

IMPACT OF PARENT BRAND IMAGE AND BRAND EXTENSION ON PERCEIVED FIT

By

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ABSTRACT

Purpose- The purpose of this study was to assess how consumers determine perceived fit for a brand extension in Karachi, Pakistan. In order to do so, the determinants of fit as proposed by Aaker and Keller (1990) were utilized, i.e. complementarity, substitutability, transferability and perceived difficulty.

Methodology/sample- A survey was conducted over a sample size of 200 to collect data on consumer perception towards the various determinants of perceived fit for three hypothetical brand extensions for the Ariel brand. The collected data was subsequently analysed using the enter method for simple and multiple regression models. It study primarily found that three determinants (substitutability, transferability and perceived difficulty) were statistically significant in determining consumer's perception of perceived fit. The complementarity variable was found to not have any effect on consumer evaluation of perceived fit. The study further assessed whether perceived fit and brand quality had any impact on consumer evaluation of extension.

Findings- It was found that both factors had an impact on extension attitudes. The results implied that consumers in Pakistan are more likely to emphasize on tangible features when evaluating brand extensions and are unlikely to focus on abstract associations. The findings of the study however were quite restrictive because of a weak research design and questionnaire.

Keywords: Brand extension, perceived fit, Aaker and Keller, categorization theory.

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