loyalty significantly contributed to brand equity.
The discussion of brand equity literature agreed upon that brand equity as an additional value that the brand gives it to the product or service (Tung & Cheng, and others, 2010).
This research considers Brand equity as composed of:

- ***Perceived quality***: is a consumer´s perception of the overall quality or superiority of a product or service relative to another and with respect to its intended purpose (Keller et al, 2008).
- ***Brand loyalty*** isthe tendency to be loyal to a focal brand, which is demonstrated by the intention to buy the brand as a primary choice (Lee et al, 2008).
- ***Brand association:***contain the meaning of the brand for the consumer and reflect his perception of the brand (Keller, 2008).

From the above two groups of literatures we come to a thorough insight of the two variables Brand extension and Brand Equity proposed in the research model .

3. The Model

The following figure represents A Schematic representation of the variables discussed in the study

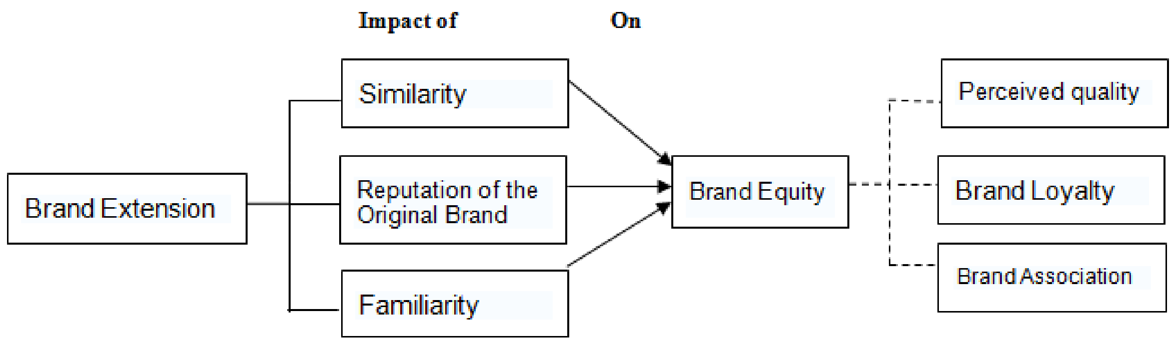

Figure (1): The Impact of Brand Extension Strategy on the Brand Equity

The study will investigate the impact of the three important factors constitute Brand Extension on Brand Equity as the dependent variable but it will be measured using three factors which are perceived quality, Brand Loyalty, and Brand Association.
The study also will test the relationships between the factors constituting Brand Extension with the three factors constituting Brand Equity.

4. Research hypotheses

Based upon research objective and literature review and the above suggested Model, The study will test the following hypotheses:

H1. There is a positive relationship between brand extensions as represented by the three components with brand equity as represented by the three components.
H2. Similarity Perception effect positively Brand Equity.
H3. Brand image &Consumer innovativeness affect positively Brand Equity.
H4. Brand familiarity affects positively Brand Equity

5. Research limitations

There are some theoretical and empirical limitations of this research, these limitations are as follows:

- This research was conducted in Egypt (Cairo – Alex- Giza).
- The focus is on the Hypermarkets as Carrefour Markets have a large number of brands and products reach to 55000 (http://www.carrefour.com.eg), which cover almost all the consumer needs and Carrefour is now reporting an average of 17000 visitors per day on weekdays and 40000 visitors on the weekends an average of 7500 transactions a day during weekdays and 13000 daily on weekends (http://gain.fas.usda.gov).
- Covering only the Brand Extension (Similarity, Brand reputation& consumer innovativeness and familiarity) and brand Equity (Perceived quality, Brand loyalty, Brand association) excluding another.
- Examining the brand strategy from the point of view of consumers only, not from the point of view of the retailers.

6. Methodology

6.1 Research Population and sample

6.1.1 Sample and sampling process:

The target population is around 650000 consumers from Carrefour hyper markets in Cairo, Giza, and Alexandria in Egypt. (http://gain.fas.usda.gov).

ARandom sampling of 475 Egyptian consumers will berecruited assuming a confidence level of 95% and sample error is 5 %.

This sampling size was considered appropriate because it exceeds the minimum size suggested by Malhotra and Naresh (2004) &(Eggers, 2009) for problem identification research like brand image research. A total of 475 self-administered questionnaires were distributed.

6.2 Study Instrument

The study will use a questionnaire that use a Likert- type scale with original five point format, the Interval Scale: (1)Strongly (2)Negative ,(3) Neutral,(4) Positive ,(5)Strongly positive .

A total of 415 questionnaires were retuned for 87% response rate. ,provided by Consumers from Cairo, Giza and Alexandria, the sample study in accordance with variable Gender the number of Female is (225) consumers representing (54.2%) while the number of Males is (190) representing (45.8%), this percentage of females is greater than the percentage of males since usually the purchasing isdone by females. These individuals were asked to provide information on the brand extension strategy and brand equity as follow:

Part one: brand Extension Strategy

Brand Similarity:

- Extent of similarity in the usage situation between the original and the new product of the same brand name of the original product.
- Extent of similarities between the original product and new product carries the same brand name of the product in terms of the features of each.
- Extent of similarities between the original product and new product which carries the same brand name of the original product in terms of their competition with other similar products.

Brand Reputation & consumer innovativeness

Brand Reputation:

- Extent of consumer trust in the new product of the same Brand name of the original product.
- Extent of the distinguishing price of the product compared to competitors.
- Can generally be said that the new product of the same Brand name of the original product is better than competitors' products

Consumer innovativeness:

- The desire for diversification.
- The desire for Risk.
- The desire to experience new.
- Prior knowledge of its own properties

Brand familiarity:

- Extent of your knowledge of the original product.
- Extent of similarities between the original product and new product which carries the same brand name of the original product in terms of the benefit of each.
- Extent of similarities between the original product and new product which carries the same brand name of the original productand terms of their competition with other similar products.

Part (2): brand equity

The perceived quality

- The quality of the product.
- The extent of product diversification and renewal.
- Extent of the degree of response of the marketing department to consumer requests in the product compared to competitor.

Brand loyalty

- Would you recommend your friends and acquaintances to buy and try this product?
- Extent of your welcome to repeat purchase the new product of the same brand name of the original product.
- Would you buy a new product which carries the same brand name of the product with the same rate as the original purchase of the original product?

Brand association

- Extent of your agreement that the new product of the same brand name of the original product has the characteristics that distinguish it from the rest of the products.
- The product has a reliable brand name.
- To buy my friends and acquaintances for this product.

6.3 Reliability and validity of the instrument

Table (1) Cronbach alpha coefficient of Reliability and Validity

Variables	No. of statements	Reliability	Validity
Brand Extension strategy	13	0.8196	0. 904
Brand Equity	9	0.8482	0.920
Total	22	0. 9287	0. 963

It was found that the values of reliability coefficients for all constructs are greater than (0.81). Reliability of the total of the "Implied Brand extension on the Brand Equity and Consumer (FMCG) Food & Beverage: hasreachedstability coefficientfor thetotalsample size(0.9287), which indicates thatthegooddegree ofpersistenceofthe study sample.

Validity of the total of statements of surveyhasreached(0.963); this means that the research methodhashigh reliability and validity which enable the researcher to use it with trust.

7. Study result

7.1 Descriptive Statistics

Descriptive statistics are used to describe the basic features of the data in the study and provide simple summaries about the sample and the measures.

Table (2): Descriptive Statistics

Variables	N	Mean	Std.Deviation
1- Brand Extension			
Brand Similarity	416	3.8032	.66270
Brand reputation &Consumer innovativeness	416	3.7556	.65335
Brand Familiarity	416	3.9542	.61060
2- Brand Equity			
The perceived quality	416	3.8217	.77903
Brand loyalty	416	3.8618	.71760
Brand association	416	4.0249	.66680

Table (2) shows that:

- Thebrand extension variables have mean scores that show central tendency between 3.8-3.9 with standard deviation ranged from 0.61- 0.66. Mean score of brand similarityis lower than the rest of the brand extension variables. This could reasonably be expected, based on the characteristics of the chosen extension categories. It is also observed thatbrand similarity lower than the brand familiarity due to Fast Moving Consumer Goods (FMCG) characteristics as sold quickly and at relatively low cost.
- The brand Equity variables have mean scores that show central tendency between -3.8- 3.9 with standard deviation ranged from 0.66- 0.67. Mean score of the perceived quality is lower than brand loyalty and brand association. This could reasonably be expected, based on the characteristics of the chosen brand equity categories. It is also observed that brand loyalty and brand association are higher

than the perceived quality due to Fast Moving Consumer Goods (FMCG) in Egypt sensitive to price.

7.2 Hypotheses Tests Results

The research depended on different statistical techniques to test the hypotheses using SPSS, including Correlation Spearman between brand extension strategy and brand equity and also Multiple Regression analysis to find the effect independent variable (brand extension: Similarity, Brand reputation& Consumer innovativeness, Brand familiarity), on dependent variable (brand equity).

H1. There is a positive relationship between brand extensions as represented by the three components with brand equity as represented by the three components.

The following Correlation matrix measured by spearman Rho shows the relationships between factors of both main variables.

Table (3) the correlation Matrix of the variables constituting the Studied Model.

	Similarity	Brand image, consumer innovativeness	Brand familiarity	perceived quality	brand loyalty	brand association
Similarity	1.000					
Brand reputation, consumer innovativeness	.274(**)	1.000				
Brand familiarity	.583(**)	.367(**)	1.000			
perceived quality	.465(**)	.384(**)	.519(**)	1.000		
brand loyalty	.354(**)	.357(**)	.581(**)	.468(**)	1.000	
brand association	.308(**)	.501(**)	.482(**)	.480(**)	.658(**)	1.000

** Correlation is significant at the .01 level (2-tailed).

The correlation Matrix indicates positive strongly relationship between brand extension and brand equity, where (r) equals (%59.0), level of significant is less than (0.01) when both of them measured as a bundle, also shows that relationships between factors of both main variables are positive and significant ranged between (0.31-0.58), the matrix also shows positive significant relationships between the components of both Brand extension and brand equity. Which means that hypothesis (1) is supported.

7.3 Multivariate analysis

In order to test H2, H3& H4 we employed a multiple regression analysis. The rationale for this is that the scaling of the items, as well as the construction of the aggregated variables is of a multiple nature.

The findings from this analysis are shown in Table (4).

Table (4) multiple regressions of dimensions of brand Extension on the brand equity

Independent variables	β	T. test		F. test		R^2
		Value	Sig.	Value	Sig.	
Constant	.325	2.599	.001**	417.93	.001**	67.0
Similarity	.063	1.490	.137			
Brand image &Consumer innovativeness	.348	10.261	.001**			
Brand familiarity	.575	15.854	.001**			

**Significant at the (.01) level

Table (4) shows themodel is highly significant and proves the moral quality of the conciliation model as a whole, and this means that the model is convenient. Coefficient of determination (R^2) shows that the independent variables (similarity, brand reputation & consumer innovations and brand familiarity) explains (67.0%) of the total change in the dependent variable (brand equity), and the rest of the ratio can be explained by the random error in the equation, or perhaps the lack of inclusion of independent variables, independent variables (F-test) value of (417.93), which are significant at a level less than (0.01).

H2. Similarity Perception effect positively Brand Equity.

Testing of H2postulates that consumers evaluate FMCG brand equity more favorably as the similarity increases between the parent brand and the extension category.

A non-significant positive effect of similarity, on brand equity = .063; p › .01.

Whichmeans H2is unsupported.

Similarities between the original product and new product which carries the same brand name of the product in terms of the features of each, by the coefficient of variation calculation which suppose increase the tendency of consumer to buy the extended brand, so this is unexpected result. The more probable explanation is the price aggressive completion of (FMCG) in Egypt.

H3. Brand reputation and Consumer innovativeness affect positively Brand Equity.

Testing of H3postulates that consumers evaluate FMCG brand equity more favorably when the parent brand has a strong reputation& consumer more innovative.

The t-test 10.261, of the coefficient of the variables representing independent variables shows that the independent variable brand reputation &consumer innovativeness have a significant effect on thebrand equity, = . .348; p= .001.

This means H3 is supported.

The H3 test result prove that reputation of parent brandconsidered as the outcome of product quality, the firm's marketing activities and acceptance in the market place, Brands with higher perceived reputation provide consumers with greater risk relief and so encourage more positive evaluations of brand equity, and also indicates *Consumer innovativeness* as the relative willingness of a consumer to try a new product evaluate FMCG brand equity more favorably as the consumer innovativeness increases .

H4. Brand familiarity affects positively Brand Equity

This hypothesis Suggest a strong Brand familiaritywhich reflects consumers' direct and indirect experience with the brand and with its entire product portfolio has a positive impact on consumer based brand equity.

Table (4) shows the t-test (15.854) of the independent variable (brand familiarity) have a significant effect on the brand equity, = .575, P= .001.

This means H.4 supported.

The H4 test result proves that, Brands with higher familiarity of parent as knowledge for the original product, terms of benefits in each encourage more positive evaluations of brand equity.

8. Research implications:

Using the right marketing reaction strategy at the right moment has become indispensable for marketing managers in today´s highly competitive business environment. Based on the findings of the study, there are some research implications for Brand managers and marketing managers within the FMCG market.

The present results may help brand managers to monitor important variables when launching brand extensions, Brand-extension strategy should be avoided when the new product is not coherent with associations of the parent brand. If image fit is guaranteed, there is less need for the extension to fit the present product portfolio. Moreover, firms should emphasize the response to brand-extension strategies depend on both the consumer innovativeness hence, the strategy of improving consumers' behavior through strengthening brand equity dimensions.

The Marketing managers should make a campaign for the consumers to make them know more about the original brand, Because of knowledge differences, consumers are likely to have different processing goals when exposed to ads sponsored by unfamiliar and familiar brands. People tend to attempt to learn about and evaluate novel stimuli. Thus, when consumers are exposed to an ad for an unfamiliar brand, they are more likely to have a goal of learning about and forming an accurate impression of the brand. To put it another way, if ads for unfamiliar brands appear more novel and interesting, they will therefore elicit more extensive processing.

When exposed to an ad for a familiar brand, by contrast, consumers already have some knowledge about the brand and, therefore, are more likely to update their existing knowledge. Since consumers already know something about familiar brands, they are likely.

To engage in relatively less extensive, more confirmation based processing when exposed to an ad for a familiar brand. In fact, familiarity can itself use cognitive capacity such that processing of a familiar, relative to an unfamiliar, stimulus is diminished.

The marketing Managers should focus on building a trust between company's products and consumers and devote consumer trust by loyalty program, complain system.

In order to develop effective communication strategies, brand managers would benefit from deeper knowledge of how to enable consumers to identify such similarity dimensions.

The prior knowledge is very important factor which means that the company should make a campaign for the consumers to make them know more about the extent brand. The present results may help brand managers to monitor important variables when launching brand extensions.

Managers have to study a multitude of consumer associations that influence overall image, e.g., the variety and quality of products, services, and brands sold; the physical store appearance; the appearance, behavior and service quality of employees; the price levels, depth and frequency of promotions and so on.

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