

EFFECT OF BRAND EXTENSION STRATEGY ON CUSTOMERS' PREFERENCE OF COCA – COLA PRODUCTS IN UNIVERSITY OF CALABAR

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Abstract

This study on the effect of brand extension strategy on customers' preference of Coca – Cola products in University of Calabar focused on determining the effect of the elements of brand extension strategy such as perceived quality, perceived fit and customer familiarity on customers' preference of Coca – Cola products. The study adopted a survey research design which enabled the administration of structured questionnaire on the 246 respondents within the University of Calabar community who constituted the sample size of this study and were using a purposive non probability sampling technique. The responses obtained through the questionnaire were subjected to statistical analysis using regression analysis, which in turn revealed that extended perceived quality, extended perceived fit as well as customer familiarity all have an effect on customer preference for Coca- Cola products in University of Calabar. Based on the above result, it was concluded that when an organization effectively adopts and implements a branding strategy with special focus on perceived quality, perceived fit and customer familiarity, such a firm is bound to enjoy the preference of its products by consumers because once the view of the customer towards the above considered elements of the branding strategy are favourable, it therefore implies that the customer would, to a large extent, extend such favourable response to the extended products of such an organization. Hence, it was further recommended that Coca- Cola should always

ensure that the quality of their drinks remain a paramount consideration within the organization by ensuring that quality test and measures are put in place to help spot deficiencies in the production process. Because once the customer perceives a drink to be of quality, it has been proven that such a customer would always attribute such perceived quality to other variants of the brand.

Key words: Brand extension strategy, Customer preference, Perceived quality, Perceived fit, Customer familiarity

1.1 Introduction

The increasing competitive forces in the global markets are, according to Bahram, Saeed and Marjan (2013), forcing companies to differentiate themselves from competitors in order to survive and take advantage of the current opportunities of growth in the market, and the only way to differentiate from competitors is, according to Keller (1993), the establishment of strong brands that allow companies to increase the efficiency of their marketing expenses. Thus Srivastava and Shocker (1991) opine that the importance of a brand to an organization is not only measured in terms of the competitive advantages that such a brand provides in their present markets but also in the future opportunities that such a brand can provide in untapped markets, which would, to an extent, enable a firm to enter a new market by using an existing, well-known brand name in order to reduce both the cost of launching new products and the risk of product failure. Further supporting the above, Whan, Andreas, Gratiana and Jason(2013) maintained that brand elements such as logos has typically served as a means for resolving the problem of indistinguishability. Thus, a brand according to The American Marketing Association is a name, word or phrase, mark, sign, symbol, design or a combination of them used to distinguish a seller or group of sellers' products from that of competitors. Furthermore, Kotler and Armstrong (2009) maintain that a brand represents a seller or manufacturer's product. In line with the above definition of a brand, Martinez (2011), as well as Bahram, Saeed and Marjan (2013) all maintain that the strategy behind the leverage of the company brand to new markets, products or sectors is known as brand extension. Therefore, brand extension, according to Arslan and Altuna (2010), is defined as using a successful current brand for the introduction of new categories of products to the market. To Kalu, Anyanwu and Samson (2014), 'Brand Extension' is simply the means by which an individual or firm introduces a new product under an existing brand name for the purpose of accommodating new or emerging demand while retaining existing customers, whereby the initial product becomes a parent brand. A well-known brand name, according to Grime, Diamantopoulos and Smith (2002), helps the company enter new product categories more easily and also give a new product instant recognition and faster acceptance. Hence, for an organization to maximally enhance the preference of their product by customers through a successful brand extension campaign it must, according to Klink and Smith (2001), always consider the judgement of consumers as regards the extended product, because such consideration when favourable would, according to Romeo (1991), ease the transfer of beliefs and attitudes associated with the parent brand to the new product. Brand extension in this study is considered as a brand stretching marketing approach in which firms marketing their products use the same brand name in a different product category so that that different product can ride on an already established or known trade name for its success.

1.2 Statement of the Problem

In today's highly competitive environment, building strong brands, according to Betty (2013), remains an important goal to any organization because strong brands have proved to enhance firms' economic performance. Although, organizations launching new products to sustain their stand in the market seems to be an attractive marketing strategy but the disadvantages of conducting such a strategy may outweigh benefits because, according to Calantone and Montoya-Weiss (2004), nearly 35% of newly launched products failed to successfully capture their market. The contributing factors for these failures include high advertising expenditures and increasing competition which, to an extent, leads to a situation where it becomes difficult for the new product to be sustained and be successful in the market. Based on the above, many firms especially Coca – Cola have adopted the concept of brand extension which, according to Keller (2007), involves utilizing and applying the established core brand name to new products to capture new and unexplored market segments as their strategic tool to generate more revenues, reduce marketing costs and product failure rates. Therefore, this study seeks to ascertain how the perceived elements of a brand extension strategy such as perceived quality, perceived fit as well as customer familiarity with parent brand in relation to the extended product affect the preference of Coca- Cola products by customers in University of Calabar.

1.3 Objectives of the Study

The major objective of this study is to determine the effect of brand extension on customer preference for Coca- Cola products in University of Calabar, while the specific objectives include:

1. To ascertain the effect of extended perceived quality on customer preference for Coca- Cola products in University of Calabar.
2. To ascertain the effect of extended perceived fit on customer preference for Coca- Cola products in University of Calabar.
3. To ascertain the influence customer familiarity has on customer preference for Coca- Cola products in University of Calabar.

1.3.1 Research Hypotheses

The research hypothesis for this study are stated in a null form

H₀₁: Extended perceived quality does not have an effect on customer preference for Coca- Cola products in University of Calabar.

H₀₂: Extended perceived fit does not have an effect on customer preference for Coca- Cola products in University of Calabar.

H₀₃: Customers familiarity does not have an influence on customer preference for Coca- Cola products in University of Calabar.

This study remains significant in a number of ways; firstly it would be beneficial to Coca- Cola drink bottling firms in Nigeria because the study would expose how consumer 133 to new product extensions which, to an extent, can be used to plan brand extension campaigns.

This study would also increase existing knowledge to scholars on the benefits of brand extension strategies on the overall customer preference for a firm's product.

This study is centred on the effect of brand extension strategies on customer preference for Coca- Cola products in University of Calabar. It would seek to ascertain how the perceived elements of a brand extension strategy such as perceived quality, fit and customer familiarity can possibly affect the preference of customers for Coca- Cola products in University of Calabar.

2.0 Review of Literature

2.2 Meaning of Brand Extension

Brand extension lacks a generally accepted definition. To Farquhar (2009), brand extension is defined in terms of two forms namely: line extension and category extension. Where the parent brand name is used for new products which targets different market segments within same category of products in the product line is referred to as line extension. Category extension occurs when the existing brand name is used in a new product category entering into the market.

2.2.1 Types of Brand Extension

According to Shafqat and Yasir (2016), brand extension is discussed from various perspectives. Below are the various types of brand extension.

1. Horizontal Brand Extension According to Pitta and Katsanis (1995), horizontal brand extension can be defined as extending a parent brand to a new product in the same product class or to a product which is completely new for a company. In horizontal brand extension, Chen and Liu (2004) maintained that core brand name is used on new entrant product. There are two additional types of horizontal brand extension and they include line extension and franchise extension. In line with extension, parent brand name is used to enter into new market segment with same product class and minor changes while franchise extension use parent brand name to enter into new market with different product category.

2. Vertical Brand Extension Vertical extension is the second type of brand extension in which a new brand is introduced on the basis of price and quality. Vertical extension is simply defined by Keller and Aaker (1992) as the introduction of a similar brand to the same product category while being different in prices and quality. According to Xie (2008), this type of brand can be divided into upscale and downscale brand extension. Upscale vertical brand extension is brand extension done on the basis of a higher quality and higher price point as compared to the parent brand while down scale vertical brand extension is extending a brand with lower quality and price. However, Dacin and Smith (1994) maintained that vertical brand extension remains a most commonly used extension strategy but however it oftentimes might create negative impact on the core brand and evaluation of its extended product when not perceived appropriately by consumers.

Hence, below is a diagrammatic representation of the types of brand extension.

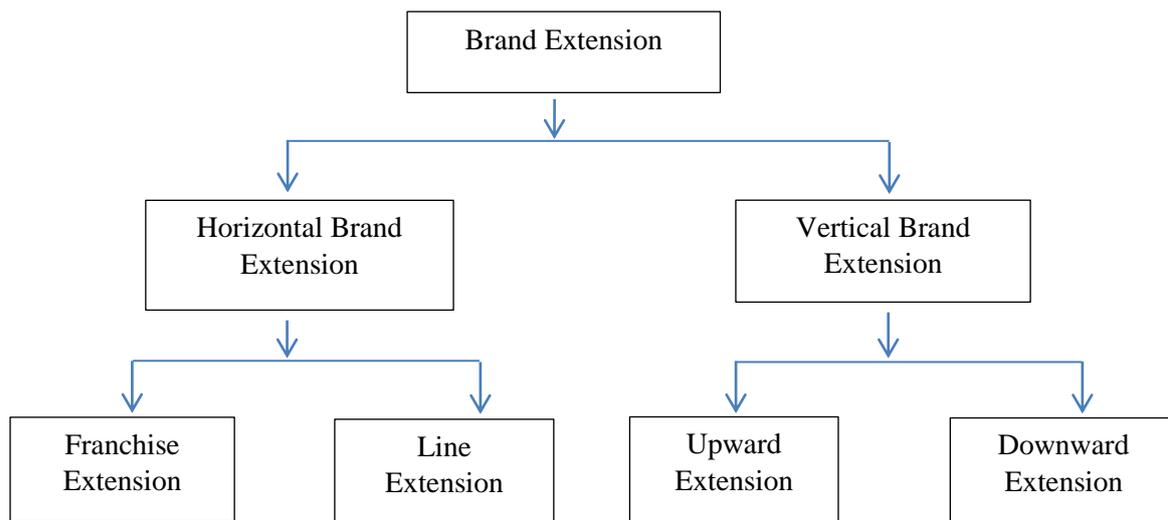


Fig.1: Showing Types of Brand Extension

Source: Shafqat and Yasir (2016). Brand Extension Success Elements.

2.2.3 Elements of Brand Extension Strategy

To manage brand extensions effectively, marketers need to understand the relations between the variables or elements constituting the brand extension strategy because Aaker and Keller (1990), Bottomley and Holden (2001), Volckner and Sattler (2006), Betty (2013) all maintain that branding elements are used by consumers to evaluate the brand extension before a shift or transfer in attitude occurs. Therefore, the brand extension elements include:

1. **Perceived Quality** Perceived brand quality is one of the elements of brand extension strategy. To Zeithaml (1988), perceived quality is simply the consumer's perception about quality of product in association with the brand and performance of product. Perceived quality is the customer's decision based on intangible knowledge of quality and not necessarily based on specific attributes.
2. **Perceived fit** Perceived brand fit as an element of brand extension strategy shows how closely related (or similar/congruent) an extension is with the parent brand. According to Park and Milberg (1991), Perceived brand fit is not only restricted to product category similarity but also brand concept consistency. The authors further stressed that two different bases are used by consumers to evaluate an extension's goodness of fit which are product feature similarity and brand concept consistency. According to Aaker (2008), product feature associations are based on product category, product attribute/functional benefits, application, technology, channel, user and brand personality and self-expressive benefits while brand concept consistency implies consistency with brand associations. A fit may exist in any one of the associations that are made about the parent brand. The strength of a brand highly depends on the associations that the consumers make when they come across the brand name. If a brand has strong associations or fit, it will evoke the transfer of such positive attitudes by customers to the extended or new product.
3. **Parent Brand Strength** According to Keller (1993), this element of the brand extension strategy suggests that parent brand strength consists of brand awareness, brand image and consumer response to brand. For a successful brand extension, it is necessary that

consumers must be aware about parent brand because consumer response and brand image are important components that form the parent brand strength.

4. **Marketing Support** Marketing support has some sub dimensions like advertising activities, product benefits, distribution, and sales promotion strategy. According to Betty (2013), this element of brand extension can be exploited by managers from various dimensions in order to influence the market in favour of product success. Furthermore, Mohammad and Ronaghi (2010) maintain that marketing support such as advertising support is very necessary when a new or extended product is introduced in the market.
5. **Familiarity** According to Campbell and Keller (2003), familiarity simply refers to the brand knowledge in the customer's mind. To Keller (2008), brand familiarity is simply the number of product related experiences that have been accumulated by the consumer through product usage and advertising.

2.3 The Concept of Customer Preference

According to David (2018), customer preference is defined as the subjective tastes of individual consumers, measured by their satisfaction with those items after they have purchased them. This satisfaction is often referred to as utility. To Anojan and Subaskaran (2015), customer preference provides a key to gain actual success only to those brands which match best to the current environment. Customer preference is often times regarded as an indicator of consumer demand, because consumer choices are not always determined by preference alone. Choices are often limited by a consumer's income or budget, compared to the cost of the item as well as the quality of the product and the perceived satisfaction to be derived from such product. Customer preference determines what products people will buy and such understanding give the marketer an indication of consumer demand.

2.4 Conceptual Model

Below is the conceptual model developed for this study.

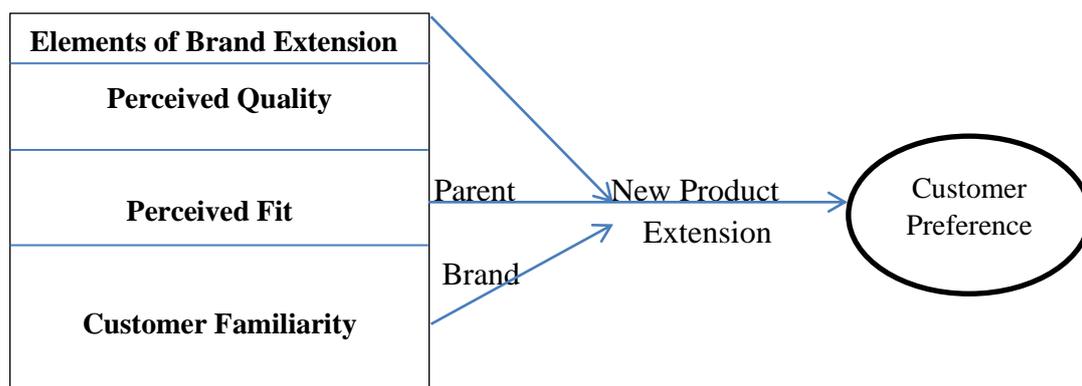


Fig.2: A Conceptual Model

Source: Developed by the researcher

The conceptual model above seeks to ascertain how the perceived elements of a brand extension strategy such as perceived quality (which is the consumer's perception about quality of product in association with the brand and performance of parent brand in association to the

extended product), perceived fit (which shows how closely related (or similar/congruent) an extension is with the parent brand) as well as customer familiarity (which is the brand knowledge in the customer's mind from parent brands to new product extension) can affect the preference of consumers of Coca-Cola brands in University of Calabar.

2.4.1 Perceived Quality of Parent Brand in Relation to New Product Extension and Customer Preference

According to Zeithaml (1988), perceived quality is the customer's decision based on intangible knowledge of quality, not necessarily based on specific attributes. Very often the use of established brand names is a good way to reach quality perception and this perception may take different forms for different types of industry. According to Aaker (2008), perceived quality directly influences a customer's buying decision, especially when a customer is motivated or capacitated to make a detailed analysis of the purchase, it may also sustain a premium price, increase the brand's profitability and performance. Furthermore, Martinez and Pina (2003) maintained that as customers attitudes towards brands have an effect on brand image, perceived quality of the brand extension is also likely to affect post extension corporate image, and for customers the quality of the brand/product is an important aspect when forming a perception about the brand, and the customer evaluates the brand according to his/her perceptions of quality which is sometimes more difficult than actually delivering high quality.

2.4.2 Perceived Fit of Parent Brand in Relation to New Product Extension and Customer Preference

Perceived fit is how closely related (or similar/congruent) an extension is with the parent brand. According to Park, Milberg and Lawson (1991), perceived brand fit is not only restricted to product category similarity but also brand concept consistency. The authors further stressed the fact that two different bases are used by consumers to evaluate an extension's goodness of fit which are product feature similarity and brand concept consistency. According to Aaker (2008), product feature associations is based on product category, product attribute/functional benefits, application, technology, channel, user and brand personality and self-expressive benefits while brand concept consistency implies consistency with brand associations. The strength of a brand highly depends on the associations that the consumers make when they come across the brand name. If a brand has strong associations, it will evoke positive attitudes in customers. It is important to note that how a business is defined affects the direction the brand extension is going to take. The definition of the business actually affects the associations made about the brand. Perceived fit between the extension and the parent brand may depend on the transferal of current skills or assets to making the extension, the perceived product class complementarity; and the perceived product class substitutability (Keller and Aaker, 1990).

2.4.3 Familiarity with Parent Brand in Relation to New Product Extension and Customer Preference

According to Campbell and Keller (2003), familiarity simply refers to brand knowledge in the customer's mind. Familiar brands are different from non-familiar brands and customers make different associations with familiar brands whether for their own or family use, through friends or a contact in the press or advertising (Betty 2013). How well a customer knows a brand shows

how familiar he/she is with the brand. To Keller (2008), brand familiarity is the number of product related experiences that have been accumulated by the consumer (through product usage and advertising). Betty (2013) further maintains that customers tend to buy brands that they are familiar with. Experiments as cited by Aaker (2004) show that even if customers are shown some words that have no meaning and later are motivated to pick the names that they like, most of them choose the nonsense words they have been shown before, and the same applies to brand names.

2.5 Empirical Review

Several studies have been conducted to establish the relationship and association between brand extension strategies and the preference of customers. One of such peculiar study was the one conducted by Bahram, Saeed and Marjan (2013). This study analyses the impact of brand extension strategies upon Competitive Advantage in Service Companies from Customers point of View among Parsian Bank and its Affiliated Service Companies in Isfahan City. A questionnaire was distributed to 600 customers of Parsian Insurance. Also, SPSS and Amos software were used to analyse data and test hypotheses. The results indicated that the probability of success and acceptance of brand extension in order to have a competitive advantage is influenced by the perceived product quality, perceived fit between the extended product and other products of the brand and consumer's attitude to extension. Also, the consumer's attitude to extension has been affected by Perceived product quality and perceived fit in the study.

Another study conducted by Sylva, Aham, Maduenyoghasi and Ikechukwu, (2014) is on the Effect of Brand Extension Strategy on Marketing Performance of Coca- Cola Bottling Firms in Nigeria. The study surveyed the effect of brand extension such as product category similarity, on marketing performance metrics of sales volume, sales growth and profitability. A total of 98 copies of questionnaire were administered among Commercial Managers, Marketing Managers, Sales Managers and Sales Leads in proportion to the selected firm's target population studied. Analysis of the data through the use of descriptive tables and Pearson Correlation Coefficient of the SPSS package, shows that a significant percentage of the total soft drinks products sold on annual bases belong to the extended brands of the parent products. The study therefore, concluded that the combined influence of Product Category similarity such as fit perception; does provide strong leverage to firms' overall marketing performance. It was therefore recommended that provided firm's core brands are shielded from image-dilution, firms should continue to infuse fit perception of core brands on extended brands tailored to provide bundles of extra solution to demand, to accommodate all categories of consumer.

2.6 Theoretical Framework

The theoretical auspices upon which this study is anchored are the Associative network memory theory and the Brand relationships theory.

2.6.1 The Associative –Network Memory Theory

The associative-network memory theory serves as the overarching theory for understanding brand extension evaluations and their feedback effects. Knowledge of a brand in consumer memory is held as network of brand information nodes, referred to as schema (Keller, 2007).

Parent brand evaluation is operationalized as consumer perceived quality, fit and familiarity, which refers to consumers' overall knowledge of brands that is composed of brand associations held in his memory.

2.6.2 Brand Relationships Theory

This theory was advanced by Gummesson (2002) and pointed that there exist relationships among human beings. Consequently, brand relationships are defined from relationship and relational values that are more personalized in consumers' minds. Individual relationships are generated by individuals based on individual brand values' perception and brand experiences. Prior studies have examined the personal relationship components between a brand and the customers. And a study examined by Fournier (1998) revealed that the brand relationship quality with customers is multi-faceted and consists of six dimensions exceeding commitment or loyalty which include, commitment or nostalgic attachments, interdependence in behaviour, intimacy, love/passion, brand-partner quality and intimacy.

3.0 Research Design, Sampling Procedure and Sample Size Determination

The survey research design was adopted in order to enable the researchers obtain first hand data from consumers of Coca- Cola brands within the study area. The purposive/ judgemental non probability sampling technique was adopted in the study. This is because the sampling technique enables the researchers to choose the sample based on who they think would be appropriate for the study because the main objective of purposive sampling is to arrive at a sample that can adequately answer the research objectives. In determining the sample size from the research population which is unknown the Topman formula was adopted.

The Topman's formula is represented below as:

$$n = \frac{Z^2 P \times Q}{E^2}$$

Where n = Sample size;

Z= confidence interval

P = Probability of positive response.

Q= Probability of negative response.

E= amount of error that can be allowed.

Therefore, P is represented as 80%. While Q is represented as 20%, while Z is represented as 96 and E is represented at 5%

Substituting into the above formula,

$$n = \frac{1.96^2 (0.80 \times 0.20)}{(0.05)^2}$$

$$n = \frac{3.8416 \times 0.16}{0.0025} = \frac{0.614656}{0.0025}$$

$$n = 245.8 \text{ . Approximately } 246$$

Therefore, the sample size for this study is 246 consumers of Coca cola brands in University of Calabar.

3.1 Data Analysis Technique

The data collected in the course of this research work is presented in tables and further analysed using simple regression analysis. This tool exists in the Statistical Package for the Social Sciences (SPSS) and is aimed at ascertaining the effect predicting variables have on the dependent variable.

4.0 Data Analysis

This section of the study seeks to test the hypotheses formally stated in the course of this study and a 0.05 level of significance is used for testing the hypotheses.

Hypothesis One

H₀: Extended perceived quality does not have an impact on customer preference for Coca- Cola products in

University of Calabar.

H₁: Extended perceived quality has an impact on customer preference for Coca- Cola products in University of Calabar.

Table 1: Model Summary Showing the Impact of Extended Perceived Quality on Customer Preference for Coca- Cola Products in University of Calabar

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.482 ^a	.233	.229	2.32687

Predictors: (Constant), Perceived quality

Table 2: ANOVA^a Showing the Impact of Extended Perceived Quality on Customer Preference for Coca- Cola Products in University of Calabar

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	400.503	1	400.503	73.971	.000 ^b
	Residual	1321.091	244	5.414		
	Total	1721.593	245			

Dependent Variable: Customer preference

Predictors: (Constant), perceived quality

Table 3: Regression Coefficients^a Showing the Impact of Extended Perceived Quality on Customer Preference for Coca- Cola products in University of Calabar

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.940	.390		10.109	.000
Perceived quality	.442	.051	.482	8.601	.000

Dependent Variable: customer preference

The regression analysis conducted above was to determine the impact of extended perceived quality on customer preference for Coca- Cola products in University of Calabar. Table 1 above summaries the statistics and the results of the analysis as shown in tables 2 and 3 produced an R-square =.233, (F = 73.971) and (sig .000, < .05). The model has a correlation coefficient (R) of .482^a. Therefore, the result implies that extended perceived quality have an impact on customer preference for Coca- Cola products in University of Calabar because the sig. 000 is < .05. Hence, the alternative hypothesis stating that Extended perceived quality has an impact on customer preference for Coca- Cola products in University of Calabar is hereby accepted.

Hypothesis Two

H₀: Extended perceived fit does not have an impact on customer preference for Coca- Cola products in University of Calabar.

H₁: Extended perceived fit has an impact on customer preference for Coca- Cola products in University of Calabar.

Table 4: Model Summary Showing the Impact of Extended Perceived Fit on Customer Preference for Coca- Cola Products in University of Calabar

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.172 ^a	.030	.026	2.61671

a. Predictors: (Constant), perceived fit

Table 5: ANOVA^a Showing the Impact of Extended Perceived Fit on Customer Preference for Coca- Cola Products in University of Calabar

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	50.880	1	50.880	7.431	.007 ^b
	Residual	1670.713	244	6.847		
	Total	1721.593	245			

Dependent Variable: customer preference

Predictors: (Constant), perceived fit

Table 6: Regression Coefficients^a Showing the Impact of Extended Perceived Fit on Customer Preference for Coca- Cola Products in University of Calabar

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	5.687	.524		10.853	.000
	Perceived fit	.215	.079	.172	2.726	.007

a. Dependent Variable: Customer preference

The regression analysis conducted above was to determine the impact of extended perceived fit on customer preference for Coca- Cola products in University of Calabar. Table 4 above summarizes the statistics and the results of the analysis as shown in tables 5 and 6 produced an R-square =.030, (F = 7.431) and (sig .007, < .05). The model has a correlation coefficient (R) of .172^a. Therefore, the result implies that extended perceived fit have an impact on customer preference for Coca- Cola products in University of Calabar because the sig. 000 is < .05. Hence, the alternative hypothesis stating that Extended perceived fit has an impact on customer preference for Coca- Cola products in University of Calabar is hereby accepted.

Hypothesis Three

H₀: Customers' familiarity does not have an influence on customer preference for Coca- Cola products in University of Calabar.

H₁: Customers familiarity has an influence on customer preference for Coca- Cola products in University of Calabar.

Table 7: Model Summary Showing the Influence of Customers’ Familiarity on Customer Preference for Coca- Cola Products in University of Calabar

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.404 ^a	.163	.160	2.42973

a. Predictors: (Constant), customer Familiarity

Table 8: ANOVA^a Showing the Influence of Customers’ Familiarity on Customer Preference for Coca- Cola Products in University of Calabar

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	281.115	1	281.115	47.618	.000 ^b
	Residual	1440.479	244	5.904		
	Total	1721.593	245			

a. Dependent Variable: Customer preference

b. Predictors: (Constant), customer Familiarity

Table 9: Regression Coefficients^a Showing the Influence of Customers Familiarity on Customer Preference for Coca- Cola Products in University of Calabar

Model		Unstandardized Coefficients		Q	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.244	.572		5.676	.000
	Customer familiarity	.629	.091	.404	6.901	.000

Dependent Variable: Customer preference

The regression analysis conducted above was to determine the influence of customers’ familiarity on customer preference for Coca- Cola products in University of Calabar. Table 7 above summaries the statistics and the results of the analysis as shown in tables 8 and 9 produced an R-square =.163, (F = 47.618) and (sig .000 < .05). The model has a correlation coefficient (R) of .404^a. Therefore, the result implies that customer familiarity has an influence on customer preference for Coca- Cola products in University of Calabar because the sig. 000 is < .05. Hence, the alternative hypothesis stating that Customers familiarity has an influence on customer preference for Coca- Cola products in University of Calabar is hereby accepted.

4.1 Discussion of Findings

The Effect of Brand Extension Strategy on Customers Preference of Coca – Cola Products in University of Calabar has been determined and the impact of the various elements of a brand extension strategy such as perceived quality, perceived fit as well as customer familiarity with parent brand in relation to the extended product have also been determined.

The first hypothesis reveals that extended perceived quality has an impact on customer preference for Coca cola products in University of Calabar. Supporting this finding, Aaker

(2008) maintained that perceived quality directly influences a customer's buying decision, especially when a customer is motivated or capacitated to make a detailed analysis of the purchase. Further supporting the above finding, Pina Martinez, Chernatony and Drury (2006) maintained that customers who have strong attitudes about the quality of a brand tend to transfer these positive attitudes to the brand extension and consumers' acceptance of the extension increases if the parent brand is perceived to be of high quality.

The Second hypothesis reveals that extended perceived quality has an impact on customer preference for Coca Cola products in University of Calabar. Supporting this finding, Lahiri and Gupta (2005) opined that if consumers feel there is a degree of consistency between the brand and the new product the chances of acceptance and preference by customers increase. Further supporting the above finding, a study conducted by Tajzadeh and Moghaddar (2003) on the impact of brand extension on new product from customers' perspective revealed that when once there is good fit between the original product and the new product, customer will easily transfer perceived product quality and attributes from the original product to the new one and vice versa.

The last hypothesis reveals that Customers' familiarity has an influence on customer preference for Coca- Cola products in University of Calabar. Supporting this finding, Betty (2013) maintains that customers tend to buy brands that they are familiar with. More so, an experiment conducted by Aaker (2004) shows that even if customers are shown some words that have no meaning and later are motivated to pick the names that they like, most of them choose the nonsense words they have been shown before, and the same applies to brand names. When a customer is familiar with a brand name, he/she has more favourable attitudes towards it as compared to brand names he/she is not aware of. Therefore, if a customer is familiar with the brand, this will have a positive effect on the image of the extended product.

5.0 Conclusion

This study concludes that branding extension strategies have a significant effect on the preference of customer's for Coca – Cola products in the University of Calabar. Based on such findings, it is conclusively opined that when an organization effectively adopts and implements a branding strategy with special focus on perceived quality, perceived fit and customer familiarity, such a firm is bound to enjoy the preference of its products by consumers because once the view of the customer towards the above considered element of the branding strategy are favourable, it therefore implies that the customer would, to a large extent, shift such favourable response to the extended products of such an organization.

5.1 Recommendations

- Coca Cola should always ensure that the quality of their drinks remains a paramount consideration within the organization by ensuring that quality test and measures are put in place to help spot deficiencies in the production process.
- Coca Cola should always ensure that the various attributes that are peculiar to their brands be incorporated to new product extensions.
- Coca Cola should always endeavour to initiate programmes that are capable of educating as well as informing customers about the peculiarities of their brands in order to get

customers to familiarize with their products. Such programmes could be through effective advertisements and the use of sales promotion techniques to help stimulate customers' response to the organization drinks.

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