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A Study on Brand Extension Strategy in Rydon Industries Pvt Ltd with Reference to Coimbatore

Jaisha.J, Dr.R.Miyalvaganan
MBA, Vivekanandha Institute of Information and Management Studies Tiruchengode, Namakkal District.Tamilnadu,
Associate Professor / MBA, Vivekanandha Institute of Information and Management Studies Tiruchengode, Namakkal District.Tamilnadu,

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ABSTRACT
The research presented in this article addresses the issue of the significance and relative importance of the determinants of brand extension success by simultaneously investigating ten success factors. The empirical analysis considers the direct relationships between success factors and extension success, the structural relationships among investigated factors, and moderating effects. The authors find that fit between the brand and an extension product is the most important driver of brand extension success, followed by marketing support, parent-brand conviction, customer acceptance, and brand experience. The authors also find several important structural relationships among the investigated success factors (e.g., marketing support → fit → customer acceptance → extension success). Finally, the interaction terms of fit with the quality of the brand and with brand conviction are statistically significant of relatively low importance.
Keywords: Brand extensions, brand equity, quality of the brand

I. Introduction Of The Study

One of the most famous strategies to leverage brand equity is brand extension. It is believed that consumers will favor new extension if new products are under the label of already established brand name. Familiarity and trust with the parent brand is one of the factor due to which companies hope that their consumers will react in a favorable manner. It is beneficial for the companies because of the positive association which consumers already have with the parent brand.

A brand is the identity of a specific product, service, or business. Brand extension denotes to the corporate activity in which companies bring in new products, new product variants or product improvements by leveraging the brand equity of the existing parent brand.

Brand Extension Strategy

Brand extension strategies are as varied as marketing strategies. However, they all follow the same concept: They maximize profit by leveraging existing reputation to back up the launch of a fresh and unknown product.There are different brand extension strategies, so it's important to know which project will positively impact the customer base. It requires extensive studies about the client base and the new product. A brand extension needs to feel natural to the customers, or it may alienate them and cause brand dilution. Brand dilution will impact a business negatively.

1.1 STATEMENT OF THE PROBLEM

A brand extension is when a company uses one of its established brand names on a new product or new product category. It's sometimes known as brand stretching. The strategy behind a brand extension is to use the company's already established brand equity to help it launch its newest product.This report provides an overall situation of branding extension in the industry. It finds out the reason behind why the product and branding strategies are so important to both launch and develop a product or brand. While talking about the performance of these strategies, the report also highlights the historical background and the process of taking these strategies in this sector.

1.2 OBJECTIVES OF THE STUDY

- To find out the brand name is the first impression that customer gets.
- To create a successful brand extension strategy.
- To identify brand extension strategies prevailing in the industry.
- To determine the effectiveness of different strategies in creating awareness among buyers.
- To provide information about the recent and probable future trends.

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- To assess the suitable stage for brand extension in product life cycle.
- To differentiate these strategies on the bases of success and failure.

1.3 SCOPE OF THE STUDY

- To objectives of brand image is the perception of brand among present customers, potential customers and in market.
- To know about very important for companies to acquire a high brand image of the company product.
- This report provides an overall situation of branding culture in the industry. It finds out the reason behind why the product and branding strategies are so important to both launch and develop a product or brand.
- While talking about the performance of these strategies, the report also highlights the historical background and the process of taking these strategies in this sector.

1.4 LIMITATIONS OF THE STUDY

Our target was to prepare an exact report delivering the real condition of product and branding strategies used in the microwave oven manufacturing sector. But unavailability of primary information proved to be the most disturbing constraint in preparing the report. Data collection was proven to be most hazardous. This was not readily available. We have gathered data from various online resources and libraries by visiting many times. This was an exciting topic to prepare a standard report but there were not enough particular studies on this topic. But, we have tried our level best to prepare this paper with sincerity.

II. Review Of Literature

Park et al (2022) Brand extension is an important topic of interest among marketing academicians and practitioners. Firms are looking for ways to elevate the chances of success in their brand extensions adventures. An effective and efficient strategy should incorporate elements of multiple dimensions as presented in this paper. This paper has highlighted various elements which are discussed in the literature. These elements are believed to have relationship with the brand extension success.

Fournier and Yao, Fournier et al (2023)the Brand extension success alone does not automatically guarantee positive feedback effects. In the era of brand consolidation, if brand extensions fail to contribute to the substantial manner, their viability as a strategic marketing investment is questioned. A good fit with the brand ensures a double return, i.e. brand extension acceptance as well as contribution to overall brand equity (or feedback). Thus, it is crucial for brand managers to adopt an appropriate brand extension design and communications strategy. Principle four combines the preceding three principles into a coherent brand extension plan.

Murphy and Median (2023) Brand extension is an important topic of interest among marketing academicians and practitioners. Firms are looking for ways to elevate the chances of success in their brand extensions adventures. An effective and efficient strategy should incorporate elements of multiple dimensions as presented in this paper. This paper has highlighted various elements which are discussed in the literature. These elements are believed to have relationship with the brand extension success.

III. Research Methodology

It refers to the process used to collect information and data for the purpose of making business decision. The methodology may include publication research, interview, surveys and other research techniques, and could include both present and historical information.

DEFINITION

According to industrial research institute in research methodology, research always tries to search the given question systematically in our own way and find out all the answers till conclusion. If research does not work systematically on problem, there would be less possibility to find out the final result. For finding or exploring research questions, a researcher faces lot of problems that can be effectively resolved with using correct research methodology.

3.1 RESEARCH DESIGN

To make the research systemized the researcher has to adopted certain method. The method adopted by the researcher for completing the project is called research methodology. Research is a process in which the researcher wishes to find out the end result for a given problem and thus the solution helps in future course action. The research has been defined as “A careful investigation or enquire especially through search for new facts in any branch of knowledge”. To give more additional to the old research new ones are conducted.

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3.2 SAMPLING METHODS

POPULATION

The aggregate elementary units in the survey are referred to as the population. Here it covers the survey on recruiting advertisement.

SAMPLING TECHNIQUES

A disproportionate stratified random sampling technique has been used in sampling

SAMPLING SIZE

A sample size is guaranteed to its temperament of information assortment. Information assortment depends on the essential information is 120 respondents are taken as the example for this investigation.

3.3 SOURCES OF DATA COLLECION

Primary data

Primary data was collected through face to face interviews while filling up questionnaires (120 respondents).

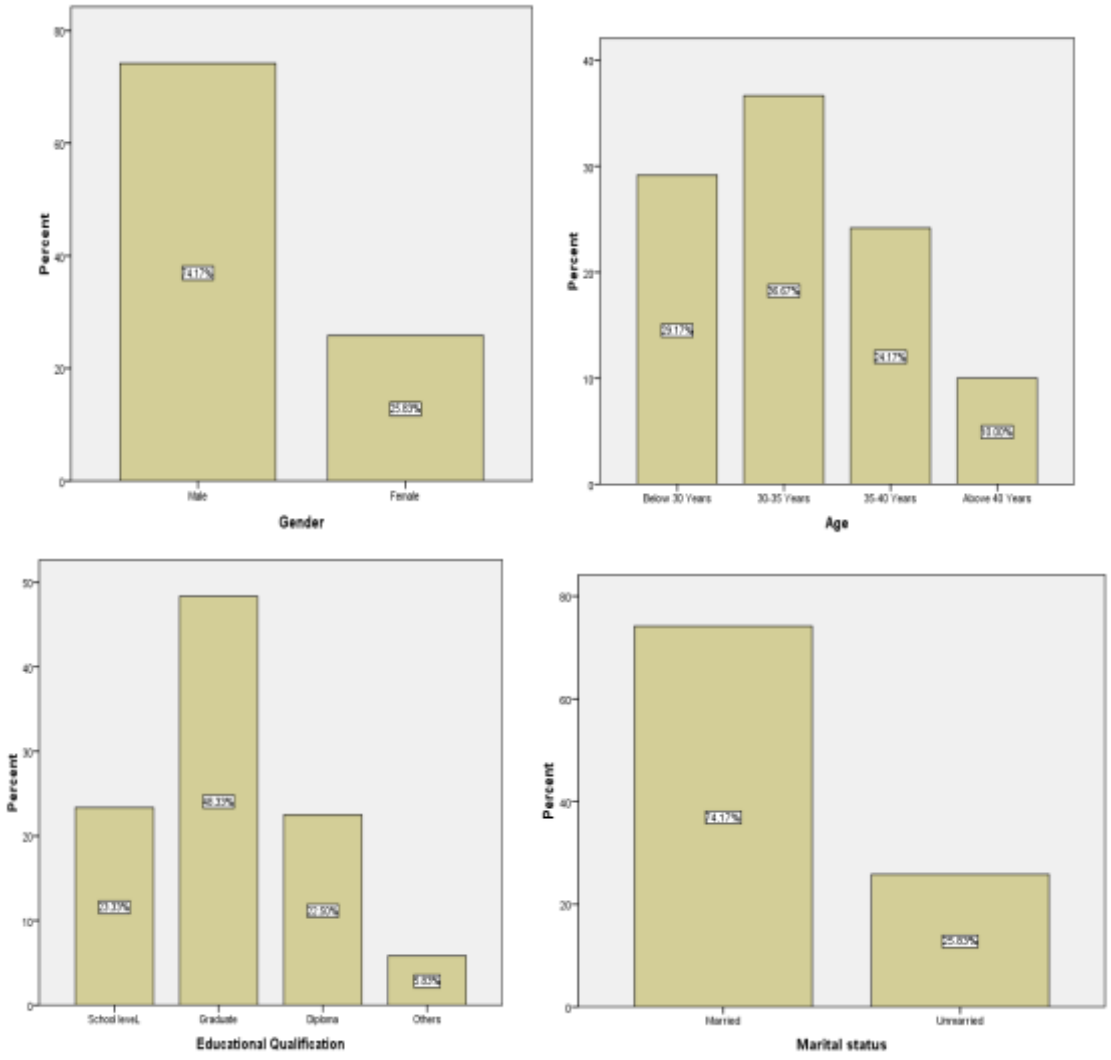
Secondary data

Relevant information was gathered from magazines, newspapers and project reports that formed the secondary data.

3.4 TOOLS USED FOR DATA COLLECTION

- Simple percentage Analysis
- Chi-square analysis
- Correlation
- Anova

IV. Data Analysis And Interpretation



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4.1 CHI-SQUARE ANALYSIS

NULL HYPOTHESIS

HO: There is no significance between the Educational Qualification and Increase brand awareness.

ALTERNATIVE HYPOTHESIS

H1: There is significance between the Educational Qualification and Increase brand awareness

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.833E2[a]	9	.000
Likelihood Ratio	176.241	9	.000
Linear-by-Linear Association	89.960	1	.000
N of Valid Cases	120		

a. 6 cells (37.5%) have expected count less than 5. The minimum expected count is .82.

RESULT

The calculated value is greater than the table value. So we reject the null hypothesis. There is no significance between the Educational Qualification and Increase brand awareness.

4.2 CORRELATION

The table shows that the relationship between Occupational status and Utilize differential brand extension strategies.

Correlations

		Occupational status	Utilize differential brand extension strategies
Occupational status	Pearson Correlation	1	.859**
	Sig. (2-tailed)		.000
	N	120	120
Utilize differential brand extension strategies	Pearson Correlation	.859**	1
	Sig. (2-tailed)	.000	
	N	120	120

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

RESULT

This is a positive correlation. There are relationships between Occupational status and Utilize differential brand extension strategies.

4.3 ANOVA

NULL HYPOTHESIS

Ho: There is no significant relationship between Educational Qualification and Importance of the to the brand extension

ALTERNATIVE HYPOTHESIS

H_1: There is a significant relationship between Educational Qualification and Importance of the to the brand extension

ANOVA

Educational Qualification			Sum of Squares	df	Mean Square	F	Sig.
Between Groups	(Combined)		72.151	4	18.038	219.730	.000
	Linear Term	Unweighted	64.993	1	64.993	791.716	.000
		Weighted	68.786	1	68.786	837.930	.000

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	Deviation	3.365	3	1.122	13.663	.000
Within Groups		9.440	115	.082		
Total		81.592	119			

RESULT

From the above analysis, we find that calculated value of the F-value is a positive223.140value, so H1 accept. Since the P value 878.687is less than < 0.05 regarding there is a significant relationship between Educational Qualification and Importance of the to the brand extension. The results are **significant** at 4% level.

V. Findings, Suggestions And Conclusion

5.1 FINDINGS

1. Majority of the respondents 74.2% are male.
2. Mostly 36.7% of the respondents are in the age between 30-35 years.
3. Mostly 48.3% of the respondents are graduate qualification.
4. Majority 74.2 % of the respondents are married.
5. Mostly 40.0% of the respondents are private employee.
6. Mostly 46.7% of the respondents are earning Rs.20,001-30,000
7. Mostly 38.3% of the respondents are agree with brand image play a vital role in creating awareness
8. Mostly 45.0% of the respondents are utilizing price discounting about brand extension.
9. Mostly 26.7% of the respondents are given importance for increase market share.
10. Mostly 30.8% of the respondents said company increasing guest blog for other sites.
11. Mostly 28.3% of the respondents are suggest for measure the potential risks.
12. Mostly 38.3% of the respondents are undertaking given for line extensions to the customers.
13. Mostly 32.5% of the respondents are promoting a product through product form.
14. Mostly 42.5% of the respondents are make acceptance of the risk perceived by the customers reduces.
15. Mostly 34.2% of the respondents are feedback benefits of the image of parent brand is enhanced.
16. Mostly 38.3% of the respondents said company implementing consider where the need is and stay true to brand message.
17. Mostly 35.0% of the respondents are enhance about products of the customers experience and perception.
18. Mostly 40.8% of the respondents are satisfied with overall experience
19. Mostly 46.7% of the respondents are agree with explore new markets
20. Mostly 43.3% of the respondents are highly satisfied with resource requirements.
21. Mostly 45.8% of the respondents are satisfied with competitive pricing
22. Mostly 44.2% of the respondents are strongly agree with company expertise extension.
23. Majority 44.2% of the respondents are highly satisfied with general extension attitude.
24. Mostly 44.2% of the respondents are agree with review your resources and agree about do your research.

5.2 SUGGESTIONS

- To help in a great way the company builds strong, positive brand awareness to the customers.
- By analyzing brand extension strategies and its effects on consumer buying decision, it is been concluded that brand extension strategies are very effective tool for companies to stay in the market and capture market share.
- Brand extension strategies are also helpful in developing strong perception in the mind of the customers by offering child brand.
- Brand extension strategies are also a very powerful toll to increase company's portfolio. Even though brand extension strategies are very influential but there are some risks associated with them also which are the risk of company's image (if child brand is not consistent with parent brand features).
- Company's image would be distorted in case of unidentifiable point of differentiations and point of parity with parent brand.
- In addition, market boundaries and limited still there are chances to adopt and apply both vertical and horizontal brand extension.

5.3 CONCLUSION

Brand extensions help in extending its product category. The new category of products could be extended from the parent brand with its existing brand image and brand perceptions towards people. A well-established brand could introduce a new segment of products from its

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positive brand image that it gained from its previous products. The reputation of the original brand helps in positive brand stretching. Brand extension helps to extend its growth in the market and helps in reaching out different patterns of consumers with various product requirements. Brand extension is an easy way of promotion for its new segment of products.Challenges are many as risk factor is quite high. Another important concept that has been observed that product type is very important factor while adopting brand extension strategies.

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