



## IMPACT OF BRAND EXTENSION ON MARKETING OF DAILY TOILET SOAPS WITH SPECIAL REFERENCE TO TIRURANGADI

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### ABSTRACT

Brand extension is the use of an established brand name in new product categories. The category to which the brand is being extended can be related or un related to the existing product categories.

Advantages of brand extensions in releasing new products are that it reduces risk and is less costly than alternative launch strategies. Customers appear to attribute the quality associations they have of the original brand to the new product. An established name enhances consumer interest and willingness to try the new product bearing the established brand name.

A major test of any brand extension opportunity is to ask if the new brand concept is compatible with the values inherent in the core brand. Brand extension is not viable when the new brand is developed for target customers who hold different values and aspirations from those in the original market segment.

**KEYWORDS:** Brand extension, customers, Toilet soaps

### INTRODUCTION

#### Meaning of Brand:-

Brand is name, term, symbol, mark or design or combination of them which is indented to identify goods or services of one seller or a group of sellers and to differentiate them from those of competitors. A brand is anything which is distinguished from similar products or services. Brand can be mathematically expressed as follows:

$$\text{Brand} = \text{Quality} + \text{image} + \text{Price}$$

#### Meaning of Brand Extension:-

Brand extension is the use of an established brand name in new product categories. The category to which the brand is being extended can be related or un related to the existing product categories.

Brand extension in unrelated markets may result in loss of credibility of a brand name is extended too far. A company has to find out the product categories in which the established brand name will work and the product categories in which



it will not work. To be able to do that the company has to find as to why the brand name is successful in its current business. It may find out that customers in the current business desire luxury and exclusivity and the brand is correctly positioned. It is offering luxury and exclusivity. If the customers of new business also desire luxury and exclusivity, the brand name will work in the new business. If values and aspirations of the customers of the new business match those of the original business and if these values and aspirations are embodied in the brand, it is likely to be accepted by customers in the new business.

A major test of any brand extension opportunity is to ask if the new brand concept is compatible with the values inherent in the core brand. Brand extension is not viable when the new brand is developed for target customers who hold different values and aspirations from those in the original market segment.

#### **Defenition of Brand Extension:-**

The development of new products, possibly in a different, but usually related product category under an existing brand name. The objective is to transfer some of the existing brand recognition and loyalty to the new product thereby accelerating the product's introduction into the market and lowering the costs of that introduction.

#### **OBJECTIVES OF THE STUDY**

1. To study the consumers buying behavior
2. To analyze whether any increase in the sale of company which are experiencing brand extension.

#### **RESEARCH METHODOLOGY**

##### **Research design of the study:-**

This research is Descriptive in nature. In descriptive research the data needed for the study are collected through questionnaire. That means the main sources of information are primary

sources. Primary data are collected from the customers selected from Tirurangadi panchayath. Thirurangadi panchayath is one of the panchayath in malappuram district, which is selected as a random basis, and also for our convenience of the study. In this Panchayath there is some 22 wards. Population of this Panchayath is around 20000. Stratified sampling method is used to collect the data. On this basis, at least 3% is taken from each category for study. For this purpose total population is divided in to four categories ie. on the basis of their income, on educational qualification, on the basis of profession, on their age basis. Pre - tested questionnaires were used to hook -up the data from these customers.

Secondary data are collected from the published journals, authorized books, internet, newspapers, periodicals, and other available materials. Discussions were also made with friends and other persons who are interested in this field.

#### **Statistical tools used:-**

Simple averages, ratios, percentages, and chi-square test were used to compare and analyses the data. Some charts, diagrams figures and tables are also used for the analysis of the data.

#### **ANALYSIS AND INTERPRETATION**

The total number of citizens in the Tirurangadi Panchayath is around 20000. From this universe, only 600 persons are selected for interview and they are proportionate representatives of all the categories that is based on income level, profession, age, & education.

#### **ANALYSIS OF BUYING BEHAVIOUR:—**

From the following statement it is clear that what the factors are affecting the buying behavior of customers and how the customers are rank a good soap.

Table :1

| Category          | Classification  | No of customers |                 |                 |                 |                  |                  | Total |
|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-------|
|                   |                 | LP <sup>1</sup> | IS <sup>2</sup> | AP <sup>3</sup> | AL <sup>4</sup> | GBN <sup>5</sup> | IAD <sup>6</sup> |       |
| <b>Age</b>        | Teen age        | 6               | 12              | 0               | 6               | 6                | 6                | 150   |
|                   | Youth           | 24              | 30              | 6               | 6               | 12               | 0                |       |
|                   | Senior citizen  | 12              | 12              | 6               | 0               | 6                | 0                |       |
| <b>Income</b>     | Below 2500      | 6               | 12              | 0               | 6               | 0                | 0                | 150   |
|                   | 2500 – 5000     | 6               | 18              | 6               | 12              | 0                | 6                |       |
|                   | 5000 – 7500     | 6               | 12              | 0               | 6               | 0                | 0                |       |
|                   | 7500 – 10000    | 12              | 0               | 0               | 6               | 0                | 0                |       |
|                   | 10000 - 15000   | 6               | 0               | 12              | 0               | 0                | 0                |       |
|                   | Above 15000     | 0               | 0               | 0               | 0               | 12               | 6                |       |
| <b>Education</b>  | S S L C         | 12              | 24              | 18              | 6               | 0                | 0                | 150   |
|                   | Under graduate  | 12              | 0               | 12              | 6               | 0                | 6                |       |
|                   | Graduate        | 6               | 0               | 0               | 0               | 24               | 0                |       |
|                   | Post graduate   | 0               | 6               | 0               | 0               | 18               | 0                |       |
| <b>Profession</b> | Business people | 0               | 18              | 0               | 0               | 24               | 6                | 150   |
|                   | Salaried class  | 12              | 18              | 0               | 6               | 12               | 0                |       |
|                   | Other employees | 12              | 0               | 6               | 24              | 0                | 12               |       |

Low Price<sup>1</sup>, Interesting smell<sup>2</sup>, Attractive packing<sup>3</sup>, Locally available<sup>4</sup>, Good Brand name<sup>5</sup>, Influence of advertising<sup>6</sup>

For analyzing the buying behavior of customers, 150 customers fall under the age group. Under teenage customers, 16.6% customers respond that low price soap is good. 33.3 % customers prefer soaps, which have interesting smell. Customers are not buying soaps due to attractiveness of packing, 16.6 % of customers are buying soaps which are locally available, 16.6% of customers are buying branded soaps, and only 16.6% customers are buying soaps due to the influence of advertisement.

Among the 150 customers, 52% of customers come under the category of youth group. Out of this, 30.76% of customers respond that low price soap is good. 38.46 % of customers said that they prefer soaps, which have interesting smell, 7.7% customers are buying soaps due to attractiveness of packing, 7.7% of customers are buying soaps, which are locally available, & 15.38% of customers are buying branded soaps, and customers are not buying soaps due to the influence of advertisement.

Among the 150 customers, 24% of customers come under the category of senior citizen group. Out of this 33.33% of customers respond that low price soap is good. 33.33% of customers are said that they prefer soaps, which have interesting smell, 16.66% customers are buying soaps due to

attractiveness of packing & customers are not buying soaps which are locally available, 16.67% of customers are buying branded soaps, and customers are not buying soaps due to the influence of advertisement.

For analyzing buying behavior of customers, 150 customers are under income group. Among the 150 customers, 16% of customers come under the category of below 2500. Out of this, 25% of customers respond that low price soap is good. 50% of customers said that they prefer soaps, which have interesting smell, customers are not buying soaps due to attractiveness of packing, 25% customers are buying soaps which are locally available, customers are not buying soaps due to good brand name & influence of advertisement.

Among the 150 customers, 32% of customers come under the category of 2500-5000. Out of this, 12.5% customers are responding that low price soap is good. 37.5% of customers said that they prefer soaps, which have interesting smell, 12.5% of customers are buying soaps due to attractiveness of packing, 25 % of customers are buying soaps which are locally available, customers are not buying branded soaps under this category, and only 12.5% of customers are buying soaps due to the influence of advertisement.

Among the 150 customers, 16% of customers come under the category of 5000-7500. Out of this 25% of customers respond that low price soap is good. 50% of customers are said that they prefer soaps, which have interesting smell, customers are not buying soaps due to attractiveness of packing, 25% of customers are buying soaps which are locally available, Customers are not buying soaps due to good brand name and influence of advertisement.

Among the 150 customers, 12 % of customers come under the category of 7500-10000 . Out of this, 66.6% of customers respond that low price soap is good. Customers do not prefer soaps only due to its interesting smell or attractiveness of packing. 33.34 % of customers are buying soaps, which are locally available. Customers are not buying soaps due to the influence of advertisement.

Among the 150 customers, 12% of customers come under the category of 10,000-15,000. Out of this, 33.34% of customers are responding that low price soap is good. Customers said that they do not prefer soaps, which have interesting smell, 66.67% customers are buying soaps due to attractiveness of packing; customers are not buying soaps, which are locally available, which is of a good brand and due to the influence of advertisement.

Among the 150 customers, 12% of customers are come under the category of above 15,000 income. Out of this customers respond that low price, interesting smell, local availability & attractiveness of packing are not an indication of good soap. 66.67% of customers are buying branded soaps under this category, and 33.34% of customers are buying soaps due to the influence of advertisement.

For analysis, 150 customers are taken on the basis of educational qualification. Out of this 40% of customers come under the SSLC group. 24%, 20% & 16% customers come under the category of under graduate, Graduate, Postgraduate respectively.

Among the 150, 40% of customers come under the category of SSLC. Out of this, 20% of persons are buying due to low price, 40% of

customers are buying soaps due to interesting smell, 30% of customers are buying due to attractive packing, 10% of customers are buying due to availability . Under this class, customers are not buying due to good brand name or advertisement.

Among the 150 customers 24% of customers are under the category of Under graduate class. Out of this, 33.34% of persons buying due to low price, customers are not buying soaps due to interesting smell, 33.33% of customers are buying due to attractive packing, 16.67% of customers are buying due to availability . Under this class, customers are not buying due to good brand name, 16.67% of customers buying due to influence of advertisement.

Among the 150, 20% of customers come under the category of Graduate class. Out of this 20% of persons are buying due to low price, customers are not buying soaps due to interesting smell, attractive packing & availability. Under this class, 80% of customers are buying due to 'good brand name'. Customers are not buying due to influence of advertisement.

Among the 150 customers, 16% of them are under the category of postgraduate class. Out of this, persons are not buying due to low price, attractive packing, influence of advertisement and local availability. only 25% customers are buying soaps due to interesting smell. Under this class, 75% of customers are buying due to good brand name.

For analysis purpose, 150 persons are also selected based on their profession. 32% of customers are under these criteria, out of these 32% of persons are not buying due to low price, 37.5% of customers are buying due to interesting smell of soaps. Customers are not buying due to attractive packing and availability. 50% of customers are buying due to good brand name. 12.5% of customers are buying due to influence of advertisement. 32 % of customers are under the criteria of salaried class. out of this 25% of persons are buying due to low price, 37.5% of customers are buying due to interesting smell of soaps. Persons are not buying due to attractive packaging, 12.5% customers are buying due to availability, 25% of customers are buying due to good brand name. Customers are not buying due to influence of advertisement.

Satisfaction level of customers under age group can be analysed using **Chi – square test**

**Table : 2**

| Classification | No of customers |                      |           |               | Total |
|----------------|-----------------|----------------------|-----------|---------------|-------|
|                | Fully Satisfied | Moderately Satisfied | Satisfied | Not Satisfied |       |
| Teenage        | 0               | 8                    | 4         | 0             | 12    |
| Youth          | 8               | 24                   | 8         | 2             | 42    |
| Senior citizen | 2               | 4                    | 2         | 4             | 12    |
| <b>Total</b>   | 10              | 36                   | 14        | 6             | 66    |

$H_0$  = There is no significant difference between the satisfaction level of different income group

$$\text{Degree of freedom} = (C-1) \times (r-1)$$

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$$= (4-1) \times (3-1)$$

$$= 3 \times 2$$

$$= 6$$

Let us take level of confidence at 5%

Table value will be 12.592

The calculated value is greater than table value

So we can reject null hypothesis

The above analysis reveals that customers that are more educated are using branded soaps, even though price and advertisement have a great influence. Besides this education also have influence in buying branded soaps.

### FINDINGS

Based on the study and analysis the following points are submitted herewith.

1. From the study, it is found that 84%, 92%, 88% & 96% of customers are using toilet soaps under the categories of age, income, education & profession respectively. The rest portions are not using toilet soaps due to several reasons like due to doctor's advice, they may use natural material, or they think that this may cause some disease etc.
2. The study reveals that more teenage customers are buying soaps due to interesting smell because they are more conscious about their beauty and attractiveness. Teenage customers are not buying soaps due to the attractiveness of packing, least of the teenage customers are buying because of good brand and availability. In the same way, youth people

also behave like this. But the only difference is that some of the youth customers are bothered about the price as well as the availability.

3. Study reveals that higher income groups are using branded soaps more than educated customers. Teenage groups and senior citizen are rarely using branded soaps.
4. Some customers are not at all using branded soaps because sometimes they are not satisfied with the branded soaps or it is not available always.
5. Teenage customers are not fully satisfied with one soap because they have a dynamic attitude.
6. Depending upon the income level, consumers are using premium, popular & economy brand soaps.

### SUGGESTIONS

1. From the above detailed discussion, we can suggest that advertisement have no impact on brand extension among teenage & senior citizen. Because they have their own style for consumption habit.
2. Because of the positive correlation between education and consumption habit, quality based advertisement have great influence among educated customers. For this purpose ad can be published through standard journals and media, which are used by educated people. Premium priced soaps are marketed through this method because educated people are ready to pay the price as they are only looking for the quality.



3. Companies, which are experiencing brand extension, they can make two types of advertisement. One is for educating the whole customers regarding the availability, price, smell etc. In addition, another is to focus on the high-income group and highly educated customers. Company can charge more from them.
4. Brand extension has significant role in increasing the sales because the customers have different taste and preferences. Through the brand extension different kinds of customers can be attracted.

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