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The Effect of Brand extension on consumer

Purchase intention

(The case of DH Geda Product in Ethiopia)

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**The Effect of Brand extension on consumer
Purchase intention**

(The case of DH Geda Product in Ethiopia)

by

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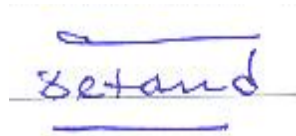
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**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
DEPARTMENT OF MARKETING MANAGEMENT**

**The Effect of Brand extension on consumer purchase intention: Empirical
studies on DH Geda Product in Ethiopia**

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Declaration

I, the under signed, declare that this research paper entitled “**The effect of Brand extension on consumer purchase intention: Empirical studies on DH Geda Product in Ethiopia**” is my original work and has not been presented for any degree in this or any other University and that all sources of materials used for the thesis have been duly acknowledged.

By: Simon Mulatu

Signature _____

June, 2020

Statement of Certificate

This is to certify that Simon Mulatu has carried out his research work on the topic entitled “**The effect of Brand extension on consumer purchase intention: Empirical studies on DH Geda Product in Ethiopia**” for the partial fulfillment of masters of Art in Marketing management at Addis Ababa University, School of Commerce. This study is an original work and not submitted earlier for any degree either at this University or any other University and is suitable for submission of Masters Degree in Marketing Management.

Advisor’s Name

Date & Signature

Acknowledgment

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Acronyms/ Abbreviations

A	Agree
ANOVA	Analysis of Variance
DA	Disagree
N	Neutral
PBR	Parent Brand Reputation
DDP	Difficulty of design in new product
BNT	Brand name Type
CPI	Consumer purchase intention
R	Overall correlation
R^2	Correlation Coefficient
SA	Strongly Agree
SDA	Strongly Disagree
SPSS	Statistical Packages for Social Science

Table of Contents

Declaration	I
Statement of Certificate	II
Acknowledgment.....	III
LIST OF FIGURES	VII
LIST OF Table	VIII
Chapter one.....	1
Introduction	1
1.1 Background of the study	1
1.2. Statement of the Problem	2
1.3 The research questions.....	3
1.4. Objective of the Study	4
1.5 Scope of the study	4
1.6 Significance of the study.....	5
1.7 Limitation of study.....	5
1.8 Definition of terms.....	5
1.9 Organization of the study.....	6
Chapter Two	7
Literature review	7
2.1 Theoretical Review	7
2.2Empirical Review	13
2.3. Conceptual Framework of consumer purchase intention.....	16
Chapter Three	18
Research Methodology	18

3.1 Research Approach	18
3.2 Research Design	18
3.3 Source of Data	18
3.4 Methods of Data collection.....	19
3.5 Population and Sampling	19
3.6 Instruments of Data Collection	20
3.7 Methods of Data Analysis	20
3.8 Validity and Reliability	21
3.9 Ethical considerations	22
Chapter four	23
Data presentation and Analysis	23
4.1. Descriptive Statistics Results of variables	23
4.2. Pearson correlation Analysis.....	25
4.3 Multiple Regression Analysis	26
CHAPTER FIVE.....	30
CONCLUSION AND RECOMMENDECTIONS	30
5.1 Conclusion.....	30
5.2 Recommendations.....	31
5.3Recommendations for Future Research	32
Reference.....	I
APPENDIX 1	V
APPENDIX 2	VIII

LIST OF FIGURES

Page No

Figure 1: a theoretical framework of attitude formation Source: Aaker and Keller (1990) & Smith and Park (1992).modified 16

LIST OF Table	Page No
Table 3.1: Cronbach's Alpha showing items reliability.....	21
Table 4: Gender of the respondent.....	23
Table 4.2 Age of the respondent	24
Table 4.3 Education background of the respondent.....	24
Table 4.4: mean and standard Deviation Variables.....	25
Table 4.5: Correlation between the dependent and independent variables.....	26
Table 4.6: SPSS output of the model summary for R, D, and N	27
Table 4.7: SPSS output of ANOVA for R, D & N.....	28

Abstract

It is essential for firms to know the effects of brand extension on consumer purchase intention in order to implement it on proper and targeted way. The main objective of this study is to investigate the effect of brand extension on consumer purchase intention by taking the case of DH Geda brand products. Data were collected from customer of DH Geda brand product through survey questionnaires. A sample total of 385 respondents were drawn based on Convenience sampling. From the 385 returned questionnaires 360 usable and complete questionnaires were coded to SPSS version 26.0 and analyzed through descriptive and inferential statistics to examine. Person correlation and multiple regression analysis were used to establish the relationship between the independent and dependent variables of the research. The main findings of the study were; Brand extension evaluation criteria's namely parent name reputation, difficulty in design in new product, and brand name type have a significant impact on consumer purchase intention at level of ($\alpha \leq 0.05$). The result also indicated that reputation ($\beta = .431, P = .000$) was the most important factor influencing consumer purchase intention followed by Difficulty ($\beta = .156 P = .000$) and brand name type ($b = .156 P = .000$). The results of this study would help DH Geda marketers to select the types of Brand extension strategies that greatly influence the buying behavior of the respondents. Hence, this could help them in there is need for planning to become more competitive.

Key Words: DH Geda brand products, Brand extension, Parent brand Reputation, Difficulty, and Brand name type and consumer purchase intention.

Chapter one

Introduction

1.1 Background of the study

Today's marketing is all about creating customer value and building profitable customer relationships. It starts with understanding consumer needs and wants, determining which target markets the organization can serve best, and developing a compelling value proposition by which the organization can attract and grow valued consumers (Kotler and Armstrong, 2012). Consumer want and needs are not limited, because they have variety seeking behavior. To address there variety seeking behavior marketers should bring new offering that meet the needs and wants.

According to keller(2013),stated that existing products can further penetrate existing customer markets or push into additional ones , new-product introductions are often vital to the long-run success of a firm. Various authors have defined brand extension differently; they defined to a certain extent similar. Brand extension termed as "when a current brand name is extended into new or modified products in a new category" (Kotler and Armstrong, 2012). Brand extension also defined as' the use of established brand name to enter in to new product categories or class (keller &Aaker, 1992).

Having on top of statements in mind, the reason behind brand extension is assumed that brand can be extend to new product consequently lead positive association; reduce risk of extension acceptance. For new products brand extension gives immediate recognition and faster acceptance and saves the high advertising costs usually required to build a new brand name (Kotler & Armstrong, 2012). Thus, the rationale for extension is that the share of the brand name to the extension will be positive. Brand extension strategy is popular approach to reduce risk when launching a new product.

Despite of the advantages of brand extension, Kapferere (2008) stated that there were some challenges that hinder the success of new product. There are some experts keep claiming that brand extension should be avoided (Trout and ries, 1981, 2000). The question is what factors

affect the success and failure of brand extension in the area of research in brand extension literature.

In review factors that affect the consumer purchase intention towards extension, various researchers have investigated different dimensions of brand extension. According to Aaker & Keller, (1990); Park et al, (1991) refers perceived fit or similarity, Hem, et al, (2001) refers Perceived risk and involvement and Ruyter & Wetzels, (2000) refers corporate image. These variables have been major focus of research and analyzed exhaustively. In addition to the above factors, Keller (2003) and Kapferer (2008) also argue that the type of brand name chosen may affect the extendibility of the brand, yet the effect of brand name type (degree of descriptive) and difficulty in design in new product on consumer purchase intention towards extended brand has been given little attention by brand extension researchers.

Currently the practice of brand extension is also followed by some Ethiopian companies (e.g. DH Geda iron, tower, blanket & flour, Sunshine which originally a real estate company have extended its brand to beauty salon & laundry, Kadisco on painting & hospital are some of the companies that use their existing brand.

The objective of this study is to find out the effect of brand extension on the consumer purchase intention: case of DH GEDA products and service. Brand extension was evaluated under different dimensions. For this study, the relevant dimensions were parent brand reputation, difficulty in designing new product & brand name type of extended product examined. With regard to the method employed, this study used a quantitative approach in course of research. Finally, this study is limited to assessing the customer of DH Geda products in Addis Ababa.

1.2. Statement of the Problem

The global market goes through a dynamic macro environment and stiff competition. So there is a need for an effective new product development strategy. Nowadays many marketers choose brand extension as an effective new product development strategy to maintain and grow in terms of sales, profit and equity. According to Kotler (2009), a useful method to structural alternative growth strategy is the product-market matrix developed by Ansoff. He stated in his framework, although existing products can be used to further penetrate existing customer markets or expand into new customer markets, new product introductions are often vital to the long run success of

firm (Keller, 2013). Therefore, the brand extension has come to play a more in the introduction of new product under the existing market with the existing brand.

Consumer buying decision is very complex. Usually purchasing intention is related with consumer's behaviors, perception and their attitude. According to Keller (2001), stated that Purchase behavior is an important key point for consumer during considering and evaluating of certain product. Aaker and Keller (1990) in the paper "Consumer Evaluation of Brand Extension" conducted an explanatory research in the consumer product setting to gain knowledge on how consumers form attitudes towards brand extension strategy. By testing their hypothesis the authors concluded that the attitude towards the extension when there were both a perception of "fit" between the original brand and the new extended product along one of the three dimensions and a highly quality perception for the original brand. However, the validity of the original brand extension studies in the FMCG setting conducted in North America has not been tested in Ethiopia context.

There is limited research concerning brand extension in Ethiopia. This study is planned to close the gap in the literature, which is aimed to understand consumer purchase intention in general and to determine the factors influencing purchase intention of extended brand.

This research focused on the factors that are perceived to be important in influencing consumer intention to purchase extended brands of DH GEDA products and service in Addis Ababa. Factors examined are Parent brand reputation, Difficulties in design new product and brand name type.

1.3 The research questions

The research tries to address the following questions:

- What is the effect of Parent brand extension reputations on consumer purchase intention towards extended brand?
- Does a difficult to design in new product affect consumer purchase intention towards extended brand?
- How brand name types affect consumer purchase intention towards extended brand?

1.4. Objective of the Study

1.4.1. General Objective

The general objective of the study was to analyze the effect of brand extension on consumer purchase intention with reference to DH Geda Product.

1.4.2. Specific Objectives

The following are specific objectives of the study:

- To examine parent brand reputation effects on consumer purchase intention
- To investigate difficulty in design in new product influence consumer purchase intention
- To analyze how the customers evaluate the brand name type of brand.

1.5 Scope of the study

This study limited to:-

Conceptual scope

Consumer purchase intention towards extended brand has been different dimensions. According to Aaker (1990) identified that the subject perception of the quality of the original brand and relationship or “fit” between the original and extension product class had effect on evaluation of brand extension. According to Boush, et al (1987) stated that similarity /fit between original and extended product had effect on brand evaluation brand extension. And also the perceived risk as factor that affects consumer purchase intention towards extended brand (Hem et al, 2001).

Even though various researchers identified different factors that affect consumer purchase intention towards extension, for this study, the relevant dimensions were Parent brand reputation, difficulty of design in a new product & Brand name type of extended product examined.

Methodological scope

The researcher used only quantitative approach in course of researching both primary and secondary data. With regard to the secondary sources various publications, books and journals regarding the subject matter. And this study applied a survey in the form of questionnaires. This

type of methodology is used because of its low cost, widely spread, free of bias as answers are in respondent's own words and respondents can be reached according to their convenience

Geographical scope

The study was limited to the customer of DH Geda product found in Addis Ababa as it is the place where different background of lives and where the company (DH GEDA) is located.

1.6 Significance of the study

The research project might help DH Geda trade and other firms in Ethiopia to identify component of brand extension that affect consumer purchase intention and help them integrating those component of brand extension with their branding strategies which might be useful to overcome the fierce competition.

Furthermore, this research could help the knowledge of the readers' on brand extension and its dimension to specific attention to purchase intention of consumer, and also this study might serve as additional source of reference.

1.7 Limitation of study

The first limitation of this research is that only a single parent brand are consider as stimuli which might lead subjects to solely centralize their response on their responses on the stimuli. This may limit its generalizability to other brand extensions.

Secondly, only three major Variables (parent brand reputation, difficulty in design in new product and brand name type) were consider in the current study even though there are several other variables that can be included. Despite the fact that these are the most frequently addressed variables in previous researches, generalizing consumer purchase intention from these perspective only may also limit the findings.

Thirdly, the research was limited to surveying and analyzing the customers who are found in Addis Ababa since its difficult to include all customer found throughout the country due to time and financial constraint. So this limits to generalize the finding to customer found at other part of the country.

1.8 Definition of terms

Parent brand: an existing brand that gives birth to a brand extension (Keller, 2003)

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)

Descriptive brand name: a type of brand name that describe about the function of specific product or product category

Non descriptive brand name: a type of brand name that do not provide information about the type of the product or product category

Attitude: refers to a complex mental state involving beliefs and feelings and values and dispositions to act in certain ways. This is operational in this study as the perceived overall quality of the extension and the likelihood of trying the extension (Aaker and Keller, 1990)

Reputation: refers to the belief or opinions that are generally held about the brand. Reputation is as a cumulative, taking into account how people come to regard an entity over time Marconi (2001).

1.9 Organization of the study

The project work organized in the following steps

Chapter one: Introduction consists of background of the study, statement of the problem, Research questions, Objective of the study, significance of the study, Limitation of study, delimitation of the study, Organization of the study and Definition of key Terms.

Chapter two: Contain the Review of literature to Study. It includes Introduction, theoretical framework, empirical framework and conceptual frame work.

Chapter three: Research methodology & Design comprises research design, Research approach, Study population, Data source and method of collection, and method of data analysis and presentation.

Chapter four: Findings from the survey result has been discussed.

Chapter five: In this chapter general conclusion has comprised drawn conclusion and possible recommendations to problems suggested.

Chapter Two

Literature review

This chapter deals with review of related literature in the area of brand extension and customer purchasing intention. First, a theoretical review is presented by discussing, brand extension, its meaning, advantages, draw backs and consumer buying behavior. Secondly, an empirical review discussed the findings on different factors affecting the success of brand extension by previous researches in same and related area of different researchers. Finally, based on the empirical review the proposed research model and presented.

2.1 Theoretical Review

2.1.1 Band extension

Band extension is one of the strategies mainly used by the marketers in order to grow in terms of sales and profits. A firm can have different growth alternative. Kotler , (2009) state that ‘one of the useful methods to structure alternative growth strategies is the product –market mix which is developed by Ansoff’. These grid categories growth strategies according to weather they involve existing or new product and weather they target existing or new customers or markets. Based on this a company can have four alternatives. The first two are achieved using the current product i.e. a firm can grow by penetrating the current market or expand in to new customer market and the other two are achieved by developing new product to either the current or new market. Although existing product can be used to further penetrate existing customer markets or expand in to new customer markets, new product introduction are often vital to the long run success of a firm (Keller, 2003).

Defining the term brand extension has been made by different authors in different way. For Aaker and Keller (1990), brand extension refers to use of the name of a brand on different product category. Brand extensions are one most important topic in brand management. However, most companies even those that were culturally the least prone to engage in brand extension.

According to Kapferer (2008), Brand extension is necessary strategic move at some point in the life of brand. It is the essential way to sustain the brand growth. Brand development strategies

include decision related to brand extension, line extension, multi branding, developing new brands and brand rationalization. (Kotler and Armstrong, 2005)

Line extension was extending the existing brand names to new forms, size and flavors of an existing product category under the same brand name. For example, Colgate has extended its brand name in the toothpaste category from Colgate to Colgate gel, Colgate herbal, Colgate total Keller (2013)

New Brands involves creation of new brand name especially when entering a new product category. For example, Coca Cola entered the mineral bottle segment with a new brand name Kinely and Honda created the Acura brand to differentiate its luxury car from its established Honda line (Kotler and Armstrong 2005)

When companies market 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.

Brand extension referred to as when a brand introduces a new product under their brand name (Russell, 2010). This approach can be used to arrangement with situations that offer an opportunity to enter a new market altogether. E.g. tea getting into soups, manufacturers of juices getting into milk and yogurt, chocolate was getting into ice cream and cameras into photocopying machines etc. Where expansion is required a brand extension, it is supposed that the company extended a current brand name to new or modified products in a new category. Brand extensions provide a new product instant recognition and faster acceptance. It also saves the high advertising overheads usually required to build a new brand name. Brand-extension strategy provides many returns. 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.

Brand extensions are used for different intention. Some brands are extended just to save money that would be needed to establish a new brand (Tauber 2014). In other case, According to Ducham(2014) stated 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. 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). According to Keller (2003) 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.

According to Keller (2013), Brand extension can be generally classified into two general categories:

- *Line extension*: Marketers apply the parent brand to a new product that targets a new market segment within a product category the parent brand currently serves. A line extension often adds a different flavour or ingredient variety, a different form or size, or a different application for the brand (like Head & Shoulders Dry Scalp shampoo).
- *Category extension*: Marketers apply the parent brand to enter a different product category from the one it currently serves (like Swiss Army watches).

A use of same brand on existing product (parent brand) for a new product in different category increases rate of new acceptance and purchase intention to consumer (Utama 2013). The approach maintains efficiency on promotion and advertising expenditures.

2.1.2. Advantages and Disadvantages of Brand Extension

According Keller (2003) stated that the reason behind the usefulness of brand extensions may also be to seize the advantages the strategy is associated with. These advantages have been described. 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.

Advantages related with facilitating new brand acceptance

- Reduce risk perceived by customers

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

Advantages linked to given that 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 efficiency 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

According to Keller (2003) stated that brand extension strategy though is not without pitfalls at all because brand extension has disadvantages well

Disadvantages related 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
- Can cause the company to forgo the chance to develop a new brand

2.1.3 Element of customer evaluation of brand extension

Reputation is assumed to be key determinant of consumers' brand choice. Reputation eases the effort consumers make in evaluating extended brands while purchasing new products. . Hem et al. (2001) 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 the ingredients of reputation such as Quality and Innovation. This is the system that reputation of the parent brand that gives origin to the extension is a factor that interacts with consumer purchase intention towards brand extensions.

The product developed with the established brand is believed to do good when the parent brand is perceived as quality. An extension should be benefited if the parent brand is associated with high quality, and should be harmed if it is associated with inferior quality (Aaker & Keller (1990).

According to Hedning et al., (2009) states the more associated with high quality show the more reputation of the brand.

Finally, RõÂo, VaÂzquez, and Iglesias (2001) state that a positive relation exists between brand reputation and the consumer's willingness to pay a price premium and accept brand extensions. So the reputation of the parent brand is a vital factor influencing the likelihood of a successful brand extension.

Difficulty refers to the perception of not-easy. A product class which consumers think is very easy to design or make, they may feel that combining the quality brand with a less requiring product class as inconsistent. Aaker & Keller (1990) stated this with respect to the possible association that can be created from this. He said consumers may attribute the act of placing

quality brand into what is considered as an insignificant easy-to-make product class as blatant effort in order to capitalize on a brand name image to charge higher than a fair price or they may think it is inappropriate to introduce a quality brand name in an inferior product class.

When consumers consider products as requiring great physical or mental effort to be accomplished, the brand extension is to become more positively associated with positive attitudes that results in positive evaluation. The difficulty of making the extension has a role in determining consumers' attitude toward the brand extension (Guoqun and Saunders, 2002).

According to Keller (2003) Stated that a brand name can be of different types e.g. it can be a descriptive, suggestive, arbitrary and fanciful. The two extreme are a descriptive brand name and a non descriptive brand name. According to Kapferer (2008) stated that a descriptive name is a name that describes function literally. The name itself conveys relevant product information. It enforces semantically the corresponding product category. A suggestive brand name as defined by keller (2003), is a name that conveys relevant attribute or benefit information making up the main selling point of a brand. For a brand name to be deemed suggestive, it must have well – defined association or meanings that could be seen as relevant in a product selling, In other words, association for a suggestive brand name is real word with no obvious tie – in the company (e.g. apple, Amazon) and fanciful names are based on coined words with on obvious meaning (keller, 2003).

One of the most useful criteria in choosing a brand element is meaningfulness. Brand element /name can take a descriptive (the extent to which it conveys general information about the nature of the product category e.g. Newsweek), or as well as persuasive meaning (the extent to which the name conveys specific information about particular attributes and benefits of the brand e.g. Amazon which speaks of newness, force and abundance (like the River Amazon) (Keller et al, 1998). In terms of descriptive meaning, to what extent does the brand name suggest something about the product category? How likely would it be that a consumer could identify correctly the corresponding product category or categories for the brand on the basis of the brand name alone, does the brand name seem credible in the product category? In the words, is the content of the brand name consistent with what consumers would expect or want to see from a brand in that

product category? In terms of suggestive meaning, does it suggest something about a product ingredient or the type of person who might use the brand?

2.1.4 Customers' purchase Intention

Product selection and purchase is a complicated phenomenon which is affected by many factors classified as marketing-related, psychological and sensorial. Moreover, a sensory property of products has been viewed as the important factor of consumer's choice (Guerrero, et. al, 2000).

Prior to purchasing, consumers collect product information based on personal experience and external environment. When the amount of information reaches a certain level, consumers start the assessment and evaluation process, and make a purchase decision after comparison and judgment. Therefore, purchase intention is often used to analyze consumer behavior in related studies. The so-called purchase intention means a subjective inclination consumers have towards a certain product, and has been proven to be a key factor in predicting consumer behavior (Fishbein and Ajzen, 1975).

Therefore, most marketers think consumers purchasing intention is an effectively method of predicting purchasing. In addition, Sudhir and Talukdar (2004) offer that quality perception and purchase intention have a positive relationship. Zeithaml (1988) thinks consumers purchase intention will be influenced by objective price, quality perception, and value perception.

Purchase intention is the implied promise to one's self to buy the product again whenever one makes next trip to the market (Fandos & Flavian, 2006). It has a substantial importance because the companies want to increase the sale of specific product for the purpose to maximize their profit. Purchase intention depicts the impression of customer retention. There are certain functions of the brand which have a strong influence on the purchase intention of the customer's i.e. brand image, product quality, product knowledge, product involvement, product attributes and brand loyalty.

2.2 Empirical Review

2.2.1 Effects of brand extension on consumer purchase intention

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 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.

2.3. Conceptual Framework of consumer purchase intention

The basis of this thesis is conceptual models enclose variables as outlined by Aaker & Keller (1990) and Smith and Park (1992). These variables serve as the source on which the entire task relies. The first function of a conceptual model is relating the research to the existing body of literature (Jonker and Pennink 2010).

The graphical representation of the variables in a model is as the following:

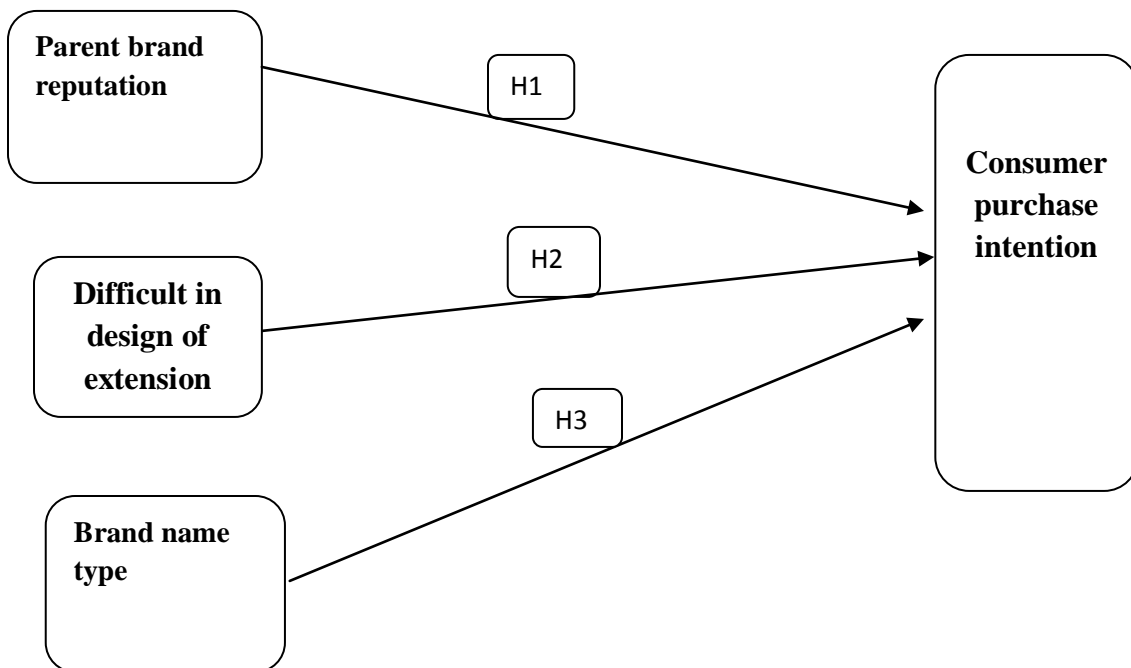


Figure 1: a theoretical framework of attitude formation Source: Aaker and Keller (1990) & Smith and Park (1992).modified

- 1 Shows Parent Brand Reputation relationship with consumer purchase intention toward brand extension

- 2 Shows Difficulty's relationship with consumer purchase intention toward brand extension
- 3 Shows brand name type relationship with consumer purchase intention toward brand extension

H1, H2, and H3 arrows are directed towards one box because according to Aaker & Keller (1990) a fit on either of the one is enough i.e. a good fit on all is not necessary.

The model tested was: $Y (CPI) = \beta_0 + \beta_1 R + \beta_2 D + \beta_3 N$

Where; R= Reputation, D=Difficult, and N=Brand Name type

In this equation, Y (CPI) is the predicted consumer purchase intention on the criterion variable. R, D, and N are the predictor variables and the β s are the weights or coefficients associated with the predictors.

The framework shows the relationship the three main variables Parent Brand Reputation, Difficult, and Brand Name type have with the variable Consumer purchase intention towards Brand extension. The H's associated with the relationship lines in the framework are formulated hypotheses. The framework is a set of structural equation designed to represent a system or process in whole or in part, showing therein the interrelationships between variables (Arya and Yeshpal, 2005). This thesis is prepared essentially with the above theoretical model from which the three drawn hypotheses were tested to find out whether they can be verified statistically to have any relations with consumer purchase intention towards brand extensions. These variables were used to formulate the questionnaire to collect the data from the selected samples. This data then was dealt with quantitatively and how significantly variables are correlated was analyzed through statistical techniques.

Chapter Three

Research Methodology

3.1 Research Approach

According to Bhattacharjee (2012), state that research design is a “blueprint” for empirical research aimed as answering specific research questions or testing specific hypothesis. It is a roadmap for data collection in a research project.

In social science, there are three research designs options; i.e. Quantitative, Qualitative and Mixed research designs, this research project employs a quantitative research design. The questionnaire format that was applied closed ended and variables were numerically tested for their relation by applying statistical methods.

3.2 Research Design

The major objective of this study was to examine the effects of brand extension on consumer purchase intention the case of DH Geda products. According the research used explanatory approach in order to explain the effect of brand extension dimensions on consumer purchase intention.

The explanatory approach is useful in order explain the cause and effect relationship between variables.

In this study the dependent variable was consumer purchase intention and independent variable were Parent brand reputation, Difficulties in design new product and brand name type.

3.3 Source of Data

According to Shajahan (2004) stated that Primary data are information generated by the researcher for the purpose of the research immediately at hand. When the data are collected for the first time, the responsibility for their processing also rests with the original investigator. Whereas, secondary data are data that have already been collected for some other purpose, perhaps processed and subsequently stored. This study applied both primary and secondary data source in order to collect relevant data to research project.

To make the research more reliable and dependable, information was obtained from customer of DH Geda products in order to collect the primary data. Secondary data collected from various publications, books and journals regarding the subject matter.

3.4 Methods of Data collection

Primary data was collected from sample respondent using closed ended self-administered questionnaires from customer of DH Geda products in Addis Ababa. The questionnaires were administered to those sample respondents in order to have their opinion regarding to purchase intention to wards extended brand.

Target respondents of this study were customer of DH Geda product. According, self-administered questionnaire is probably the best method for this study. The self-administered questioners were sent to the respondents physically in DH Geda product stores.

3.5 Population and Sampling

3.5.1 Population of the study

The target populations of this study were consumer of DH Geda product who have purchase parent brand and extended brand. According to Zikmund (2009), state a population is any complete group of people, companies, hospitals, stores, college students or the like that share some set of characteristics. Major relevant characteristics of the target population were age, education qualification and other. The unit of analysis for the study was individual customers who user of DH GEDA product,

3.5.2 Sampling Technique and Size

According to Zikmund et al., (2009) state that sample is defined as a subset or a portion of the population. Process involves using the part of the population to conclude about the whole population. It is too expensive and impractical to use the total population in this study. For this reason Convenience sampling method was applied for this research. Even though there are both personal and business buyers. As far as this study concerned samples were selected from the personal (individual) customers of DH Geda extended product in sore that found in Addis Ababa. The sample size of the research study determined by the formula presented below:-

$$N = Z^2PQ/E^2$$

Where N - Sample Size

Z - 95% confidence level (1.96)

$$N = (1.96)^2 * 0.5 (0.5)/(0.05)^2$$

P - Degree of variability 0.5

$$N = \underline{385 \text{ Respondents}}$$

Q - 1-P=0.5

E - +5% desired level of precision

3.6 Instruments of Data Collection

The research used a structured close ended questionnaire to collect data from customers of DH Geda product as primary data source. This questionnaire was adopted from Aaker, David A., & Keller, Kevin L. (1990) and Mulusew Demile (2012), with some adjustments to make it suitable for this study.

The structured questionnaire consists three parts. The first part was designed to collect demographic information of the respondents. And second part covered dimensions of brand extension. And third part of the questionnaire requested about customer purchase intention. For part two and three a five point Likert scale was used.

3.7 Methods of Data Analysis

This study were used both descriptive and inferential statistical methods. In descriptive statistics (percentage and Mean) was used mainly to organize and summarize the demographic data of the respondent as well as their overall perception towards the dimensions of brand extension.

In this study, multiple regression analysis were used to see how much the independent variable; dimensions of brand extension influences the dependent variable; consumer purchase intention. And correlation analysis was also conducted to measure the strength of relation between dimensions of brand extension and consumer purchase intention

Data analysis performed by using SPSS software Version 26.

3.8 Validity and Reliability

In developing data collection instruments, there are two main issues that should be considered reliability and validity

3.8.1 Validity

According to Bryman & Bell, (2003) state that validity is defined as how much any measuring instrument measures what it is intended to measure. It is also refers to the extent to which a given question predicts, with a measured degree of accuracy. To strengthen the content validity of the questionnaire majority of the survey items was adopted from previous studies with slight modification from an extensive review of academic and practitioner's literatures. Since the study used systematic random sampling technique the external validity or generalizability cannot be questioned.

3.8.2 Reliability

Reliability measure the extent to which a measure is free from error or without bias and hence offers reliable measurement across time and across a range of items in the instrument. According to Malhotra and Birks, (2007) stated that reliability is the extent to which a measurement reproduces consistent results if the process of measurement were to be repeated. In this study the most popular test; Cronbach's coefficient alpha was used. The closer the reliability coefficient gets to 1.0 the better. The scales with coefficient alpha between 0.6 and 0.7 indicates fair reliability, a Cronbach's alpha score of 0.70 or higher are considered as adequate to determine reliability (Zikmund et al. 2010). In ordered to accepted a constructs as being reliable, all constructs exhibited a Cronbach alpha value of greater than 0.70 observed

Table 3.1: Cronbach's Alpha showing items reliability

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
CPI	44.36	49.495	.478	.811
Reputation	44.04	40.691	.651	.783
Brand name	44.72	48.080	.293	.835
Difficult	44.29	45.891	.460	.811

Source: Own Survey

3.9 Ethical considerations

In the context of research, According to Saunders, Lewis, & Thornhill, (2009) state that ethics is defined as the appropriateness of the researcher's behavior in relation to the rights of the participants or subjects of the research work. This study was governed by the general rules of research ethics in such a way that a formal letter was submitted to DH Geda trade and service. Furthermore, the respondents were requested to reply for the questionnaire on voluntary basis. Participants can withdraw at any time during the survey for whatever reason the respondents have and Confidentiality of the information is guaranteed at all time. The research is purely for academic purposes and as a result of this the researcher will never reveal or use any of company confidential information or the business secrete for another purpose.

Chapter four

Data presentation and Analysis

The objective of this study was to understand the effect of brand extension on consumer purchase intention in case DH Geda Product in Ethiopia, based on the data was obtained from consumer sample of DH Geda products in Addis Ababa, through questionnaires. In this study, data analysis was under taken by using Statistical Package for Social Science programs (SPSS) 26 .0. Descriptive and multiple regression analysis were used for data analysis. General profile of respondents was summarized by using descriptive analysis. And also multiple regression analysis was applied to determine whether the proposed independent variables (parent brand reputation, difficulties in design in new products and brand name type) have influence on the dependent variable (consumer purchase intention). The Data was collected from customers of DH Geda brand product and 385 questionnaires were distributed for consumers, out of which 360 were valid for the analysis purpose.

4.1. Descriptive Statistics Results of variables

4.1.2 Demographic information

As it can be seen from the table 4.1 below in gender of respondents, out of 360 respondents, 51.7% or 186 of them are males and the remaining 48.3% or 174 are females.

4.1. Table2Gender of the respondent

Gender of the respondent			
Gender		Frequency	Percent
Valid	Female	174	48.3%
	Male	186	51.7%
	Total	360	100.0%

Source: own survey finding, 2020

In terms of age, as shown below in table 4.2, 21% or 74 of the respondents are between 18 and 25 years of age, 69% or 249 of them are between 26-30 years of age, 6% or 22 of them are between 31 and 40 years of age, and the remaining 4% or 15 of them are above 41 years of age.

Table 4.2 Age of the respondent

Age range		Frequency	Percent
Valid	18-25	74	21%
	26-30	249	69%
	31-40	22	6%
	>41	15	4%
	Total	360	100.0%

Source: own survey finding, 2020

As shown below in table 4.3, the respondents have an educational background range from certificate to masters and above. Out of which 22.8 % or 82 of them have certificate holders, 23.6% or 85 of them have diploma ,28.3% or 102 of are of them are degree holders and the rest 25.3% or 91 of them have masters and above.

Table 4.3 Education background of the respondent

Education background of the respondent		Frequency	Percent
Valid	certificate	82	22.8%
	Diploma	85	23.6%
	Degree	102	28.3%
	Master and above	91	25.3%
	Total	360	100.0%

Source: own survey finding, 2020

As indicated below in Table 4.4, mean values show that the consumers' choose more agree among the alternatives of the Likert scale. Brand extension dimensions explained by independent variables which is (Parent brand reputation mean=4.38, Std. deviation=0.461), (difficulty in design in new product mean=3.99, std.deviation=0.593) and brand name type (mean=3.73, std deviation =0.719), as well as the dependent variable which is (Consumer purchase intention mean=4.05, Std deviation =.693). Among all brand extension dimensions elements Parent brand reputation have the highest mean value.

Table 4.4: mean and standard Deviation Variables

		Parent brand reputation	difficulty in design in new product	brand name type	Consumer purchase intention
N		360	360	360	360
		0	0	0	0
Mean		4.38	3.99	3.73	4.05
Std Deviation		0.461	0.593	0.719	0.693

Source: own survey finding, 2020

4.2. Pearson correlation Analysis

According to Marczyk, et al., 2005 state that Pearson correlation coefficient (r) is a measure of the strength of the association between the variables. Theoretically, there could be a perfect positive correlation between variables which is represented by 1.0(plus1), or a perfect negative correlation which would -1.0(minus 1) while correlation range between -1.0and +1.0. General guidelines of correlations of .01 to .30 are considered small, correlations of .30 to .70 are considered moderate, correlations of .70 to .90 are considered large, and correlations of .90 to 1.00 are considered very large. As shown below Table 4.5 there was a significant positive correlation between the three independent variables (parent brand reputation, Difficulties in design in new products and brand name type) and dependent variable (consumer purchase intention), What we can see from the above outcome is that all the three variables are correlated with the criterion - and all correlations are positive. These correlation coefficient for Reputation with consumer purchase intention is .522 (sig. =.000) which is positive and significant, Difficulty

with consumer purchase intention = .352sig. = 000) which is positive and significant, and brand name type with consumer purchase intention = .452 (sig. =.000) which again is positive and significant. And there is also a significant relation between the independent variables mentioned earlier and the intervening variables (consumer purchase intention). And the result was found to be statistically significant at (P<0.05) for each variable. This shows that the factors have moderate correlation and have an impact on consumer purchase intention.

Table 4.5 : Correlation between the dependent and independent variables

		CPI	Reputation	Name	Difficult
CPI	Pearson Correlation	1.000	.522	.452	.352
	Sig. (1-tailed)	.	.000	.000	.000
	N	360	360	360	360
Reputation	Pearson Correlation	.522	1.000	.335	.393
	Sig. (1-tailed)	.000	.	.000	.000
	N	360	360	360	360
Name	Pearson Correlation	.452	.335	1.000	.187
	Sig. (1-tailed)	.000	.000	.	.023
	N	360	360	360	360
Difficult	Pearson Correlation	.352	.393	.187	1.000
	Sig. (1-tailed)	.000	.000	.023	.
	N	360	360	360	360

**. Correlation is significant at the 0.01 level (1-tailed).

*. Correlation is significant at the 0.05 level (1-tailed).

Source: own survey finding, 2020

4.3 Multiple Regression Analysis

The linear regression equation

$$Y (CPI) = \beta_0 + \beta_1 R + \beta_2 D + \beta_3 N$$

Where; R= Reputation, D=Difficult, and N=Brand Name type

In this equation, Y (CPI) is the predicted consumer purchase intention on the criterion

variable. R, D, and N are the predictor variables and the β s are the weights or coefficients associated with the predictors.

Where; CPI=consumer purchase intention

▪ R= Reputation ▪ D=Difficult ▪ N=Brand Name type

$\beta_1, \beta_2, \& \beta_3$, are = beta coefficients.

Table 4.6: SPSS output of the model summary for R, D, and N

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.709 ^a	.502	.479	.642

a. Predictors: (Constant), Difficult, Brand name type, Reputation

b. Dependent Variable: consumer purchase intention

Source: Survey Data 2020

What the Model Summary table shows is the outcome for the three variables (Parent Brand Reputation, Difficult and brand name type) entered into the SPSS. The multiple correlation coefficients between all of the predictor variables and the dependent variable consumer purchase intention are .709 indicating a strong relationship between consumer purchase intention and the three predictor variables in the equation.

The multiple regression also produced a coefficient of multiple determination (R^2) = .502 showing the amount of variance explained by the predictor variables. This means that 50% of the variance in the dependent variable consumer purchase intention is accounted for through the combined linear effects of the three predictor variables (R, D, & N) in the model. However, which of the predictors have contributed significantly to the variance that occurs in the predicted outcome -consumers' purchase intention is not yet evident.

Table 4.7: SPSS output of ANOVA for R, D&N

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	45.310	3	9.062	21.974	.000 ^b
	Residual	44.951	356	.412		
	Total	90.261	359			

a. Dependent Variable: consumer purchase intention

b. Predictors: (Constant), Difficult, Name, Reputation

Source: Survey Data

The F-test in the ANOVA table confirmed that the model developed is statistically significant ($F=21.974$, $p<.01$). This indicates the fact that the overall regression model is a good fit of the data and so the three predictor variables put in the model can predict the dependent variable consumer purchase intention toward the extension.

Table 4.8: SPSS output of variables showing individual Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	Constant	4.719	.471		10.023	.000
	Reputation	.243	.045	.431	5.425	.000
	Difficulty	.101	.049	.155	2.049	.043
	Name	.080	.040	.156	2.016	.046

a. Dependent Variable: Consumer purchase intention

Source: Survey Data

In order to identify which predictors are significant contributors to the 50 percent of explained variance in Attitude and which ones are not, the standardized coefficients shown in the table above are important to look at. This also addresses the research hypotheses substituted into the equation and the solution thereof. As seen in the table, reputation, difficult, and Name were the independent variables found to be positive and significant predictors of consumers purchase intention toward brand extensions ($b=.431$, $p<.01$), ($b=.155$, $p<.05$) and ($b=.156$, $p<.05$), respectively. These coefficients indicate how much the dependent variable varies with an

independent variable, when all other independent variables are held constant. The issue of multicollinearity was examined where all condition indexes are below 30 (Lin, 2007) which indicates nonexistence of multicollinearity problem.

Consequently, the final model appears:

$$Y_{CPI} = 4.719 + (0.243 \times \text{reputation}) + (0.101 \times \text{difficult}) + (0.160 \times \text{Name})$$

This means, controlling for other variables constant, any increase with respect to the three any independent variables in the model makes consumers' favorable attitude toward the extension increased by the amount of the given weight associated with it, i.e. favorable attitude will be enhanced.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

Depending on the findings discussed in the previous pages the following conclusions are drawn. The main purpose of this study was to examine the effect of brand extension by DH Geda product on consumers' purchase intention in Ethiopia. Three research questions were set to be addressed concerning the effect of brand extension on consumers' purchase intention. The explanatory variables were parent brand reputation, difficulty perceived to exist in the making of the extension and the brand name type. In order to answer the research questions by discovering the fundamental connection between these variables and consumers purchase intention, the three research question were considered and subjected to correlation and multiple regression analysis. The dependent variable consumers' purchase intention was operationalized by the average of consumers' perceived quality of the extension and their likelihood of trying it

Accordingly, what variables are useful in understanding how consumers actually evaluate brand extensions of DH Geda product has been verified through this research. The outcome of correlation analysis revealed that dimension of brand extension: parent brand reputation, difficulty in design in new product and brand name type are well correlated with consumers purchase intention of DH Geda brand. Pearson correlation coefficient shows that there is strong relationship with one of the independent variables which is Reputation and dependent variable (consumer purchase intention) i.e. 522. The correlation between the rest of independent variables (Difficulty and Brand name types) variable and dependent variable (consumer purchase intention) .i.e. .352 & .452 respectively.

The findings of regression analysis also shows, all brand extension dimension: parent brand reputation, difficulty in design in new product and brand name type have significant impact on consumer purchase intention towards DH Geda brand.

Positive purchase intention is also explained by the degree of difficulty the extension requires. Meaning that when the extension is perceived to be demanding consumers' purchase intention toward it becomes favorable.

The special emphasis attached to the findings is that consumers form perceptions about an extended brand based in part on the parent brand's reputation, the brand name type and the difficulty perceived to exist in the making of the extension involved in producing the extension product and they make decisions accordingly.

Despite what's been said, there is an important issue that needs to be addressed here. Aaker and Keller's (1990) comment points out the fact that consumers may not always accept an extension of a high quality/reputable brand to a product class that is by comparison trivial or very easy to make, even if fit is good. Meaning that even if the parent brand has the reputation needed and the extension fits well to the parent brand, if extended into too-easy-to make categories, consumers may still perceive it inappropriate to see the reputable brand in a small and of little importance product class. And again the extension may still suggest to them the likelihood of being too costly for the value.

To sum up, the findings of this research provided very important and helpful points on how brand extensions affect consumer purchase intention. DH Geda brand product and domestic manufacturers who may be involved in producing extended brands. The study also paves the way for future researches in the area and the findings it has come up with may serve them as an input.

5.2 Recommendations

Based on the major findings of the study and conclusion drawn above, the overall findings, parent brand reputation, difficulty perceived to exist in the making of the extension and brand name type are crucial ingredients firms should be pursuing so that they can prevent their new extended brands/products from the occurrence of failure.

Firms, before endowing their new products with an established brand name then, better give care and check out whether the expected extension has any of the characteristics from perceived fit.

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. Put differently, in influencing or shaping consumers' likelihood of trial of their new brand extension.

5.3 Recommendations for Future Research

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, that are theoretically valid and have been tested in several researches such as the perceived fit component Brand Concept Consistency by Park, Milberg, and Lawson (1991) and Consumers Innovativeness by Martinez & Pina (2009).

All the three variables have been confirmed to predict favorable consumers' purchase intention. Further research is then recommended to testify this finding since as highlighted in the limitation of the study, the nature of the stimuli might have led to this.

Though the researcher is not sure enough that the outcomes could be generalized to other extended brands, it is advised that further research shall be conducted with a more certain extended brands that could prove the findings of the current study.

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APPENDIX 1: Questionnaire in English

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

DEPARTMENT OF MARKETING MANAGEMENT

Questionnaire to be filled by customer to measure the effect of brand extension on consumer purchase intention in the case of DH GEDA brand product in Ethiopia

Dear Respondents

The purpose of this questionnaire is to collect primary data for conducting a study on the topic, “The effect of brand extension on consumer purchase in case of DH Geda brand products Ethiopia, for the partial fulfillment of the Masters (MA) in Marketing Management Program at Addis Ababa University, School of Commerce. I kindly request you to provide me reliable information. The data collected is confidential and will only be used for analysis of the study and not for any other purpose. Thank you in advance for your cooperation!

Note:

- No need to write your name,
- Please complete each parts of the survey with care, honesty and due attention,
- Please encircle the appropriate answer of your opinion.

Questioners

Part I) General information

1. Gender: 1) Male 2) Female
2. Age: 1)18 -25 2) 26– 30 3) 31– 35 4) 36-40 4) >40
3. Educational Background 1) High school 2) Certificate 3) Diploma 4) Degree
5) Masters and above

Part III: Basic information/ Brand extension dimensions

Direction: DH Geda Galvanized sheet (Parent Brand) is used to produce DH GEDA paint (extension). Please indicate your degree of agreement/disagreement with the following statements by circling the appropriate number. (1- Strongly disagree; 2-Disagree; 3- Neutral; 4- Agree; and 5-Strongly agree) key SDA=strongly disagree; DA=Disagree; N-Neutral; A=Agree; SA= strongly agree.

➤ (PB- Parent Brand & EX- Extension)

S/ N	Parent brand reputation	SD A	DA	N	A	SA
1	I am familiar with brand name DH Geda	1	2	3	4	5
2	I have tendency to rate the parent brand (PB- DH Geda Galvanized sheet) in terms of its positive reputation.	1	2	3	4	5
3	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	1	2	3	4	5
II Difficult in design of extension						
1	I think too easy to make Galvanized Iron Sheet (PB)	1	2	3	4	5
2	I think the people, facilities, and skills used in developing, refining, and making the original parent product (Galvanized sheet) be helpful when the manufacturer makes the (EX)	1	2	3	4	5
3	When an extension (EX) is in a product category I perceive as too easy to make my attitude toward the extension is unfavorable.	1	2	3	4	5
III Brand name type						
1	I think DH Geda extended brand in a way that I Identified	1	2	3	4	5

2	The parent brand name can describe about the product (DH Geda product) and its offering.	1	2	3	4	5
3	I can identify correctly the corresponding product category for the brand on the basis of the brand name alone.	1	2	3	4	5

Part III: Consumer purchase intention

S/N	consumer purchase intention	SDA	DA	N	A	SA
1	I have intention to evaluate the Downward extended brand of DH Geda Galevanized sheet if it introduces one.	1	2	3	4	5
2	I will search for product information about (PB) DH Geda Galevanized sheet downward extended brand if it introduces one	1	2	3	4	5
3	I have planned to purchase a product in the product class, i.e. Paint. I will try the extension (paint)	1	2	3	4	5

Thank you!

Note: - Questionnaire adapted from Aaker, David A., & Keller, Kevin L. (1990) and Mulusew Demile (2012), modified.

APPENDIX 2: SPSS OUTPUT

Appendix Table 1: Overall Reliability for the Averaged Items

Reliability Statistics

Cronbach's	N of Items
.821	5

Appendix Table 2: Reliability for individual items before average

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
CPI	44.36	49.495	.478	.811
Reputation	44.04	40.691	.651	.783
Brand name	44.72	48.080	.293	.835
Difficult	44.29	45.891	.460	.811

Appendix Table 3: mean and standard Deviation Variables

	Parent brand reputation	difficulty in design in new product	brand name type	Consumer purchase intention
N	360	360	360	360
	0	0	0	0
Mean	4.38	3.99	3.73	4.05
Std Deviation	0.461	0.593	0.719	0.693

Appendix Table 4: Correlation table showing relationships between attitude and independent variables, and among variables

Correlations

		CPI	Reputation	Name	Difficult
CPI	Pearson Correlation	1.000	.522	.452	.352
	Sig. (1-tailed)	.	.000	.000	.000
	N	360	360	360	360
Reputation	Pearson Correlation	.522	1.000	.335	.393
	Sig. (1-tailed)	.000	.	.000	.000
	N	360	360	360	360
Name	Pearson Correlation	.452	.335	1.000	.187
	Sig. (1-tailed)	.000	.000	.	.023
	N	360	360	360	360
Difficult	Pearson Correlation	.352	.393	.187	1.000
	Sig. (1-tailed)	.000	.000	.023	.
	N	360	360	360	360

** . Correlation is significant at the 0.01 level (1-tailed).

* . Correlation is significant at the 0.05 level (1-tailed).

Appendix Table 5: A table showing confidence intervals for B and VIF

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
(Constant)	4.719	.471		10.023	.000	3.786	5.652		
1 Reputation	.243	.045	.431	5.425	.000	.154	.332	.722	1.384
Transfer	.160	.043	.267	3.680	.000	.074	.158	.767	1.303
Difficult	.101	.049	.155	2.049	.043	.003	-.141	.832	1.201
							.246	.867	1.154
							.199	.796	1.256

a. Dependent Variable: Consumer purchase intention