ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

ASSESSMENT OF BRAND EXTENSION EVALUATION THE CASE OF TECNO MOBILE CONSUMERS PERSPECTIVE

BY: GEDIYON KIFLU

June 2018

Addis Ababa Ethiopia

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A THESIS SUBMITTED TO THE DEPARTMENT OF MARKETING MANAGEMENT PRESENTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF MARKETING MANAGMENT

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This is to certify that **_Gediyon Kiflu_** carried out his thesis on **_"Assessment of Brand Extension Evaluation the Case of Tecno Mobile Consumers Perspective"_** and submitted in partial fulfillment of the requirements for the award of the degree of Masters of Art in Marketing Management at St. Marry University with my approval as university advisor.

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Declaration

I, the undersigned, declare that this thesis is my original work; prepared under the guidance of Mulatu Takele (Ph.D.). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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ACKNOWLEDGEMENTS

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ABSTRACT

The research paper has taken one of the most important topics in marketing management; assessment of brand extension evaluation in case of Tecno Mobile in the market of Addis Ababa. The general objective is to assess the factors consumers consider while making brand extension evaluation. The specific objectives are to assess the influence of that a brand image on consumer brand extension evaluation and to assess the influence consumer brand extension evaluation has on parent brand. The type of research design used in this study is qualitative/ descriptive. Both primary and secondary data collection method were used. The primary data was gathered through questionnaires and interviews. The secondary data came from previously written materials about Tecno Mobile and the company website. The population was undefined and therefore a probability sampling technique specifically convenience sampling method was used to choose those one hundred fifty respondents, these respondents taken from selected five Tecno mobile show rooms in the Addis Ababa market only. Namely, the show rooms found in Piasa, Megenagna, Bole, Merkato, and Saris. The major findings of the paper are that consumers positively evaluate a brand extension when it is complementary and supplementary to the parent product and negatively when it is substitute. The other finding of this research paper is that how interdependent the reputation of a parent product and reputation of an extended product are regarding consumer evaluation. This research paper recommends companies to take a due when it comes to brand extension because it has a far reaching effect.

Key words: *Brand extension, consumer, attitude/evaluation, parent brand, reputation, complement, substitute and supplement.*

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Durable goods are a category of consumer products that do not need to be purchased frequently because they are made to last for a long time (usually lasting for three years or more). They are also called consumer durables or durables. Durable products have an extended life and are not typically worn out or consumed quickly when you use them. Since they're made to last, durable goods are often times more expensive than non-durable goods that have to be purchased repeatedly over a short period of time (Denicolò, V. and Garella, P. G. 1999), many goods are durable: cars, light bulbs, shoes, computers, cell phones etc. Durable goods make a huge part of overall consumption in modern economies.

A brand is a name or trademark connected with a product or producer and it is a term that includes practically all means of identifying a product name term, sign, symbol, design or a combination of them that identifies the goods or services of one seller or a group of sellers and differentiates them from those of competitors Oliveira-Castro, (2008).

Product branding has become an increasingly important component of the economy because it refers to how a corporation is perceived. It matters to consumers as brands provide important functions; Brands identify the source or maker of a product and allow consumers to assign responsibility to a particular manufacturer or distributor. Most important, brands take on special meaning to consumers. Because of past experiences with the product and its marketing program over the years, consumers find out which brands satisfy their needs and which ones do not. As a result, brands provide a shorthand device or means of simplification for their product decisions. If consumers distinguish a brand and have some information about it, then they do not have to engage in a lot of extra thinking or processing of information to make a decision. Heaton J. (2016).

Brand extension is a marketing strategy in which new products are introduced in relation to a successful brand. With the aspire of dropping costs of introductory and follow-up marketing programs and avoiding costs of mounting a new brand, brand extensions have become prevalent.

According to Keller (1990), brand extension occurs when the parent brand is used to enter a different product category from that currently served by the parent brand. The motivation behind brand extensions is assumed that what a consumer knows and prefers about a brand can be transferred to the new product consequently leading to encouraging associations, reduced perceived risk, and extensions acceptance.

In the opinion of Sengupta (1998), a successful brand is like a powerhouse which contains enough energy to illuminate distant territories. This accumulation of the consumer-pulling power can be used beyond the boundaries of the brand's traditional market.

The strategy of brand extension is popular because it is less risky and cheaper compared to the creation of a new brand. Leslie and Malcolm (1998) point the same economical advantage by indicating that the economics of establishing new brands are pushing companies more towards stretching their existing name into new markets .In the 14th edition of their book Kotler and Armstrong (2012) mentioned that brand extension gives a new product instant recognition and faster acceptance and saves the high advertising costs usually required to build a new brand name. A new brand always brings some risk in terms of the cost of introducing a new brand in some consumer markets and more extensive and aggressive use of promotions by established firms.

TECNO Mobile, established in 2006, is a premium mobile phone brand of Transsion Holdings. As the first dual-SIM handset supplier in Africa, TECNO is dedicated to transforming state-of-the-art technologies for emerging markets, providing tailor-made localized products under the guideline of Think Globally, Act Locally. Those Products includes: Phantom, Camon, spark, pouvoir, tablets, and accessories and alike.

Consumer evaluation is defined as the process by which consumers or end users make up their minds about a particular purchase because they have decided a certain product to be better than the alternatives present in the market at that point in time. The verdict of a consumer evaluation is what affects buying behavior which is the decision to buy the product. Every producer's ultimate goal is to make a sale and thus consumer evaluation is as important as any of the primary objectives of a firm set up for profit.Verma (2002)

Consumer evaluation is a process that takes place either before or after purchase. Before the actual purchase, consumers evaluate a product based on their past experiences and reviews of the product by other consumers. Of course in the case of brand extension the prior is likely a pushing factor when making a purchase decision. The everyday consumer is more likely to repeat a pleasurable purchasing experience. William D. Neal (2000)

Consumers evaluate a product based on what that particular consumer is looking for in a product. There are various factors that influence buying behavior and determine whether a consumer would or wouldn't make the purchase. The driving factors differ from one consumer to the next. The two major and well known driving factors are price and quality. For some consumers, price is the number one priority; for some, it is quality; and for some, it is a combination of both. Richard J. Lutz, (2005)

1.2 Statement of The Problem

Brand extension is one of the strategies a company can use and it is not actually a new concept. This marketing strategy dates back from the 1960`s but it really became popular since the 1980`s. Indeed, it is very expensive to create and launch a new brand in the market in a market that is already full of different brands. Thus brand extension is a way of restricting expenses and risks compared to the creation of a new brand. William D. Neal, (2000).

This strategy consists of using an existing brand name to launch a product in a category considered new for the company. The new product will have a different function and a different nature in comparison with the first product. Usually, the existing brand will have a good image within consumers making the process of evaluation easier for consumers because the brand already benefits both from a good fame and from a recognized level of quality with consumers. Thus, consumers are less reluctant to try the new product because they like buying what they already know. Most consumers don't like taking risks by trying a new product from an unknown brand. Llonch-Casanovas, M (2012).

Tecno Mobile, being one of the most popular leaders in the production of cell phones and similar products in addition to being successful in the application of brand extension, serves as a good example to make our point in case clear. Tecno mobile infuses the market with various cell phones, accessories and similar products.

Consumers' evaluation of a product depends on what that particular consumer is looking for in a product. There are various factors that influence buying behavior and determine whether a consumer would or wouldn't make the purchase. The driving factors differ from one consumer to the next. The two major and well known driving factors are price and quality. For some consumers, price is the number one priority; for some, it is quality; and for some, it is a combination of both. What ranks first to a consumer when evaluating a brand is highly dependent upon the income of the consumer, his/her background, social status and other internal and external factors which remain relatively unique to every buyer/consumer. Richard J. Lutz, (2005)

To better understand how the previously identified gaps affect consumer evaluation, it is best to see the brand extension practices of Tecno mobile Regardless of how knowledgeable a company is about the best theoretical brand extension practices, it needs to have a clear understanding of how consumers evaluate the extended products.

Beside the parent brands, there are lots of brand extensions broadly available in the market of Addis Ababa and from previous studies made on the topic of brand extension, some gaps had been observed. These gaps present a significant reason to conduct further study. Basically, the gaps serve as proof of the need for more research on assessing the brand extension practices of different durable goods in the city and how consumers evaluate their brand extension practice.

The identified gaps were:-

- ➢ Lack of sufficient studies conducted on the relationship between brand extension and consumer evaluation.
- ➢ Neglection of factors affecting consumer evaluation other than price by previous studies.

1.3 Research Questions

1. What are the factors consumers consider while making brand extension evaluation?
2. What is the influence of a brand image on consumer brand extension evaluation?
3. What influence does a consumer brand extension evaluation have on parent brand?

1.4 Objective of the Study

1.3.1 General Objective

The general objective is to assess the factors consumers consider while making brand extension evaluation.

1.3.2 Specific Objectives

The specific objective are

- To assess the influence of that a brand image on consumer brand extension evaluation.
- To assess the influence consumer brand extension evaluation has on parent brand.

1.4 Significance of the Study

The study conducted on the Consumer's evaluation on brand extension on durable goods market, in the Case of Tecno Mobile Addis Ababa will have two major significances.

It will provide producers with the much needed insight into consumer evaluation of brand extensions of durable goods in the market of Addis Ababa, thereby providing the necessary input for sound decision making, and giving information to consumers. And it also serves as source of reference for further studies in the area of brand extension.

1.5 Scope of the Study

Geographically, the researcher gathered data from selected five Tecno mobile show rooms in the Addis Ababa market only. Namely, the shops found in Piasa, Megenagna, Bole, Merkato, and Saris. The scope of this study is confined to the investigation and clarification of the Addis Ababa consumer buying behavior of durable products which are the extended brands, as we can see from the title "Assessment of Brand Extension Evaluation the Case of Tecno Mobile Consumers Perspective" The research only focuses on the Consumers Perspective. Specifically, the research limits its scope to addressing the market gaps identified by previous studies and show how well Tecno Mobile is making the most of brand extension, In this case Tecno mobile makes an extension of Tecno tablets.

1.6 Limitations of the Study

The limitation of this study is that only a single parent brand and extension are considered as stimuli which might lead subjects to solely centralize their responses on the given stimuli. This limits its generalization to other durable goods brand extensions. It is also limited to a qualitative approach as a research methodology.

1.7 Operational Definitions of Key Terms

- Product- A good, idea, method, information, object or service created as a result of a process and serves a need or satisfies a want.
- Brand- Unique design, sign, symbol, words, or a combination of these, employed in creating an image that identifies a product and differentiates it from its competitors.
- Parent brand-An existing brand that gives rise to a brand extension by supporting the allied products/services by sharing its brand identity.
- Extended brand- A new product introduced with an established brand name (Keller, 2003)
- Brand extension-Is when a current brand name is extended into new or modified products in a new category (Kotler and Armstrong, 2012)
- Consumer- a purchaser of a good or service in retail, an end user not necessarily a purchaser, in the distribution chain of a good or service.
- Reputation-Refers to the belief or opinions that are generally held about the brand. Reputationis as a cumulative, taking into account how people come to regard an entity over time Marconi (2001).

1.8. Organization of the Study

The study is organized sunder five chapters. Chapter one includes background of the study, statement of the problem, basic research questions, objectives of the study, significance of the study, scope and limitations of the study.

Chapter two includes review of relevant related literature. In this second chapter, theoretical and empirical foundations of the study will be presented.

Chapter three encompasses the research design and methodology which includes description of the population, sampling, data collection and data analysis methods.

In chapter four results and discussion of the study is presented in detail.

The last chapter presents the summary, conclusions and recommendations of the study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter discusses about the theoretical review, empirical review and Conceptual frame work. In the theoretical review part; the concept of branding, role of branding, brand awareness, brand loyalty, brand imagery, new product brand development, and brand extension, brand extension types, advantages and disadvantages of brand extension, and principles of good brand extension are discussed. In the empirical literature part, past studies that were conducted on the evaluation of product extension will be discusses. Finally, the conceptual frame work outlined the dependent and independent variables that influence a consumer's perception of brand extension.

2.1. Theoretical Concepts

2.1.1. Brand Definition

The word 'brand' is used by firms around the world in order to identify their offer from the offers of others. This 'brand' has been defined as a distinguishing name and/or symbol (such as a logo, trademark, or package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors. American Marketing Association in 1960 as referred by Keller (2003), is a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition According to him, brand may refer to a physical good, a service, a store, a person, a place, an organization, or an idea. Brands differentiate companies and products from their competitors.

A brand is linked to the identification of a product and the differentiation from its competitors, through the use of a certain name, logo, design or other visual signs and symbols. Lindquist and Sirgy (2003).

2.1.2. The Concept of Branding

Branding started during the Middle Ages when crafts guilds (similar to labor unions) and merchants 'guilds formed to control the quantities and quality of production. Each producer had to mark his goods so output could be cut back when necessary; meaning poor quality which might reflect unfavorably on other guild products and discourage future trade could be traced back to gutty producer. Early trademarks were also a protection to the buyer, who could then know the source of the product. Recently brands have been used mainly for identification. Virtually, all products introduced today have brand names. Most brand names are also registered as trademarks. Randall (2004)

In the view of Heaton (2011), branding is what you are. It involves the process of distinguishing a firm's product from competing products offered for sale. Though product branding has many benefits to a firm, the ultimate expected outcome of product branding is increased profit. Product branding creates product image, makes purchasing easier and develops customer franchise so that the ''search costs'' on customers may decrease so that firms could charge exorbitant price and still enjoy high profits margins. Product branding encourages firms to make huge investment in product quality which leads to higher returns. Product branding allows firms to differentiate their products to make their products unique in the eyes of consumers.

2.1.3. The Role of Branding

Brands identify the source or maker of a product and allow consumers either individuals or organizations to assign responsibility to a particular manufacturer or distributor. Consumer may evaluate the identical product differently depending on how it is branded. Consumer learns about brands through past experience with the product and its marketing program. They find out which brand satisfies their needs and which ones do not. As consumers' lives become more complicated, rushed, and time starved, the ability of a brand to simplify decision making and reduce risk is invaluable. Hill and Alexander (2003)

Brand also performs valuable functions for firms. First: they simply product handling or tracing. Brands help to organize inventory and accounting records. A brand also offers the firm legal protection for unique features or aspects of the product. The brand name can be protected

through registered trademarks; manufacturing processes can be protected through patents; and packaging can be protected through copyrights and designs. These intellectual property rights ensure that the firm can safely invest in the brand and reap the benefits of a valuable asset. Anderson and Vincze (2000)

Brand can signal a certain level of quality so that satisfied buyers can easily choose the product again. Brand loyalty provides predictability and security of demand for the firm and creates barriers to entry that make it difficult for other firms to enter the market. Loyalty also can translate into a willingness to pay a higher price often 20 to 25 percent more, although competitors may easily duplicate manufacturing processes and product design, they cannot easily match lasting impressions in the minds of individuals mind organizations from years of marketing activity and product experience. In this sense, branding can be seen as a powerful means of secure a competitive advantage. Jobber, D. (2001).

2.1.4. The Concept of Brand Awareness

Brand awareness consists of brand recall performance and brand recognition. Brand recognition relates to consumers ability to confirm prior exposure to the brand when given the brand as a cue. Brand recall relates to consumers' ability to retrieve the brand from memory when given the product category, the needs fulfilled by the category or usage situation as a cue brand awareness is of critical importance since customers will not consider your brand if they are not aware of it. Linquist and Sirgy (2003)

2.1.5. The Concept of Brand Loyalty

In the preceding theory development, we have tried to identify the underlying explanatory variables that together determine a person's brand sensitivity. To enhance the practical relevancy of this thesis, we will make one more addition to the conceptual framework by adding brand loyalty. In the introduction of this thesis, it became clear why brands are so important and how brand loyalty can help firms in obtaining a sustainable competitive advantage. It is therefore interesting to add brand loyalty to the framework. In this thesis, brand sensitivity will be measured and explained define true brand loyalty as repeated purchasing behavior under the condition of strong brand sensitivity. In combination with the measure for brand sensitivity,

adding a measure for repeat purchasing behavior will probably provide enough information to draw some inferences on brand loyalty. Odin (2001)

From the preceding theory development and extent it in the direction of brand loyalty, one of the antecedents of brand sensitivity that the paper has identified is involvement. It has become clear that involvement in a product category is directly related to the perceived differences between brands.

As mentioned, the perceived differences between brands cause consumers to prefer one brand over another. It is plausible that this preference for one brand remains intact over time and causes the consumer to remain loyal to a certain brand. Another antecedent of brand sensitivity that influences brand loyalty is perceived risk. Perceived risk is a major determinant of brand loyalty. Consumers who perceive strong risks in a certain product category tend to be more brands loyal as a means of risk avoidance. Pati, D. (2002).

2.1.6. New Products, Brand Development, and Brand Extension

	Present product	New product
Present market	Market Penetration Strategy	Product Development Strategy
New market	Market Development Strategy	Diversification Strategy

Table 2.1: Asnoff's four product-market strategies

Source: Fundamentals and Practice of Marketing, John Wilmshurst & Adrian Mackay (2002)

The above table shows the options/sources organizations can employ. According to Wilmshurst and Mackay (2002) product development strategy is when a company develops new products or services (or 'enhancements'), or takes its existing products to serve new markets. There is a risk with this strategy – new products require investment and learning new markets. Finding new distribution channels also requires investment. Overall, there is a risk, i.e. the money involved.

Within the concept of new products, how buyers decide on buying new products has been put in a process of five stages (Kotler and Armstrong, 2012):

Awareness: The consumer becomes aware of the new product but lacks information about it.

Interest: The consumer seeks information about the new product.

Evaluation: The consumer considers whether trying the new product makes sense.

Trial: The consumer tries the new product on a small scale to improve his or her estimate of its values.

Adoption: The consumer decides to make full and regular use of the new product.

The concept pertinent to this study can then become clear at this point i.e. the new product option where the firm develops a new product with or without the current brand that the firm is known for. New product introductions are often vital to the long run success of the firm. However, as Russell (2010) stated, with a failure rate upwards of 80%, managing new product development is both costly and risky. This is true especially when the new product is totally new in terms of its brand name. According to him new products and new brands are the growth engine of every successful marketer. So any firm that wants to develop a new product may opt to implement Product Development Strategy from among the four strategic options either creating a new brand or using the existing brand for the newly developed product. Using the existing brand refers to the term to be discussed next which is Brand Development. The point here is that a company manufactures a product or a service and gives a particular brand name in one of the forms of brands as defined by the American Marketing Association with the aim of identifying and differentiating it from other products. When the brand becomes valuable in terms of uniqueness, strength, and reputation, the opportunity for growth of the brand through different means becomes apparent. Russell (2010)

Brand extension capitalizes on the company's most valuable assets, its brand names. A company moves into a new category from a position of strength.

This strength can be of the immediate consumer awareness and impressions communicated by the brand. Brand development might be required when the market and the general environment require it. Extensions can be used to underpin and develop the brand to meet market changes. The consumers' buying decision in the five stages of new product adoption, the desire for

information about the new product in the awareness and interest stage may be satisfied by the already available information about the parent brand and also the likelihood for trial may be influenced by the presence of the parent brand name. When taking the new product development strategy with existing brand name, it is very helpful to see Kotler and Armstrong's (2012) brand development matrix. In their 14th edition, they pointed out four choices a company has in developing brands. It can introduce line extensions, brand extensions, multibrand, or new brands.

		Product category	
		Existing	New
Brand name	Existing	Line Extension	Brand extension
	New	Multi Brand	New brands

Table 2.2: Brand Development Strategy

Source: P. Kotler& G. Armstrong, Principles of Marketing (2012)

Line extensions occur when a company extends existing brand names to new forms, colors, sizes, ingredients, or flavors of an existing product category. A company might introduce line extensions as a low-cost, low-risk way to introduce new products. Or it might want to meet consumer desires for variety, use excess capacity, or simply command more shelf space from resellers. This method can be used to deal with situations that evolve with changing needs.

Examples could be cited of soups coming in different flavors, biscuits in different tastes and packs, and detergents in powder and liquid forms.

Multi brands are when companies market many different brands in a given product category.

Multi branding offers a way to establish different features that appeal to different customer segments, lock up more reseller shelf space, and capture a larger market share.

New Brands a company might believe that the power of its existing brand name is waning, so a new brand name is needed. Or it may create a new brand name when it enters a new product category for which none of its current brand names are appropriate. For example, Toyota created the separate Scion brand, targeted toward millennial consumers.

Brand Extensions where growth is sought through brand extension, it is said that the company extended a current brand name to new or modified products in a new category. A brand extension gives a new product instant recognition and faster acceptance. It also saves the high advertising costs usually required to build a new brand name. When a brand introduces a new product under their brand name, this is referred to as a brand extension (Russell, 2010). This strategy can be used to deal with situations that offer an opportunity to enter a new market altogether. E.g. manufacturers of juices getting into milk and yogurt, tea getting into soups, chocolate getting into ice cream and cameras into photocopying machines etc. brand-extension strategy offers many advantages. A well-regarded brand name helps the company enter new product categories more easily as it gives a new product instant recognition and faster acceptance. Extending brands can take several forms in all are referred to the brand extension (Kotler, Wong, Saunders, and Armstrong, 2005).

Brand extensions are used for different reasons. Some brands as Tauber (2014) stated are extended just to save money that would be needed to establish a new brand. In other instances, companies want to stretch a brand to as many categories as possible in hopes of just adding sales. The rationale for an extension is that the contribution of the brand name to the extension will be positive. The critical question here is the extent to which the brand name can provide a point of differentiation, including a quality association (Ducham, 2014). Companies can also reduce risk through this strategy. Brand extensions allow companies to leverage the equity to in already established brand names, and thereby reducing risk associated with launching new products (Phang, 2004). In his book 2003, Keller mentioned that brand extension is when a firm uses an established brand name to introduce a new product. According to him a brand extension can also be called sub-brand when a new brand is combined with an existing brand. When the brand gives birth to a brand extension it is referred as parent brand. When the parent brand is associated with multiple products through brand extensions it is called a family brand.

Brand extension can be broadly classified into two general categories (Keller, 2003):

1   Line extension: the parent brand is used to brand a new product that targets a new market segment within a product category currently served by the parent brand. A line extension

often involves a different flavor or ingredient form or size, or a different application for the brand.

2   Category extension: the parent brand is used to enter a different product category from that currently served by the parent brand growth strategies can be categorized according to whether they involve existing or new customers or markets a brand extension gives a new product instant recognition and faster acceptance. It also saves the high advertising costs usually required to build a new brand name. The use of same brand on existing product (parent brand) for a new product in different category (extension brand) increases rate of new acceptance and purchase intention to consumer (Utama, 2013). According to him, the strategy maintains efficiencies on advertising and promotion expenditures.

2.1.7. Types of Brand Extensions

Tauber (2014) classified eight types of brand extensions firms can apply. Some of them share the basic idea of the dimensions of fit developed by Aaker& Keller (1990) about how consumers evaluate brand extensions:

1) Same products in a Different Form: one of the simplest ways to leverage a product into a different category is to change its form. If it's a food, make it a beverage. If it's frozen, offer it shelf stable. Similar products in a different form from the original parent product. An example is (frozen) Snickers Ice Cream Bars. The original Snickers bar is a shelf stable candy. The brand extension is a similar product, but in a different form. Jell-O Portable Pudding and Pudding Cups is Jell-O pudding in a different form and section of the store.

2) Distinctive taste/Ingredient/Component in the new item: an alternative to offering a new form of an existing product is to take an ingredient or component of the product a firm owns and make it part of an item in a different category. When a brand "owns" a flavor, ingredient or component, there may be other categories where consumers want that property. Peanut butter is a characteristic ingredient in Reese's Peanut Butter Cups candy. Chocolate is a characteristic ingredient of Hershey. Brand Extension Research identified Reese's Peanut Butter as a logical extension that capitalizes on this association. Research also suggested Hershey chocolate milk.

3) Component Products: Some brand extensions are a "natural" companion to the products the company already makes. Some products are used with other products. These natural companions lend themselves to leverage in the other category. E.g. Coleman is primarily known for its camping stoves and lanterns but successfully moved in to tents and other camping gear that go along with the stove.

4) Same Customer Franchise: many brand extensions represent a marketer's effort to sell "something else" to its customer base. In effect, this is a strategy to leverage the consumer franchise. This works particularly well when that customer base is large and to some extent captive. VISA launched travelers checks directed to its credit card customers.

5) Expertise: over time, certain brands may gain a reputation for having an expertise in a given area. Offering extensions in a category where consumers believe you have special knowledge or experience. BIC was an expert in a disposable plastics and offer disposable lighters and razors. What brand comes to mind when we think of baby products? – Gerber. As a result of this acceptance of their expertise, they successfully launched Gerber Baby Powder, Gerber Baby Bottles, etc. Sara Lee is known for baked desserts, so why not other baked goods like bread.

6) Benefit/Attribute/Feature Owned: Many brands own a benefit, attribute, or feature that can be extended. E.g. Ivory is mild and people want a mild shampoo when they use it daily hence ivory shampoo.

7) Designer Image/Status: Certain brands convey status and hence create an image for the user. Brands can offer status and hence create an image for the new item and its user. E.g. Puke frozen desserts are fancy. Designer clothing labels have been extended to furniture, jewelry, perfume, cosmetics, and a host of other items. Some brands promote a lifestyle and can extend to items that people "wear," as a badge of identifying themselves with that lifestyle.

8) Vertical extensions: some brand extensions are vertical extensions of what they currently offer. A brand can use their "ingredient/component" heritage to launch products in a more (or sometimes less) finished form. Nestlé's Toll House chocolate refrigerated cookies is an example. Most Toll House chocolate chips are used in cookies, so why not make a brand of Toll House chocolate chip cookies. Mrs. Fields Cookies were ready-to-

eat. They offered frozen cookie dough, moving backwards as a vertical extension. Rice Krispies has always been used in kids' treats. Kellogg offered Rice Krispies Treats ready-to-eat.

2.1.8. Why Extensions are a Very Useful Strategic Option:

Extensions are useful for different reasons: First, an extension can enhance the brand associations rather than detract from it Second, an extension that is successful can provide energy, visibility, and momentum Third, customers are capable of having brand perceptions that are different in different product contexts Fourth, product relevance should not be affected by an extension Finally, if there is a perceived risk to the brand, a sub brand can serve to provide some distance. Hawkins, D. (2004)

2.1.9. Advantages and Disadvantages of Brand Extension

The other fundamental reason behind the usefulness of brand extensions may also be to seize the advantages the strategy is associated with. They can broadly be categorized as those that facilitate new product acceptance and those that provide feedback benefits to the parent brand or company as whole. Gary (2003) lists the following advantages and disadvantages of brand extension

Advantages associated with facilitating new brand acceptance

- Improve brand image
- Reduce risk perceived by customers
- Increase the probability of gaining and trial
- Increase the promotional expenditures
- Reduce costs of introductory and follow-up marketing programs
- Avoid cost of developing a new brand
- Allow for packaging and labeling efficiencies
- Permit consumer variety-seeking

Advantages associated with providing feedback benefits to the parent brand and company

- Clarify brand meaning

- Enhance the parent brand image

- Bring new customers into brand franchise and increase market coverage

- Revitalize the brand

- Permit subsequent extension

Advantages described by Tauber (2012):

- Identify logical new product possibilities

- Capitalize on the paid-for equity in established brand names

- Enable a company to enter new categories at significantly lower cost

- Reduce the risk of failure given the already established awareness and trust

- Create a positive synergistic effect with the efficiencies of umbrella branding and advertising

- Reinforce the consumers' perceptions of the parent brand name

- Bring news to existing brands when there is otherwise nothing new to say about them.

This strategy though is not without pitfalls at all because brand extension has disadvantages well (Keller, 2003).

Disadvantages associated with brand extensions

- Can confuse or frustrate consumers

- Can encounter retailer resistance

- Can fail and hurt parent brand image

- Can succeed but cannibalize sales of parent brand

- Can succeed but diminish identification with any one category

- Can succeed but hurt the image of parent brand

- Can dilute brand meaning

2.1.10. Principles of Good Brand Extensions

Tauber (2014) summarized brand extension researches and has identified principles that characterize a GOOD brand extension. These principles according to him are useful in order to increase the probability of extension success.

1. Brand should not be extended unless they are well-known, have high awareness and a good reputation among the new target market.

2. Brand extensions must be a logical fit with consumers' expectations.

3. Brand extensions must have leverage in the new category- a transfer to the new product of a distinctive property associated with the parent brand that gives the brand extension an edge in the new category. The test: "just knowing the brand name, customers of the new category should be able to identify why they might prefer the new brand extension to existing competition.

4. Brand extensions that could create confusion or a negative image for the parent should not be undertaken.

5. Brands that consumers use synonymously with a category (generic) should not be extended to other categories.

6. Brand should not be stretched to too many diverse categories risking dilution in the long run. (There are cases, however, where a brand dominates a modest sized category and has no room to grow. In these instances, the upside potential of extending is worth the risk of dilution – e.g., Arm & Hammer.)

2.1.11. Brand Extension Success

Volckner and Sattler (2006) pointed out five essential determinant factors for brand extension success among the vast presence of potentially important success determinants which are Fit, Marketing support, Retailer acceptance, Parent brand conviction, and Parent-brand experience.

- Fit between parent brand and extension product: Appropriate selection of the parent brand and extension product category can directly affect fit. Extension advertisements can also increase the salience of crucial brand associations that help consumers infer extension features and benefits and thus understand how an extension fits. Consumers will likely infer judgments of fit and consistency when an advertisement illustrates how parent-brand attributes improve the extension's ability to provide benefits.

- Parent-brand conviction and parent-brand experience: Although extension products do not guarantee success on the basis of the brand name alone, parent-brand characteristics, such as consumers' parent-brand experience and conviction, play an important role in driving brand extension success. Managers frequently cannot influence these two factors in the short or medium term, because both factors reflect specific characteristics of the parent brand. However, building customer based brand equity and/or acquiring strong brands are favorable strategies because they represent a prerequisite for the successful leveraging of an existing brand to reap some financial benefit. Moreover, managers who have access to a portfolio of parent brands might consider influencing parent brand conviction and parent-brand experience by selecting an appropriate brand that performs favorably in terms of these factors.

- Retailer acceptance: There are various possible ways to influence retailers' acceptance of a new product. Promotional allowances reduce retailers' costs of telling consumers that the extension product can be obtained in a given store, thus strengthening inters tore competition. Consumer advertising also builds demand and therefore should have a positive effect on retailers' decisions to accept new listings.

- Marketing support: The marketing support that the extension product receives plays a critical role in determining the success of the new product. This factor is of specific interest for managers because it is under a company's direct control and, in general, can be influenced in the short term. However, the financial well-being of the company represents a boundary condition regarding the total support that new introductions may receive.

The critical factor in a brand's extension success is whether the distinctive property owned by the brand is important in the new category and provides a competitive edge (Tauber, 2012). He said that parent brands considered for extension must own some distinctive properties. Brand extension success, Keller (2003) stated, can not only contribute to the parent brand image but also enable a brand to be extended even further. Another interesting point to raise here is that a parent brand is not the only factor that is associated with the success of the parent brand. The extension itself becomes associated with the success of the parent brand. Keller (2003) again pointed out that when consumers do not have strongly held attitudes, the successful introduction of a brand extension improves evaluation of a parent brand that was originally perceived to be of only average quality.

2.1.12. Key Things to Consider in Extending Brands

Brand extensions can be a big boost to a company's bottom line, but only if the right category is chosen (Tauber, 2014). According to him, when choosing the right new category for the brand a company is extending, it is vital to consider the following three points.

- Is the market size big enough to bother? This is one case where bigger is definitely better. Look for a category that's large enough to create a sizable business even if you only achieve a modest share of the total business. Any brand extension enters an existing category, where you'll be competing for market share owned by long established competitors. The category's customers probably already have a favorite brand, and it isn't yours. It's unlikely your brand extension, or new product entry, will achieve a major market share in the early period after launch. In fact, order-entry models show that late entry products typically capture limited market share unless they offer a significant improvement over existing products. Launching in a small category dooms you to a small future. But launching in large categories gives even late entrants a chance to survive and thrive.

- Is the category dominated by a handful of major players? That's probably bad news for your brand extension prospects. Just imagine trying to compete in the soda category against Coke and Pepsi. Attempting to find significant success when you're up against these established giants is next to impossible. Fragmented categories, on the other hand, are a brand extension's best friend. Many brands own a small market share, so no brand is dominant and few are well known. These categories, such as shampoo and deodorant, leave room for a new player to claim share.

- Is there room in the category to launch more than one product? When selecting a new category, it's important to examine the potential for eventually developing a line of products. Launching one product into a category leaves that product as an orphan without the advantages of scale and advertising clout. If you get a foothold in a category with room for line extensions, you'll be able to support the whole line of new products more heavily.

2.1.13. Brand Extension Research and Brand Extension Strategy

Guneliun, (2014) has provided a noteworthy suggestion that focus on two major points which, if appropriately implemented, help a lot. These two points are brand extension research and brand extension strategy.

2.1.13.1. Brand Extension Research

According to Malhotra (2006) there are a few things that need to be ensured that is consumers need to believe about the brand before it can be successfully extended, and these are things that a firm can learn through research. Brand extension research requires a comprehensive understanding of brand fit. If consumers don't perceive that a brand will fit in a new category, then the company either has to invest in re-educating consumers and repositioning the brand or the company needs to choose a different brand extension.

Therefore, during a research process, she commented that a firm asks consumers some questions that will reveal consumers' answers to questions like the following:

- What position (or word) does the parent brand own and what makes it unique to you? Parent brands have to be distinctive and own a position in the markets where they exist.
- What does the parent brand's promise provide or deliver to you? Parent brands have to have a solid brand promise that consumers understand, recognize, and believe.
- Does the parent brand elicit any negative feelings for you? Parent brands must not pass on any negative perceptions to extensions.
- What do you need or want that existing brands and products are not providing? Extensions have to fill a need, void, or consumer want. There must be consumer demand for the extension.
- What unique feature or benefit would a new product or brand need to offer for you to consider buying it? Extensions should bring something new and different to the category.
- Does your existing perception of the parent brand fit the new category or market that the brand plans to enter? Extensions have to be introduced in categories and markets where consumers believe those brands will fit.

2.1.13.2. Brand Extension Strategy

Kotler, and Gary (2006) stated As a brand extension strategy is developed, it is worthy to look for the sweet spot in terms of which extension best enables leveraging the existing brand equity in a manner that fits with consumer expectations and perceptions. However, there are opportunities to extend a brand into areas that aren't a natural fit for that brand. Therefore, it is good to understand the difference between the two primary brand extension strategies — centralized or decentralized.

- A centralized brand extension strategy is one where extensions leverage the parent brand name, reputation, and position to drive new revenues for a business. These can be both line and category extensions where all new products are introduced under the same brand umbrella. This is a great strategy that gives companies the cost savings they want and can be very successful as long as those requirements mentioned above related to fit and perception are in balance. Amazon and Google are great examples of companies that use centralized brand extension strategies.

- A decentralized brand extension strategy is one where extensions leverage manufacturing, distribution, and other economies of scale but they do not share the parent brand name. This is a good strategy for companies that want to protect their parent brands while pursuing significant expansion into multiple categories and markets. Automobile manufacturers use this strategy with extensions into different categories (e.g., Toyota has extended into the luxury vehicle market with Lexus and into the youth-oriented market with Scion). Johnson & Johnson and Procter & Gamble are excellent examples of consumer product companies that follow a decentralized brand extension strategy launching separate brands to appeal to specific markets.

- It's up to each company to determine how far its brand extensions should be distanced from one another, and this decision affects whether the company pursues a centralized or decentralized strategy. However, even a decentralized brand extension strategy can vary in terms of brand distance. For example, it's not unusual to find multiple American car brands sold in the same dealership such as Dodge, Jeep, and Ram vehicles on the same Chrysler dealership lot. This is less likely for Toyota and Lexus.

2.1.14. Attitude Formation and Evaluation of Brand Extensions

Earlier a definition was given for attitude which stated it as a mental state that involves beliefs, feelings, values, and dispositions to act in certain ways. So anyone exerting some effort to know about a particular extended brand/product he is after before making a decision to purchase it, has engaged himself in the process defined above whereby he tries to form an outlook about the brand. In doing so, the attitude which might be positive or negative toward that extension product influences the decision he will make whether to purchase it or not. It is obvious here that the consumer/purchaser has been evaluating the brand through the attitude he formed. The consumers' decision bases on his attitude. The question that rises at this point is that what builds the positive attitude that makes the consumer favor that particular extended brand. To answer this, the first study of Aaker & Keller (1990) and many subsequent other researchers developed and tested variables they believe plays the role.

In January 1990, Aaker and Keller's study came out with explored new findings about how consumers evaluate brand extensions. Their findings concluded that consumers' evaluations of brand extensions are based primarily on two variables. First, the extent to which there is a perceived fit between the original and the extension product categories. Second, the extent to which consumers perceive creating the extension product category is difficult. For the perceived fit, they formed three dimensions: complementarity1 (Complement) of the parent and the extension being used together, substitutability2 (Substitute) of the parent and the extension categories being used replacing one another and transferability3 (Transfer) of skills from the parent brand to the extension. They found support for their hypothesized relationships with respect perceived fit and difficult whereas they did not find support parent brand quality.

Their first hypothesis states that higher quality perceptions toward the original brand are associated with more favorable attitudes toward the extension. Parent brand quality alone hypothesized as having association with consumers' evaluation of brand extensions was not supported.

The second deals with the transfer of a brand's perceived quality being enhanced when the two product classes in some way fit together specifying when the fit is weak, the transfer is inhibited. In this hypothesis, the interaction effects of quality with the three fit variables were statistically

significant. Parent brand quality with the evaluation of a brand extension was strong and significant only when there was a basis of fit between the two product classes.

The third is about the fit between the two involved product classes having a direct positive association with the attitude toward the extension. As highlighted above they found support for this hypothesis. Transfer and complement fit dimensions were concluded as having more influence while substitute dimension was less important. They commented that a fit on either Transfer or Complement may be adequate and a good fit on all is not necessary. The concept of fit has been the focus in past research on brand extension attitudes.

The final tests the relationship between the difficulty of making the product class of the extension, Difficult, and the attitude toward the extension. Aaker & Keller (1990) supported this hypothesis with attitude formation that a positive relationship exists between positive attitudes with evaluations of an extension concluding an extremely easy-to-make extension, on average, is less likely to be accepted. As to their findings, consumers may attribute the act of placing a quality brand into what is viewed as a trivially easy-to-make product class as a blatant effort to capitalize on a brand name image to command higher than justified prices or they may feel it is incongruous to introduce a quality brand name in a trivial product class. Kapferer (1994) stated that among the factors that affect the acceptability of a brand extension is the perceived difficulty in manufacturing the extension.

Concerning the Reputation variable taken under this study, Smith and Park (1992) confirmed reputation to have a relationship with consumers' positive attitude toward brand extensions. Jalees and Ali (2008) also found strong relationship between parent brand reputation and consumers' evaluation of extensions. They commented that consumers while evaluating brands that have higher perceived reputation would feel that purchasing the extension would be comparatively less risky, thus their evaluation would be more positive towards these brands. According to Smith and Park (1992), reputation of the parent brand has a stronger relationship with how consumers evaluate extensions. Utama (2013) again remarked that a strong reputation of parent brand can minimize risk of new product launch by taking advantages on consumers' knowledge and experiences of the established brand.

Summing up, according to the findings of previous researches, consumers are predicted to have a positive attitude toward brand extensions leading to favorable evaluation when Parent brand reputation is stronger. The perceived fit was also confirmed to be predictor of consumers' positive attitude, primarily perceived fit in terms of transfer and complement. Czellar (2003) noted that the higher the perceived fit between the two, the more positive the consumer's attitude toward the extension. It is also possible to say from Aaker & Keller's (1990) original study that positive extension evaluations are also expected to take place when the extension is believed to be difficult to be designed and made.

2.2. Empirical Literature

Different researches have been done on consumer's evaluation of brand extension practice and its effect on firm's profitability, one way or another. Or link the impact of brand extension effects with sales revenue. Additionally empirical evidence indicated that brand extension can affect purchase intention in various contexts, out of this brand awareness plays an important role in consumer decision making by bringing three advantages; these are learning advantages, consideration advantages, and choice advantages this affects the amount of sales volume/revenue.

Mahlet Teshome: An Assessment Of New Product Development Practice In Ambassador Garment And Trade Plc (2010). She concludes her research as the process of developing a new product is fairly complicated because it consists of the integration of most if not all the work force in the company. As it will be mentioned in this research every new product development process should start with need identification because without the need there won't be any market. As it is put in the book new product development (NPD) for dummies, an idea should go from product possibility market reality. In this same book the NPD process is sequenced respectively: Discovering the opportunity, developing the product and launching the product. This process can only be successful with the systematic integration of all the functional groups within the organization: Marketing, research and development, Manufacturing, packaging and distribution. Not involving every functional group could open a gap for new product failure.

An Assessment of Product Development Practice In Case Of Moha Soft Drink Industry by Kidu Abadi(2014) cited Pillai and Vathi (2005:132) as an alternative to developing a completely new

product, management should take a fresh look at the company's existing products. Often improving established products can be more profitable and less risk than developing completely new one.

Eden Kebede conducted a study titled the Determinants of consumer evaluations of brand extensions in 2014. In her study the role parent brand may play in the evaluation of the brand extension, and also the importance of "fit" between the parent brand product category and the extension category. These relationships are then tested empirically through a regression model replicating the original Aaker and Keller study (1990), and the results are compared against the world evidence.

Similarly, Gemechu Abdissa in Addis Ababa (2014) studied the Brand Extensions: Brand Concept Congruency and Feedback Effects and the research aimed to examine the effects of congruent and incongruent brand concept extensions on consumer attitudes towards the extended product and feedback effects on the parent brand. Moreover, brand familiarity is proposed as an important moderator variable in determining feedback effects on attitude to the parent brand.

The study finds general support for the importance of brand concept congruency when it comes to feedback-effects, whereas no significant differences between congruent and incongruent extensions are found for attitudes to the extension itself. Brand familiarity is found to be an important moderator on parent brand feedback effects.

In addition, S. Fatima Abid and Samareen Lodhi (2015) examined the Analysis of User's Perception of Consumer Durable Products in India. The consumer durable product market is in tremendous growth in Indian market with the power of increase in per capita income of individuals. And moreover, life style changes in the competitive global scenario. The study focused on refrigerator market in Tamil Nadu, the state economy, individual income, lifestyle are significant change in the industrial era and more over the state's climate the demand for the products is continuously on the rise. With rising level of disposable incomes and the need for both partners to work makes it necessary to go for consumer durable products. Available in credit facility and many models to suit for various needs and budgets also contribute significantly to the growth of this industry.

On the other hand, according to UREMADU brand extension A strategy for competitive Advantage was (2012) considered differently by different experts. However, almost all of them were of the opinion that it is a very important marketing strategy tool. Brand extension helps companies in many ways such as minimizing the risk of introducing a new product, reducing the cost of promotion and increasing the acceptability of the new product by consumers. But it cannot be denied that there are few disadvantages of it also. Thus it should be used and implemented carefully.

Martínez and Pina (2003) concluded that brand extension strategies might influence the brand image after the extension. While the variables such as the brand image before the extension, the perceived quality of the extension and the fit between the parent brand and the new product also affect the image. Del Vecchio (2000) mentioned that besides fit, characteristics of the brand portfolio also play an important role in affecting consumer perception of brand reliability. In contrast to prior researches which suggested that brands got diluted by offering extensions, his results suggested that because of the large number of products associated with the brand it had positive consequences when consumers evaluate a new extension. Han (1998) mentioned three key factors which a company must consider while implementing a brand-extension strategy: (1) competitive brands in the extension categories; (2) the attributes of the extension brand; and (3) the perceived fit between the brand and the extension.

Ingredient branding, in which key attributes of one brand are incorporated into another brand as ingredients, has its own advantages and disadvantages. Ingredient branding enhances the differentiation of the host brand from competition by characterizing the ingredient attribute in the host brand. Park et al. (1996) examined ingredient branding in the context of composite brand extensions. Desai and Keller (2002) carried out research with two objectives; first, whether brand names given to the ingredients as part of a line extension influences consumer evaluation and second, could it be possible to leverage the ingredient product in the host brand to enhance latter's extendibility, The results revealed that for slot-filler expansion, a co-branded ingredient proved to be more useful initially, but a self-branded ingredient was found to be more useful for subsequent extensions. According to Ireland (1993) since product differentiation allows markets to be segmented based on varieties, less inter-variety competition takes place as differentiation

increases. The result of increased differentiation is that new entrants may be deterred by the barrier of learning costs (Gabszewicz et al 1992).

In 2014, Mitku Malede conducted a study on Advantages And Disadvantages Of Brand Extension Strategy For Companies and in his conclusion part Brand extensions are a means for companies to make economics on advertising, marketing which account a lot when a company wants to create a new brand because it has to make this brand known by customers. Indeed, the customers perceive his purchase as risky and like buying well-known brands. That is the reason why C. Viot (2007, p64) says that "a successful brand extension can create favorable conditions to make the customer loyal. A customer satisfied by an extension will have a greater tendency to repurchase the same brand". And as emphasize Doyle and Stern (2006) customer loyalty is the means for a company to keep existing despite the tough competition in the market by insuring future revenues.

At the same time the company has to be aware that it has to position its extension in a way that it will not compete with its other brands by a lack of differentiation between the existing products labeled and the extension one. And a company does not have to forget that it has to avoid overusing brand extension. The company must be aware that the existing brand image is an asset for it –benchmark for the customer - and an extension can lower this image or destroy it. The extension must respect the features linked to the brand by customers.

2.3. Conceptual Framework of the Study

2.3.1. Dependent Variable

The dependent variable which is also called response variable is the output of process or statistical analysis. Its name comes from the fact that it depends on or responds to other variables. Typically, the result you want to achieve is the dependent variable. In marketing the result desired are trend to consumer attitude Elliot Taylor (2014). In this case, Attitude can be considered as a dependent variable. Attitude may be defined for this study as an orientation or specifically a belief by which positive or negative feelings toward a brand extension may be held by a person. Kotler & Armstrong (2012) described attitude as a person's relatively consistent evaluations, feelings, and tendencies toward an object or idea. Attitudes put people into a frame

of mind of liking or disliking things, of moving toward or away from them. Kothari C.R., (2004) explained attitude as the overall value that a customer thinks about a brand. Attitude in this study is the dependent variable which has been operational as the perceived quality a consumers have of the hypothetical brand extension and their likelihood of trial if they were planning to purchase a product type of the extension category.

2.3.2. Independent Variable

Lin M. Y. (2003) also states that independent variable is an input to a process or analysis that influences the dependent variable. While there can only be one dependent variable, there can be multiple independent variable. Therefore, in this case, some elements are identified as the independent variables. These are Parent Brand Reputation, Perceived Fit, Complement, Substitute, Transfer and Difficulty.

Independent Variable   Dependent Variable

Independent Variable		Dependent Variable
➢ Parent brand reputation ➢ Complement ➢ Substitute ➢ Supplement	⟹	➢ Consumer evaluation/ attitude
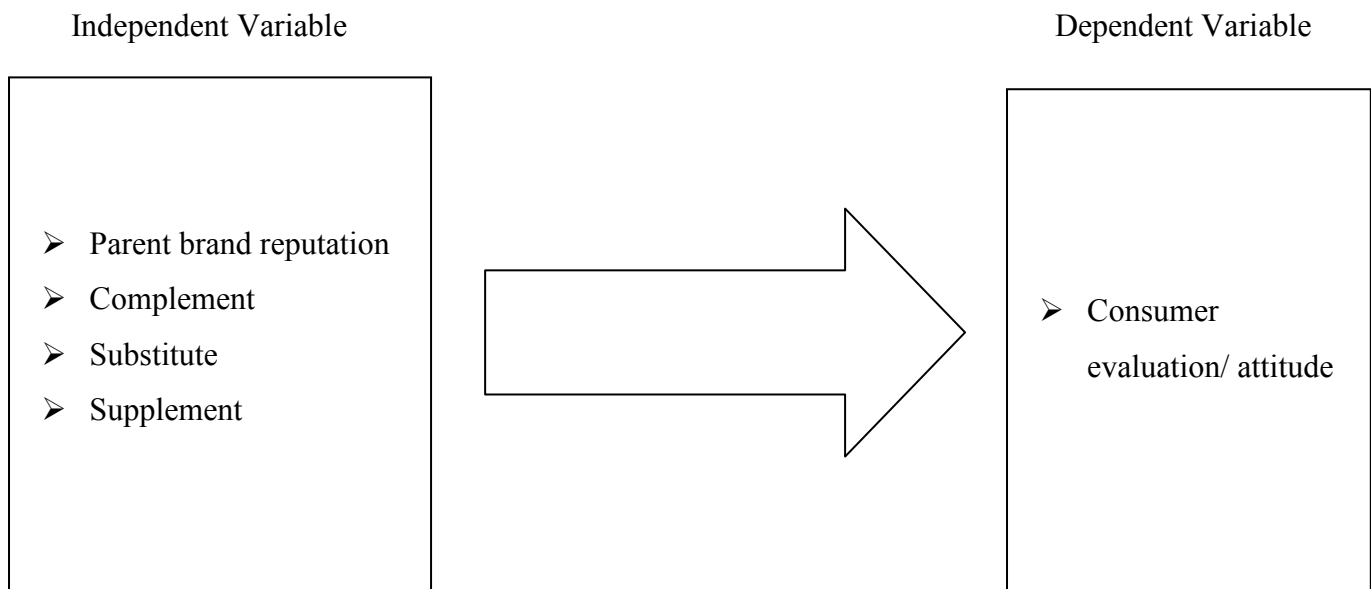
Source: authors own compilation

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter talks about the methods that were used in this study to investigate how consumers evaluate the brand extension practices of Tecno Mobile in the Addis Ababa market.

3.1 Research Approach

The type of research design used in this study is qualitative. It uses phenomenological approach to gather relevant data. This approach was selected based on the psychological and behavioral nature of the topic of the research. The processes used and the factors considered by consumers while evaluating brand extensions are more related with the way they understand and interpret the brand extension they are considering. The phenomenological approach concerns itself with understanding and interpreting the meaning that participants give to their everyday lives (De Vos, 1998).The qualitative approach focuses on qualities of human behavior. The aim of such method is not to generalize but to understand and interpret the meanings and intentions that underlie everyday human actions. Qualitative design deals with data that is primarily verbal and derives meaning from the participant's perspective and also aims to understand meaning that people attach to everyday life. The qualitative approach is appropriate for this study because the data collected and used focuses on the participants' subjective experiences of brand extension and the way they interpret them.

3.2 Research Design

3.2.1 Target Population

The total target population of this research is undefined. This is because it is difficult to define total population when dealing with consumers of Tecno Mobile as they can greatly vary from one day to the other. The consumer base is prone to fluctuation based on miscellaneous internal and external factors.

Total population	Undefined
Sample size	150 random walk in customers across five Tecno Mobile retail stores

Table 3.1: Total Target Population

3.2.2 Sampling Technique

The type of sampling technique used in this study is a non probability sampling; specifically, convenience sampling. It is the most appropriate sampling technique where the population is undefined. The sample population was selected mostly based on the willingness of each respondent to participate.

3.2.3 Sample Size

The sample was drawn randomly from walk in customers across five previously chosen Tecno Mobile retail stores. The stores were chosen to draw a sample from because they are accessible and have a significant number of prospective participants. The researcher drew participants from five exclusive Tecno retail shops found in the busiest markets of Addis Ababa. To be specific, these stores are the ones found in Megenagna, Bole, Merkato, Piassa and Mexico. Thirty consumers were chosen randomly out of each of these stores to make a total of 150 respondents.

3.3 Type, Source and Method of Data Collection

3.3.1 Data Source and Types

The study used both primary and secondary data as its source of information. Primary data was collected based on open ended and close ended questionnaire and in-depth semi-structured individual interview. The secondary data was collected by reviewing previously written material and company website. The data type is mostly observational and derived data. The observed data came from observing the walk in consumers across the five retail stores.

3.3.2 Methods and Tools of Data Collection

➢ Interview

The first data collection method used is a face-to-face interview. According to Ferreira at al. (1988), interviewing is the most important data collection instrument. The interviews were semi-structured, that is, a list of questions and issues to be discussed were prepared prior to the interview. Semi-structured interviewing give room for probing for clarification and further discussion of important and relevant issues that arise during the interviews. Where necessary, questions will be elaborated to suit a particular participant. A total of 86 people were interviewed both from respondents who participated on the questionnaires and who did not.

Face-to-face interview enables the researcher to read the non-verbal communication and reactions, which prove to be helpful in the analysis of data.

➢ Questionnaire

Another data collection method used is dissemination of questionnaires. The questionnaires were given to respondents based on their willingness and ability to spare some time to participate. The questionnaire is composed of three parts: personal information of the respondents, general questions about the objectives of the study and general questions about the objectives of the study (Open ended questions).

3.4 Methods of Data Analysis

The procedures employed are primarily designed to reduce and categorize large quantities of data into more meaningful units for interpretation (Singleton, 1997). The steps used in developing themes were informed by Marshall& Rossman (1989) in De Vos (1998) and included the following procedures.

Organizing data: The data collected through both interviews and questionnaires were repeatedly read through for the researcher to be familiar with the data.

Generating categories themes and patterns: This is a stage that requires creative and analytical thinking. The researcher then identified the most important themes, recurring ideas, and patterns of belief, which assisted with the integration of the results. The process of category generation involved noting patterns in the research participants.

Searching for Alternative Explanations: As the categories and patterns between them emerge in the data, the researcher engaged in challenging the patterns that seemed apparent. Alternative explanations are looked and described until the researcher reached the explanations that are most reasonable of all.

Reporting results: By reporting the results report, the researcher gave shape and interpretation and meaning to the huge amounts of raw data.

3.4.1. Data Analysis Techniques

Results were analyzed using the thematic content analysis technique. Ezzy (2000) describes this thematic method of data analysis as a way of analyzing data by organizing it into categories on the basis of themes, concepts or similar features and presented in a narrative style.

3.5. Ethical Consideration

While conducting this study, basic ethical considerations were taken into account. The researcher was sure to select an agreeably convenient time to distribute questionnaires and conduct interviews. Busy and high peak office hours were avoided to allow respondents answer the questions freely. Maximum effort was made to make respondents feel secure by explaining the purpose and objective of the study and respondents had been reassured of highly prioritized confidentiality. All respondents participated voluntarily and out of freewill which makes the data provided fairly reliable.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter presents the descriptive data analysis and discussion of the research findings. This chapter is organized in a format to present the characteristics of the sample population, the most important findings of the study in regards to Tecno Mobile and the summary of the findings.

4.1 Response Rate of Respondents

Among the distributed 150 questionnaires 23 were discarded due to miscellaneous glitches like incomplete information resulting in an 82% rate of return. The remaining 127 questionnaires were used for the analysis and findings of this study.

4.2 Background Information of Respondents

The demographic questions that were raised to the participants were four. The first one asking for the respondent's name (to be provided only if the participant wants to), the second one asking for the gender of the respondent, the third one asking for the age group of the respondent and the last one asking their level of income (monthly income). This was a conscious decision on behalf of the researcher to collect only relevant back ground information.

No	Factor	Category	Frequency	Percentage (%)
1	Sex	Male	37	29
		Female	90	71
		Total	127	100
2	Age	≤18	12	9.4
		19-29	43	33.9
		30-49	64	50.4
		>50	8	6.3
		Total	127	100
3	Income Level per Month	1000-3000	43	33.9
		3001-5000	55	43.3
		5001-7000	21	16.5
		>7000	8	6.3
		Total	127	100

Table 4.1: Background Information of Respondents

According to the data shown in table 4 above, sex is a widely female dominated demographic. 29% are male and 71% are female. This indicates the growing economic empowerment of women and the fact that Ethiopia has a female dominated demographic as a whole.

Regarding age, as shown in table 4 above, most respondents were found to be between the ages of 19 and 49.

As shown by the above table, the monthly income level of the respondents varies a great deal. It is the finding of this research that most income earners earn between 1000-5000 ETB a month. Some are hired employees in governmental and non-governmental institutions while some own their own businesses and some are economically dependent and have no income. The researcher was able to gather this information through the open ended questions on the questionnaire and the interviews. This also helped a lot to know what the consumer feels about price and how it affects their buying behavior.

4.4 Assessment of Factors Consumers Consider while Making Brand Extension Evaluation

These are questions aimed to pinpoint what consumers look for in a brand extension as an instrument to aid in their brand extension evaluation process. The questions were asked in Likert scale and open ended questions manner. The findings of the questionnaire match the data collected through the interviews once again. The data had been analyzed and summarized as shown by the table below.

No.			Frequency	Percentage (%)
1.	I have a tendency to evaluate a new product even if it is called by a brand name of the first product I am familiar with.	Strongly disagree	2	1.50
		Disagree	11	8.6
		Not sure	2	1.50
		Agree	45	35.4
		Strongly agree	67	53
		Total	127	100
2.	I become influenced positively when I can use an extension product together with the parent product in some usage situations.	Strongly disagree	2	1.50
		Disagree	3	2.4
		Not sure	5	5.44
		Agree	98	77.16
		Strongly agree	19	15
		Total	127	100
3.	I become influenced negatively to use an extension product when it is a substitute of the parent product.	Strongly disagree	3	2.4
		Disagree	8	6.1
		Not sure	2	1.50
		Agree	85	67
		Strongly Agree	29	23
		Total	127	100
4.	I become influenced positively when I can use an extension product in place of the parent product in some usage situations.	Strongly disagree	0	0
		Disagree	3	2.4
		Not sure	15	12
		Agree	65	50.6
		Strongly Agree	17	35

Table 4.2: Assessment of Factors Consumers Consider while Making Brand Extension Evaluation

Out of 127 respondents 88.4% of them have a tendency to evaluate a product even if it is called by a brand name of the parent product; where as 10.1% of them do not.

92.16% of respondents are influenced to use an extended product when it is supplementary with the parent brand; on the other hand 3.9% of respondents are not.

90 % of the respondents do not prefer to use an extended product if it is a substitute of a parent brand; where as 8.5% of them do not mind using an extended product even if it is a substitute of the parent brand.

85.6 % of respondents are influenced to use an extended product when it is complementary with the parent brand; on the other hand 14.4% of respondents are not

4.3. Assessment of Influence of a Brand Image on Consumer Brand Extension Evaluation

This was a question aimed at finding out how consumers feel about the parent brand (Tecno Mobile) and how their perception of the parent brand fits with the brand extensions of the company. This major question this research mainly concerns itself with has been put in various ways to have a clear understanding of how consumers relate the two. The findings can be summarized as follows:

No.			Frequency	Percentage (%)
1.	I am familiar with the brand name Tecno Mobile	Strongly disagree	0	0
		Disagree	4	3.15
		Not sure	0	0
		Agree	94	74.01
		Strongly agree	29	22.84
		Total	127	100
2.	Your attitude toward an extension product can be influenced by the reputation of the parent brand.	Strongly disagree	0	0
		Disagree	3	2.3
		Not sure	16	12.6
		Agree	83	65.4
		Strongly agree	25	19.7
		Total	127	100

Table 4.3: Assessment of Influence of a Brand Image on Consumer Brand Extension Evaluation

As can be clearly seen from the above summary table, 96.84% of respondents are familiar with the parent brand (Tecno Mobile). More over 85.1% of the respondents' attitude towards an extension product can be influenced by the reputation of the parent brand. The data collected through the interviews further strengthened the findings of the questionnaires.

4.5 Assessment of the Influence Consumer Brand Extension Evaluation has on Parent Brand

Influence of brand goes both ways. As much as the parent brand influences consumer attitude towards brand extension, brand extension also influences consumer perception towards a parent brand for the better or worse. Let us further elaborate by summarizing the research findings in a table

No.			Frequency	Percentage (%)
1.	How likely would you be influenced positively about a parent brand when you find good qualities in a brand extension?	Strongly unlikely	0	0
		unlikely	3	2.4
		Not sure	13	10.2
		Likely	64	50.3
		Strongly likely	47	37.1
		Total	127	100

Table 4.4: Assessment of the Influence Consumer Brand Extension Evaluation has on Parent Brand

87.4% of the respondents would likely be positively influenced about a parent brand when they find good qualities in a brand extension; where as 2.4% of they would not be positively influenced.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

In developing and introducing a new product to a market, there is an evident possibility that the new product may or may not be accepted. This situation has made many firms in the world engaged in a struggle to overcome the uncertainty through brand extensions. The purpose of this paper was to assess brand extension evaluation in the case of Tecno mobile consumers' perspective. The data was taken from walk in consumers of Tecno mobile from 5 retail stores located in Addis Ababa by using questionnaire and interview. The data was presented by using qualitative/descriptive research design. What is more, the research used thematic content analysis to drive the findings. Based on the findings the following conclusions are made:

The first conclusion is that consumers positively evaluate a brand extension when it is complementary and supplementary to the parent product. (Complement was defined as two product classes consumers consider as complementary. The two product classes can be considered as complements when the two products can be consumed jointly to satisfy some certain need. Tauber (1998) put complement in a different term when he identified the seven types of brand extensions- 'Component Products'. Even though this term is derived to identify brand extension types, the core meaning can still be shared).

On the other hand consumers evaluate brand extension negatively when it is substitute to the brand. (Substitute refers to the manner to which consumers consider two product classes as having a similar application and use context such that one product can be replaced by the other in usage and satisfy the same needs (Aaker & Keller, 1990). Tauber (1988) again used a different term to point out a type of brand extensions which shares the basic idea of substitute named- Same products in a different form/Distinctive Taste/Ingredient.)

The second conclusion is that consumers attitude towards an extension product is influenced by the reputation of the parent product. (Parent Brand Reputation refers to consumers' perception of the quality of a certain product, the marketing activities performed by the firm, and the acceptance of the brand by consumers (Jalees and Ali, 2008); Branders group (2011) also pointed out the ingredients of reputation such as Quality and Innovation. This means the

reputation of the core brand that gives birth to the extension is a factor that interacts with consumers' attitude formation in extensions evaluation).

The third conclusion is that a positive attitude towards an extended product has a positive influence on the parent product. (Attitude: attitude may be defined for this study as an orientation or specifically a belief by which positive or negative feelings toward a brand extension may be held by a person. Kotler & Armstrong (2012) described attitude as a person's relatively consistent evaluations, feelings, and tendencies toward an object or idea. Attitudes put people into a frame of mind of liking or disliking things, of moving toward or away from them. Khan (2011) explained attitude as the overall value that a customer thinks about a brand.)

5.2 Recommendation and Further Research

Recalling the overall findings, parent brand reputation, transfer, complement and attitude are crucial ingredients firms should be pursuing so that they can prevent their new extended brands/products from the occurrence of failure.

It is again desirable to beforehand examine the reputation the parent brand does have so as to determine how consumers may react to the new extension introduction. Existing brand names can better be exploited when it has high reputation. Also, furnishing the extension with a complement feature that enables it go along with the parent brand leads to success. Firms can further make an attempt to create a perception in consumers mind that it can impart the knowledge and materials used in the first well known brand in the making of the extension.

This attempt may be by creating a marketing program to support the extension. It is also advisable to make sure that the category the brand is expected to be extended is not perceived as too easy.

The paper also recommends companies to take due care to build a strong reputation of a parent product before product extension, since the image of the parent product highly influences the acceptance of the product extension. In addition to that the paper also recommends companies to come up with an endowed product extension strategy, since the reputation of the product extension influences the parent product. It is better to create and develop the favorable attitude-predicting aspects proved significant in this study due care given not to employ the strategy for a brand extension that may possess a substitute type. Tauber (2014) remarked that brand

extensions that could create confusion or a negative image for the parent should not be undertaken.

Regarding this research area, researchers shall conduct researches regarding product expansion in the service sector as well since this study has used only one brand, further research is recommended to include additional more variety of brands as stimuli to ensure the generalizability of findings across different durable goods.

A research in the future shall also include additional variables, other than the variables put to use in the current study.

Though the researcher is sure enough that the outcomes could be generalized to other durable goods, it is advised that further research shall be conducted with a more certain durable goods such as TV and refrigerators that could prove the findings of the current study.

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APPENDICES

Appendix I

St. Mary's University School of Graduate Studies

Faculty of Business

Department of Marketing Management- March, 2018

I am a student at St. Mary's University School of graduate Studies currently conducting my thesis as a partial fulfillment of the requirements for the Master of Arts Degree in Marketing Management.

The success of this thesis is obviously made possible through your genuine, timely, and complete answers. I hereby assure you that your anonymity is completely kept and also all the information you provide will only be used for the purpose of this study.

Section One: Demographic Data

Please put a "X" mark to indicate your answer

1. Name (optional):_____

2. Gender   Male ☐   Female ☐

3. Age   ≤ 18 ☐   19– 29 ☐   30-49 ☐   >50 ☐

4. Income/month   1000-3000 ☐   3001-5000 ☐   5001-7000 ☐   >7000 ☐

Section Two: Directions: Please indicate your level of agreement or disagreement with each of these statements regarding Tecno Mobile products. Place an "X" mark in the box of your answer.

		Strongly disagree	Disagree	Not sure	Agree	Strongly agree
1	I am familiar with the brand name Tecno Mobile					
2	I have a tendency to evaluate a new product even if it is called by a brand name of the first product I am familiar with					
3	Your attitude toward an extension product can be influenced by the reputation of the parent product.					
4	I have a favorable attitude toward an extension where I think people, facilities, and skills used to produce the parent brand can be helpful in producing the extension.					
5	When an extension is in a product category I perceive as too easy to make my attitude toward the extension is unfavorable.					

		Strongly unlikely	Unlikely	Not sure	Likely	Strongly likely
6	How likely will you become influenced positively when you can use an extension product together with the parent product in some usage situations?					
7	The tablet and the smart phones are substitutes that I would be likely to use the tablet in place of the smart phones in certain situations.					
8	How likely will you become influenced positively when you can use an extension product in place of the parent product in some usage situations?					
9	How likely do you think the people, facilities, and skills used in developing, refining, and making the original parent product be helpful when the manufacturer makes the extension product?					
10	How likely do you think using the same people, facilities and skills used to make the parent brand would make the brand extension overrated? And thus reflect badly on the parent brand?					
11	How likely would you be influenced positively about a parent brand when you find good qualities in a brand extension?					
12	What is the likelihood of you trying this extension assuming you have planned to purchase a product in this product class?					
		Very low	Low	Not sure	High	Very high
13	How do you rate the parent brand in terms of its positive reputation?					
14	Rate the overall perceived quality of the extension					
		Highly satisfactory	Satisfactory	Neutral	Unsatisfactory	Highly Unsatisfactory
15	How would you rate your overall experience at the products of Tecno Mobile?					

Section 3: Interview questions

1. What would you say are the best qualities of Tecno Mobile products?

_____

_____

 2. Which Tecno Mobile products are you most familiar with?

_____

_____

3. How long have you been using Tecno Mobile products?

_____

_____

 4. What would you say about your experience with trying different products of Tecno Mobile?

_____

_____

 5. What would you improve in the parent brand?

_____

_____

 6. What would you improve in the extension?

_____

_____

7. Overall, would you say that you had a good enough experience to do it again?

_____

_____

Thank you, for participating in this research and sharing your thoughts with me!