

ANALYZING BRAND EXTENSION TECHNIQUES AND THE IMPACT ON BRAND PERSONALITY

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ABSTRACT

This study focuses on the case of Nestlé in Pakistan to examine how brand extension methods impact brand personality. By utilizing the reputation of well-known brands, brand extension is a powerful strategy for ensuring the success of new items that fall under the brand's umbrella. Competitive strategy, quality, perceived fit, innovation, and brand loyalty are among the factors that the study looks at in relation to brand expansion. A self-administered, closed-ended questionnaire that 214 Nestlé customers completed served as the study's main source of data. Brand personality for each of the five categories is significantly impacted by brand expansion, according to the analysis of the data. It is advised that companies use brand extension strategies for upcoming promotions.

Keywords: *Competitive Strategy, Quality, Perceived Fit, Innovation, Brand Loyalty, Brand Personality, Brand Extension.*

INTRODUCTION

Background of Research

As a marketing strategy, a well-known company leverages its existing brand equity to penetrate new product categories. This is about brand expansion. Companies can launch new products by leveraging the reputation and attraction of their primary brand (Keller, 2016). Brand extensions are becoming increasingly popular as businesses seek to broaden the breadth of their product offerings, enter new markets, and strengthen their overall market standing.

Brand personality is critical in determining how customers feel about and prefer a product or service. In order to be relevant and build an emotional bond with consumers, a brand is stated to have human-like features and properties (Aaker, 1997). Customers commonly assume that brands have different personalities, which influences both their purchase habits and brand loyalty.

Given Pakistan's competitive market, research into brand expansion and its impact on brand personality is very significant. Pakistan's consumer market is dynamic, with

rapidly fluctuating tastes and a wide range of cultural influences. Nestle, a well-known international business with operations in Pakistan, has gained a reputation as the market leader in the food and beverage sector. Nestle's brand personality, which is defined by attributes like as dependability, honesty, and a focus on nutrition and welfare, is one factor that contributes to the company's success.

For the corporation to make wise marketing and branding decisions, it is crucial to comprehend how brand expansion affects Nestle's brand identity. Evaluate how consumers perceive the brand when Nestle expands into new product categories and product lines. To preserve clients' confidence and loyalty across multiple product lines, a consistent brand identity is required.

The efficiency of brand extensions and how they affect brand personality have been the subject of prior studies. According to studies, the perceived match between the parent brand and the extension product is a key factor in determining the success of the extension (Buil, Chernatony, & Hem, 2009). Additionally, customers' views and brand loyalty to the parent brand can have a big impact on how well the brand extension is received (Martinez & de Chernatony, 2004).

To find out how brand extension has changed Nestle's brand personality in the Pakistani market, a case study will need to be done because brand extension impacts vary depending on the situation. By examining the unique traits connected to brand extension in the context of Nestle, Pakistan, this study seeks to shed light on the complicated relationship between brand expansion and brand personality in a varied and competitive market.

Marketers and brand managers may learn a lot about the difficulties and possibilities related with brand extension initiatives by reading this case study on Nestle in Pakistan. The results of this study will also add to the body of knowledge already available on brand management and marketing in the context of developing countries like Pakistan

This study examines how independent brand extension variables affect Nestle's brand personality. The following factors—brand loyalty, quality, perception, and competitive strategy—are particularly the focus of the search. Brand extension is the process of using an established brand's recognition and popularity to launch new products in the same or a different industry. This tactic is helpful since it offers a low-cost method of introducing new products, especially in light of the significant costs associated with creating entirely new brands. Consumers and marketers benefit from the brand's familiarity since the attributes associated with the current brand are carried over to the new product (Hameed, Soomro, Kaimkhani, & Shakoor, 2013).

Overview of FMCG Industry in Pakistan

Nestlé S.A., a firm with Swiss roots and a main office in Vevey, Switzerland, is the parent organization of Nestlé Pakistan Ltd. The Milk Pak Ltd. joint venture, which had been operating in Pakistan since 1988, was now under the management of Nestlé Pakistan. The company has consistently achieved a seat among the top 25 companies on the Karachi Stock Exchange for ten years straight. It is listed on the Lahore and Karachi stock exchanges. Nestlé Pakistan has four manufacturing facilities under its

control, including multi-product plants in Sheikhpura and Kabirwala, a bottled water facility in Islamabad, and other ones in Karachi and Lahore. The company's corporate office is located in Lahore. Nestlé Pakistan ensures that customers may easily obtain its products thanks to a strong nationwide sales and distribution network and a strong marketing presence.

Nestlé Pakistan actively works to enhance people's quality of life in the areas of nutrition, access to clean water, and rural development along its whole value chain. In order to satisfy the needs of a diverse customer base, Nestlé, a market leader in Pakistan's food and beverage sector, sets a high value on nutrition, health, and wellbeing. Nestlé Pakistan has traditionally placed a strong emphasis on nutrition and takes pleasure in being champions of fitness and wellness since Henri Nestlé invented the first infant formula in 1867. Nestlé's Corporate Business Principles, which support best practices and a culture of ethical performance everywhere, guide the company's strategy.

Nestlé Pakistan's dedication to innovation and renovation ensures continuous improvement and adaptation of existing products while maintaining a balance in geographical operations and product offerings. With a customer-centric approach, the company strives to provide the latest and most essential products to meet the diverse needs of consumers of all ages. Nestlé Pakistan values its consumers as individuals, respecting the cultures of the countries it operates in and acknowledging people's desire for a better quality of life. Aligned with Nestlé's corporate philosophy, Nestlé Pakistan emphasizes food safety, quality excellence, and aims to be a leading force in nutrition, health, and wellness. Socially conscious, the company also focuses on environmentally sustainable practices, fair business ethics, and community engagement (Donald, 2011).

Scope of Study

This study intends to fill in important knowledge gaps about how brand extension affects a brand's personality. The study examines the critical elements of competitive strategy, quality, perceived fit, innovation, and brand loyalty to evaluate their influence on brand personality, with Nestlé as the brand of interest. This study aims to offer insightful knowledge that can direct organizational future strategies by examining the relationship between these factors and brand personality. Consumer reactions and views from the current study will be analyzed to determine whether brand extension results in favorable or unfavorable effects on brand personality. This will help businesses make educated judgments about their brand extension activities.

Statement of Problem

In the dynamic and fiercely competitive market of Pakistan, maintaining a brand's personality while executing brand extensions presents a significant challenge. This research endeavors to explore the influence of brand extension strategies on brand personality. As companies seek growth opportunities through brand extensions, the risk of diluting or altering the established brand personality becomes a critical concern. Understanding the extent of this impact is crucial for marketers and organizations as they navigate the complexities of the marketplace. This study aims to shed light on the complexities and implications of brand extension on brand personality in the context of the Pakistani market.

Objectives of Research

The following main objectives drive this study:

1. To identify the effect of brand extension on brand identity, to elucidate how the introduction of new products under an established brand name affects consumer perceptions and associations.
2. To analyze the influence of Competitive Advantage on Brand Personality, investigating how a logo's wonderful competitive positioning and specific promoting propositions make a contribution to shaping its character in the minds of consumers.
3. To apprehend the effect of Quality on Brand Personality, examining how the perceived stage of fine associated with a emblem influences its typical persona and the emotional connections formed with customers.
4. To look at the impact of Perceived Fit on Brand Personality, exploring the role of customers' perceptions concerning the compatibility of logo extensions with the middle brand in shaping the overall persona of the emblem.
5. To examine the influence of Innovation on Brand Personality, assessing how the introduction of innovative products under a brand affects its personality and the perception of the brand as being forward-thinking and cutting-edge.
6. To interpret the impact of Brand Loyalty on Brand Personality, elucidating how strong brand loyalty among consumers contributes to reinforcing and enhancing the personality of the brand, and the emotional bonds formed with loyal customers.

By focusing on these goals, the study intends to offer insightful analysis into the intricate interactions between brand extension methods and brand personality, delivering useful recommendations for marketers and businesses looking to manage and maximize their brand extension efforts.

Research Questions

The purpose of this project is to answer the following research questions:

1. How much of an impact does brand extension have on brand personality? How much do consumers' impressions and associations with an established brand's personality change when new items are introduced under that name?
2. What is the effect of Competitive Strategy on Brand Personality? How does a brand's distinct competitive positioning and unique strategic approach contribute to shaping its personality in the minds of consumers?
3. What is the impact of Quality on Brand Personality? How does the perceived level of quality associated with a brand influence its overall personality and the emotional connections formed with consumers?

4. What is the effect of Perceived Fit on Brand Personality? How do consumers' perceptions regarding the compatibility of brand extensions with the core brand impact the overall personality of the brand?
5. What is the impact of Innovation on Brand Personality? How does the introduction of innovative products under a brand affect its personality and the perception of the brand as being forward-thinking and cutting-edge?
6. What is the effect of Brand Loyalty on Brand Personality? To what extent does strong brand loyalty among consumers contribute to reinforcing and enhancing the personality of the brand and the emotional bonds formed with loyal customers?

This study aims to provide thorough insights into the intricate relationship between brand extension strategies and brand personality. By addressing these research questions, it will help marketers and organizations looking to maximize their brand extension efforts and forge close emotional connections with their target audience.

Hypothesis

This research endeavors to test the following hypotheses:

H1: Brand Personality is significantly impacted by Brand Extension. Consumer impressions and associations with a brand's personality will be influenced by the launch of new items under an existing brand name.

H2: Competitive Strategy has a significant impact on Brand Personality. A brand's distinct competitive positioning and unique strategic approach will play a crucial role in shaping its personality in the minds of consumers.

H3: Quality has a significant impact on Brand Personality. The perceived level of quality associated with a brand will significantly influence its overall personality and the emotional connections formed with consumers.

H4: Brand personality is significantly impacted by perceived fit. The perceptions of consumers regarding the compatibility of brand extensions with the main brand will have a big impact on the brand's overall personality.

H5: Innovation has a significant impact on Brand Personality. The introduction of innovative products under a brand will significantly affect its personality and the perception of the brand as being forward-thinking and cutting-edge.

H6: Brand Loyalty has a significant impact on Brand Personality. Strong brand loyalty among consumers will significantly contribute to reinforcing and enhancing the personality of the brand and the emotional bonds formed with loyal customers.

Through empirical analysis, this study aims to validate or refute these hypotheses, providing valuable insights into the complex relationship between brand extension strategies and brand personality. By establishing the significance of these factors, marketers and organizations can make informed decisions to effectively manage brand extensions and cultivate a strong and favorable brand personality in the minds of their target audience.

Definitions of key terms

Brand Personality

Brand personality refers to the human-like characteristics and distinct traits that make a business or brand relatable and recognizable to potential customers. It is conveyed through various elements such as tone of voice, visual identity, and customer service policies. Consistently conveying specific personality traits to the audience helps create a unique and engaging customer experience (Endeavor Creative, 2020).

Brand Extension

A brand extension occurs when a company leverages the established identity and positioning of an existing brand to introduce new products under the same brand name, even if they belong to different product categories. This marketing strategy allows the brand to capitalize on its reputation and market position, enabling the new products to benefit from the existing brand's image and equity (Feedough.com, 2019).

Competitive Strategy

A company's long-term plan to outperform its competitors in a certain industry is referred to as its competitive strategy. Establishing a solid defensive position in the market and producing a higher return on investment are the main objectives. In highly competitive industries where the goods or services provided by businesses are comparable to one another, these strategic choices are essential (MBAaskool, 2020).

Quality

A product or service's level of perfection or superiority compared to other similar ones on the market is referred to as its quality. It shows how well a good or service satisfies consumer requests and expectations (Market Business News, 2020).

Perceived Fit

Perceived fit is the degree of congruence or similarity perceived by consumers between a brand extension and the parent brand. It reflects how well the new product aligns with the existing brand's core identity and positioning (Buil, Chernatony, & Hem, 2009).

Innovation

A domain, product, or service can be renewed and updated by implementing fresh procedures, cutting-edge methods, or fruitful concepts to add new value. It is a dynamic strategy that encourages growth and improvement over time (Innolytics, 2021).

Brand Loyalty

Brand loyalty refers to the tendency of consumers to consistently choose and purchase products from one particular brand over others. It is a demonstration of consumer behavior that reflects a strong, trusting relationship between the brand and its customers (Skyword, 2014).

By understanding and operationalizing these key terms, this research aims to comprehensively evaluate the influence of brand extension strategies on brand personality, providing valuable insights for businesses and marketers seeking to optimize their brand positioning and customer relationships.

Delimitations of Research

This research on evaluating brand extension strategies and their influence on brand personality acknowledges certain delimitations and limitations that affect the precision and scope of the study.

Firstly, due to constraints such as time limitations and the study couldn't incorporate thorough observations, interviews, or in-person questionnaire administration. Consequently, the data gathering process primarily relied on responses from respondents residing in Karachi, Pakistan. The restricted geographical area and data collection method may have implications on the generalizability of the findings.

Moreover, the sample size could have been more comprehensive if not for the aforementioned limitations, potentially leading to a more comprehensive representation of the population.

This study, focusing on the impact of independent variables on brand personality within Nestlé, has its limitations. The exclusive concentration on Nestlé as the brand of interest may not encompass the full spectrum of brand extension strategies and their effects across different industries or companies. There may be other factors or variables related to brand extension that could significantly impact brand personality, which this study didn't delve into.

Additionally, the analysis is confined to the data collected from respondents during the year 2020, limiting the ability to capture potential shifts or changes in consumer perceptions and brand dynamics beyond that period.

Despite these limitations, this research lays the groundwork for future investigations, providing a starting point for exploring other variables and their interplay on brand personality in the context of brand extensions. As researchers delve into more extensive and diverse samples, the findings can yield broader implications for marketers and organizations seeking to optimize brand strategies and cultivate a strong brand personality that resonates with consumers.

LITERATURE REVIEW

Brand Personality:

Successful branding must include a strong sense of brand personality because it embodies the connections that brand strategists work to create and sustain (Viot, 2011). Brand image, as opposed to a brand name, represents the essence and values that the corporation wants the brand to represent (Viot, 2011). The brand personality, brand community, linkages between brand and consumer, reflection, personality, and self-perception are the six elements that make up the identity prism (Viot, 2011). Brand identity, which includes the collection of connections people have with a brand, is determined by the company's particular culture, which is characterized by its basic values (Viot, 2011).

In the same way that a dedicated partnership exists between a brand and its customers, so too does the relationship between a consumer and a brand (Viot, 2011). Self-image

relates to how a brand helps customers to make a personal statement about themselves, whereas a brand's physicality refers to its tangible features as viewed by consumers (Viot, 2011). Relationships and user image define the social dimension, whereas brand personality and brand values define the personal components of brand identity (Viot, 2011). In comparison to items normally promoted under the brand's identity, a new product launched under a well-known brand identity may match with either the social dimension (relationships and user image) or the personal dimension (brand personality and brand values) (Viot, 2011).

In the realm of marketing, branding and brand management play a crucial role in establishing strong connections between buyers and sellers (Abdavi & Shiralizadeh, 2015). Brands serve as valuable assets, helping customers make purchasing decisions and distinguishing products and services from competitors (Abdavi & Shiralizadeh, 2015). In today's competitive markets, retaining existing customers and increasing repeat purchases are essential for business success (Abdavi & Shiralizadeh, 2015). To promote business growth, brand extension has become a common strategy, allowing companies to introduce new product categories under an existing brand name, leveraging the positive brand image associated with the core brand (Abdavi & Shiralizadeh, 2015). This strategy aids in minimizing advertising investments and capitalizing on brand equity (Abdavi & Shiralizadeh, 2015).

Brand credibility is a critical factor in the success of brand extensions, as customers heavily rely on signs of brand legitimacy (Evangeline & Ragel, 2015). The strength of brand equity associated with the core brand also influences the measure of brand extension success (Sudaryanto, Courvisanos, & Rahayu, 2018). In the consumer's decision-making process, brand associations and brand image play significant roles, shaping attitudes and perceptions of new products (Evangeline & Ragel, 2015).

A positive brand image serves as a strategic advantage for businesses, fostering customer trust and loyalty (Shabbir, 2020). It reduces marketing expenses, helps customers anticipate what the brand offers, and increases market share and profitability (Shabbir, 2020). Successful brand extensions can further strengthen brand reputation and value, while unsuccessful ones may negatively impact the brand in consumers' minds (Shabbir, 2020).

Brand equity encompasses the value endowed to a brand in the eyes of consumers, influenced by brand image and brand recognition (Shabbir, 2020). A robust brand image not only connects with consumers but also effectively communicates the brand's value proposition (Taqi & Muhammad, 2020). It fosters customer loyalty, reduces price sensitivity, and leads to increased sales and profitability (Taqi & Muhammad, 2020). Brand image also contributes to sustainable customer relationships, encouraging repurchase and enhancing brand loyalty (Taqi & Muhammad, 2020).

In conclusion, the concept of brand personality, brand image, and brand equity plays a significant role in the success of brand extensions and overall brand management. Building and maintaining a positive brand image is crucial for establishing long-lasting customer relationships and fostering brand loyalty, which are essential for sustained business growth and success in today's competitive markets.

Brand Extension:

Brand extensions are a widely used branding technique where existing brand names are used to introduce new products (Juniarti & Afiff, 2020). This strategy offers an opportunity to develop superiority over a freely chosen buying criterion. Differentiating a brand extension is easier due to better attention to the target market and recognition of rivals (Munteanu, 2015). To eliminate competitors, brand extensions should introduce something new and avoid familiar hints to customers about a category (Munteanu, 2015). Successful brand extensions can provide tremendous opportunities for new features, product flexibility, and greater reliability, leading to significant growth (Munteanu, 2015).

Customers are more likely to respond favorably to brand extensions that reflect how they feel about the parent brand (Viot, 2011). Consumer perceptions regarding the extension are influenced by the perception of continuity between the brand and the brand extension (Viot, 2011). However, brand extensions can also be harmful to the parent brand because they may result in short-term competitive advantages (Sudaryanto, Courvisanos, & Rahayu, 2018). If properly integrated into a competitive strategy system, effective brand extensions can be an unstoppable source of differentiation and a long-term competitive advantage.

By utilizing pre-existing brand identities and associations, brand extension initiatives seek to increase brand equity (Evangeline & Ragel, 2015). However, the success or failure of brand extensions can have a beneficial or negative impact on the parent brand's equity (Evangeline & Ragel, 2015). Consumer sentiments regarding brand extensions are also moderated by the perceived fit between the extension and the parent brand identity attributes (Evangeline & Ragel, 2015).

Businesses releasing new products must decide between brand expansion and new brand building (Jin, Wang, Yu, & Ma, 2015). Compared to fresh brand generation, brand extension can aid organizations in increasing their market share and the efficacy of their advertising (Jin, Wang, Yu, & Ma, 2015). The perceived fit and likeness between the new extension and the parent brand are important considerations for brand extensions (Alavinasab, Soltani, & Alimohammadi, 2017).

Customers form expectations about a new product based on their knowledge of the existing brand, reducing the need for product testing in established categories (Ishihara & Moorthy, 2018). Horizontal brand extensions, which involve adding a new product within the existing category, are often more successful than vertical extensions, which introduce a new product with different price and quality characteristics (Alavinasab, Soltani, & Alimohammadi, 2017).

The relationship between customer perceptions and brand extension success is essential (Ergin & Sahin, 2015). Brand extensions can be a cost-effective way to launch new products, as they leverage the existing brand name and customer awareness (Shabbir, 2020). Effective brand extensions save the costs associated with introducing new products and may speed up consumer adoption (Shabbir, 2020).

As customers from other ethnic groups have distinct ideas on brand identification,

cultural aspects also have a role in the success of brand extensions (Hadi & Sandhu, 2020). Consumer approval of brand extensions is significantly influenced by advertising (Juniarti & Afiff, 2020).

As a result, brand extension methods are well-liked by companies looking to expand into new markets and capitalize on their current brand equity (Juniarti & Afiff, 2020). Alavinasab, Soltani, and Alimohammadi, 2017; Shabbir, 2020; Hadi & Sandhu, 2020; Ergin & Sahin, 2015; to name a few—depend on factors like perceived fit, customer perceptions, advertising effectiveness, and cultural considerations to determine whether a brand extension is successful. Vertical extensions with varying price and quality features typically have less success than horizontal extensions within the same product category (Alavinasab, Soltani, & Alimohammadi, 2017). Effective brand extensions can provide a competitive edge and prospects for long-term growth (Munteanu, 2015). In general, brand extensions give companies a tactical tool to stand out from the competition and succeed in cutthroat industries.

Competitive Strategy:

To achieve long-term profitability, companies must establish and maintain a clear competitive advantage (Munteanu, 2015). Developing specific capabilities and securing the necessary resources are vital in the pursuit of competitive advantage (Munteanu, 2015). Business ties and a strong marketing orientation play a crucial role in retaining a competitive edge by catering to customer needs better than rivals and promoting customer loyalty (Munteanu, 2015).

In today's hyper-competitive landscape, market leaders are those who understand what performance or distinction truly means for a specific product category (Munteanu, 2015). Sustainable profitability and market dominance are closely linked, but many CEOs fail to recognize this reality (Munteanu, 2015). With competition becoming fiercer, businesses need to intentionally choose to be distinct and make strategic choices (Munteanu, 2015).

While brand extensions are commonly considered for innovative or improved products, they can lead to a broadening of brand associations and forgetfulness of strategy (Munteanu, 2015). Brand extensions can erode competitive advantage as rivals quickly catch up or mimic the extension (Munteanu, 2015). Building a competitive advantage through brand extensions requires clarity and focus on meeting customer desires and positioning the extension in relation to purchasing criteria (Munteanu, 2015).

The heart of marketing orientation should be competition, and the essence and strength of competition in the marketplace are influenced by factors like existing rivalries, the threat of new competitors, bargaining power of consumers and suppliers, and the risk of alternative goods (Munteanu, 2015). The strongest competitive force often determines profitability (Munteanu, 2015). As rivals become similar over time, competitive differentiation becomes essential (Munteanu, 2015).

To break self-referential strategy structures, successful brand extensions operate toward the present and enable companies to potentially select or control their rivals (Munteanu, 2015). The strategic focus should be on competitive differentiation to reverse the pattern of brand extensions and avoid intense rivalry (Munteanu, 2015).

In summary, maintaining a competitive advantage is essential for long-term profitability (Munteanu, 2015). Business ties, a strong marketing orientation, and competitive differentiation are critical elements in achieving and sustaining a competitive edge (Munteanu, 2015). Brand extensions can be a powerful tool for building a brand-based competitive advantage if they align with customer desires and serve as effective differentiators (Munteanu, 2015). Companies must be strategic in their approach, select their rivals wisely, and focus on competitive differentiation to thrive in today's hyper-competitive market (Munteanu, 2015).

Quality:

Customers' perception of a brand's high quality plays a crucial role in the success of brand extensions, as positive expectations regarding quality can be leveraged to reach new product segments (Alavinasab, Soltani, & Alimohammadi, 2017). High-quality brands are likely to receive higher assessments and spread further compared to low-quality brands (Alavinasab, Soltani, & Alimohammadi, 2017). Favourable perceived brand consistency can ease the launch of a brand extension, and a strong association with a high-quality parent brand can significantly enhance the perceived value of related goods (Alavinasab, Soltani, & Alimohammadi, 2017).

Perceived brand quality plays a critical role in driving product success and overall business performance (Juniarti & Afiff, 2020). As businesses expand their product diversity, the importance of brand quality becomes even more significant (Juniarti & Afiff, 2020). Customers' assessment of the efficiency of the parent brand directly influences the approval of the extended brand (Juniarti & Afiff, 2020).

The perception of a brand's quality contributes to shaping the brand image, with both real quality and perceived quality interacting to influence consumer perception (Taqi & Muhammad, 2020). While both aspects are important, the impact of real quality is more critical than perceived quality (Taqi & Muhammad, 2020). Companies often invest substantial resources in enhancing consumers' understanding of the brand's quality in addition to focusing on the physical quality of their products (Taqi & Muhammad, 2020).

In summary, customers' perception of a brand's high quality positively affects the success of brand extensions, as it enhances the perceived value and reputation of the extended brand (Alavinasab, Soltani, & Alimohammadi, 2017). Perceived brand quality is a crucial factor in driving product success and expanding product diversity (Juniarti & Afiff, 2020). A strong brand image is influenced by both real quality and perceived quality, with real quality playing a more critical role (Taqi & Muhammad, 2020). Businesses should invest in maintaining and enhancing both real and perceived quality to drive the success of their brand extensions (Taqi & Muhammad, 2020).

Perceived Fit:

Despite efforts to describe and assess the similarity among product groupings, the idea of perceived fit between a parent brand and a new product remains elusive and difficult to measure (Viot, 2011). When managers want to expand their brand into a new product category far from the top seller, perceived fit—the ability of a product to match the brand identity—becomes especially important (Viot, 2011).

from management teams to project teams, and even individuals (Ramakrishnan, 2020). Collaboration, conception, execution, and value creation are the four components of innovation, which involve various variables and factors influencing the innovation process (Ramakrishnan, 2020).

Innovation management is a structured approach that fosters an environment conducive to exploration, creativity, and the commercial use of ideas that address unmet needs (Ramakrishnan, 2020). It involves three main phases: invention, which involves creating scientific discoveries; translation, which transforms knowledge into new products, processes, or services; and commercialization, which brings these innovations to the market to generate economic value (Ramakrishnan, 2020).

Innovation is a key component of business success and survival in today's highly competitive and globalized world (Ramakrishnan, 2020). It requires a creative environment, willingness to embrace new technology, infrastructure, and education (Ramakrishnan, 2020). Success in business requires the capacity to think differently and solve challenges creatively (Ramakrishnan, 2020).

To accomplish long-term strategic goals, business executives must take into account and manage the expectations of numerous stakeholders (Ramakrishnan, 2020). When leadership is dedicated to generating social, economic, and environmental value and puts effective assessment and management mechanisms in place, innovation happens (Ramakrishnan, 2020).

Innovation has an impact on society as a whole, affecting a variety of institutions, including government agencies, civil society organizations, labor unions, and consumers (Ramakrishnan, 2020).

An innovation-friendly environment and consumer trust in goods and services are crucial for fostering creativity and encouraging new entrants into markets (Ramakrishnan, 2020).

In conclusion, innovation plays a central role in economic development, societal progress, and brand equity (Janošková, Kral, & Krizanova, 2018). It drives economic growth and success in today's competitive world (Ramakrishnan, 2020). Organizations need to foster a creative environment, embrace new technology, and manage stakeholders effectively to thrive and achieve long-term strategic goals (Ramakrishnan, 2020). Innovation is a multifaceted process that impacts various sectors and stakeholders, and it is crucial for the growth and survival of businesses today (Ramakrishnan, 2020).

Brand Loyalty:

Consumer reactions towards brand extensions are influenced by the nature of the consumer-brand relationship, especially when the extended product is in harmony with the brand (Ergin & Sahin, 2015). Brand trustworthiness plays a significant role in determining consumers' responses to brand extensions, and positive harmony between the main product and the extended product leads to favorable buying decisions (Ergin & Sahin, 2015).

Consumer innovation is linked to individuals' receptivity to new concepts and their willingness to try new practices and brands (Evangeline & Ragel, 2015). Consumers with high levels of innovation tend to assess goods for brand extensions rigorously (Sudaryanto, Courvisanos, & Rahayu, 2018).

The symbolic sense of products, particularly brand personality, influences consumers' choices in various ways (Moons & Pelsmacker, 2015). Consumers seek brands that reflect their real or ideal selves, driven by the need for self-consistency and self-continuity (Moons & Pelsmacker, 2015).

Consumers' attitudes towards brand extensions are influenced by brand loyalty rather than coordination (Alavinasab, Soltani, & Alimohammadi, 2017). Positive harmony between the main brand and the extended brand leads to constructive feedback and forgiveness of potential errors by consumers (Alavinasab, Soltani, & Alimohammadi, 2017).

The evaluation of brand extensions is influenced by how consumers interact with product categories (Juniarti & Afiff, 2020). Brand value dimensions play a role in differentiating brands in consumers' minds, with practical and symbolic brands meeting distinct needs (Juniarti & Afiff, 2020).

Customer satisfaction is directly correlated with brand loyalty (Taqi & Muhammad, 2020). Satisfied customers not only remain loyal to the brand but also spread positive word of mouth, enhancing the brand's credibility (Taqi & Muhammad, 2020). Brand loyalty is influenced by customer satisfaction, leading to frequent transactions and continued loyalty to the brand over time (Taqi & Muhammad, 2020).

In conclusion, brand loyalty is influenced by factors such as brand trustworthiness, consumer innovation, and brand personality (Ergin & Sahin, 2015; Evangeline & Ragel, 2015; Sudaryanto, Courvisanos, & Rahayu, 2018; Moons & Pelsmacker, 2015). Consumer reactions to brand extensions are favorably influenced by the harmony between the primary brand and the extended product (Alavinasab, Soltani, &

Alimohammadi, 2017). Additionally, customer happiness is a significant factor in brand loyalty since happy consumers are more likely to stick with the brand and spread good word of mouth (Taqi & Muhammad, 2020). Businesses looking to establish solid and enduring relationships with their customers must comprehend these aspects and how they affect brand loyalty.

RESEARCH METHODOLOGY

Geographical Distribution of Sample

This research study's primary goal is to assess how Brand Extension has affected Nestle's Brand Personality in Pakistan. To do this, a survey employing closed-ended questions was carried out among Nestle customers in Karachi, Pakistan. According to the researcher's convenience, the questionnaires were given to and collected from customers in Karachi's Districts East, South, and Central (Hussain et al., 2023).

Demographic Distribution of Sample

This study focuses on Karachi's Nestle product consumers with an emphasis on Pakistan's food and beverage industry. The demographic focus is on adult consumers, including both sexes, who frequently buy Nestle products. The respondents of the survey represented varying educational backgrounds, with a majority having good occupational backgrounds and handsome household monthly incomes (Hussain et al., 2023).

Research Design

Self-administered, closed-ended questionnaires served as the main method for data collection in this quantitative study's research design. The information from the surveys was coded, collated, and subjected to analysis using SPSS software. The Cronbach's Alpha test was used to evaluate the data's dependability; a reliability threshold of 0.6 was used. The relationship between the dependent and independent variables was examined using regression analysis, and the relationship between the two variables was examined using Pearson's correlation test. Together, these tests determined whether the research hypotheses were accepted or rejected and found the critical variables affecting Nestle's brand personality in Karachi, Pakistan (Hussain et al., 2023).

Type of Research

The quantitative methodology used in this study makes it easier to test ideas based on empirical data. Understanding the impact of independent variables on the dependent variable—in this example, the brand personality of Nestle—requires quantitative study. The study also serves as an explanation, outlining the subject in great depth. Close-ended questionnaires were used to collect primary data, which was restricted to Nestle product users in Pakistan (Hussain et al., 2023).

Population of the Study

The central idea of this research is to comprehend the different variables impacting Nestle's brand personality through brand extensions in Pakistan. The population under study consists of nationwide customers of Nestle products currently residing in Karachi.

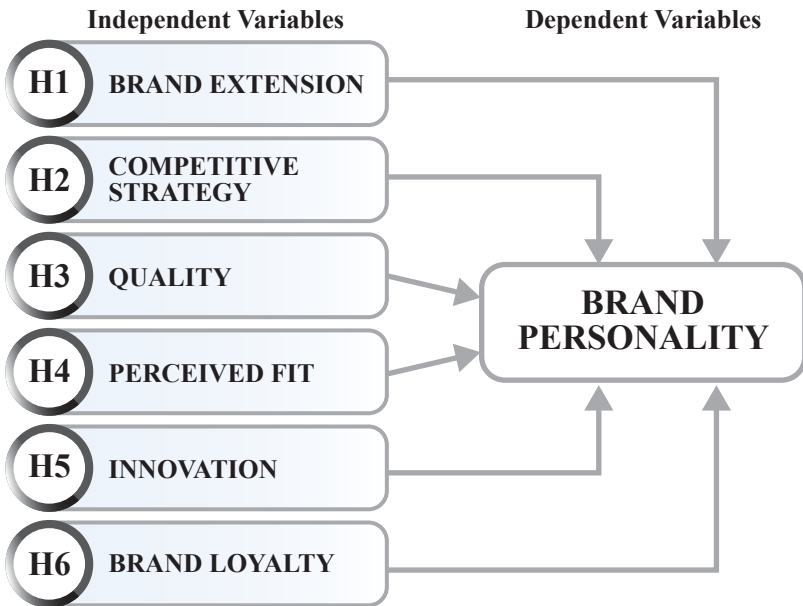
Sampling Technique and Sample Size

Due to the mass market reach of Nestle, it was not feasible to interview all customers. Therefore, the responses from 214 consumers of Nestle Pakistan were considered, making them the sample size. The responses were collected through online techniques using Google forms to ensure ease of data collection (Hussain et al., 2023). Convenience sampling was chosen as the sampling technique due to limited resources, with respondents approached through online surveys at the researcher's convenience. 214 responses were included in the sample size calculation to guarantee the accuracy of the data gathered.

CONCEPTUAL FRAMEWORK

Research Instrument

The source of data collection in this research study is primary, involving first-hand research to gather maximum information related to the topic. Primary data in this thesis was collected via close-ended questionnaires prepared on a 5-point Likert scale.



The questionnaires were self-administered, directly forwarded to and collected back from the respondents by the researcher, focusing on consumers of Nestle products in Karachi, Pakistan (Hussain et al., 2023).

Data Collection & Analysis Techniques

The data will be collected through the Questionnaire, then collected data processed through the SPSS Software.

DATA ANALYSIS

The demographic distribution of the sample is covered in the first section of this chapter, which then moves on to a reliability examination of the data collection device. To ascertain how independent variables affect the dependent variable, correlation and regression studies are also performed.

Reliability Testing

Table 1: Reliability of Collected Data

Variables	Items	Cronbach Alpha
Brand Extension	5	0.743
Competitive Strategy	4	0.642
Quality	4	0.750
Perceived Fit	3	0.696
Innovation	4	0.734
Brand Loyalty	5	0.727
Brand Personality	3	0.624
All Variables	28	0.803

Using the Cronbach's Alpha method, the reliability study was done on a sample of 26 respondents. With a cumulative Cronbach's Alpha of 0.803, the findings demonstrate the study's high reliability and good internal consistency of the data.

Demographics of Respondents

Table 2: Demographics - Gender

Gender					
Valid		Frequency	Percent	Valid Percent	Cumulative Percent
	Female	147	68.7	68.7	68.7
	Male	67	31.3	31.3	100.0
	Total	214	100.0	100.0	

The survey includes 147 females (68.7%) and 67 males (31.3%) out of the total 214 respondents. The representation of both genders ensures that the opinions gathered are reflective of Nestle's mass-market consumers across Pakistan.

Table 3: Demographics - Age

Age					
Valid		Frequency	Percent	Valid Percent	Cumulative Percent
	20-25	95	44.4	44.4	44.4
	26-30	91	42.5	42.5	86.9
	31-35	6	2.8	2.8	89.7
	36-40	3	1.4	1.4	91.1
	41-45	5	2.3	2.3	93.5
	46-50	14	6.5	6.5	100.0
	Total	214	100.0	100.0	

20–25 years (44.4%), 26–30 years (42.5%), 31–35 years (2.8%), 36–40 years (1.4%), 41–45 years (2.3%), and 46–50 years (6.5%) make up the respondents' age groupings.

Table 4: Demographics – Education

Qualification					
Valid		Frequency	Percent	Valid Percent	Cumulative Percent
	Graduate	109	50.9	50.9	50.9
	Post Graduate	59	27.6	27.6	78.5
	Undergraduate	46	21.5	21.5	100.0
	Total	214	100.0	100.0	

The education distribution reveals that 50.9% of the respondents are graduates, 27.6% are post-graduates, and 21.5% are undergraduates.

Table 5: Demographics – Income

Monthly Income (Approx.)					
Valid		Frequency	Percent	Valid Percent	Cumulative Percent
	10,000-20,000	11	5.1	5.1	5.1
	100,000-above	115	53.7	53.7	58.9
	21,000-30,000	6	2.8	2.8	61.7
	31,000-40,000	12	5.6	5.6	67.3
	41,000-50,000	17	7.9	7.9	75.2
	51,000-60,000	10	4.7	4.7	79.9
	61,000-70,000	13	6.1	6.1	86.0
	71,000-80,000	7	3.3	3.3	89.3
	81,000-90,000	8	3.7	3.7	93.0
91,000-100,000	15	7.0	7.0	100.0	
Total	214	100.0	100.0		

Regarding family monthly income, the majority (53.7%) of the respondents have an income of 100,000 or above, while 5.1% have an income between 10,000 and 20,000.

Correlation Analysis

Table 6: Correlation Matrix

Correlations								
		Brand Extension	Competitive Strategy	Quality	Perceived Fit	Innovation	Brand Loyalty	Brand Personality
Brand Extension	Pearson Correlation	1	.332**	.413**	.425**	.195**	.276**	.328**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	214	214	214	214	214	214	214
Competitive Strategy	Pearson Correlation	.332**	1	.601**	.457**	.442**	.324**	.185**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	214	214	214	214	214	214	214
Quality	Pearson Correlation	.413**	.601**	1	.674**	.436**	.241**	.153**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	214	214	214	214	214	214	214
Perceived Fit	Pearson Correlation	.425**	.457**	.674**	1	.344**	.249**	.247**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	214	214	214	214	214	214	214
Innovation	Pearson Correlation	.195**	.442**	.436**	.344**	1	.179**	.071**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	214	214	214	214	214	214	214
Brand Loyalty	Pearson Correlation	.276**	.324**	.241**	.249**	.179**	1	.068**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	214	214	214	214	214	214	214
Brand Personality	Pearson Correlation	.328**	.185**	.153**	.247**	.071**	.068**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	214	214	214	214	214	214	214

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

* Correlation is significant at the 0.05 level (2-tailed)

The associations between variables are ascertained using the Pearson's correlation analysis. With correlation values ranging from 0.328 to 0.071, the findings show a strong positive relationship between brand expansion, competitive strategy, quality, perceived fit, innovation, brand loyalty, and brand personality.

Regression Analysis

The model explains the model summary, ANOVA and analysis of coefficients based on variables.

Table 7: Regression Model Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.768 ^a	.536	.110	1.67101
a. Predictions: (Constant), Brand Loyalty, Innovation, Brand Extension, Perceived Fit, Competitive Strategy, Quality				

All independent variables (brand extension, competitive strategy, quality, perceived fit, innovation, and brand loyalty) had a substantial impact on brand personality, according to the regression study. 53.6% of the variance in brand personality can be explained by these variables, according to the R-square value of 0.536.

Table 8: Regression Model Results - ANOVA

ANOVA^a						
	Model	Sum of Square	df	Mean Square	F	Sig.
1	Regression	90.623	6	15.104	5.409	.000 ^b
	Residual	577.999	207	2.792		
	Total	668.621	213			
a. Dependent Variable: Brand Personality						
b. Predictions: (Constant), Brand Loyalty, Innovation, Brand Extension, Perceived Fit, Competitive Strategy, Quality						

The study yielded an F-value of 5.409 and a corresponding p-value of 0.00, both of which fall below the usual threshold of 0.05. An F-value larger than 4 is regarded as statistically significant, therefore this indicates that the data are significant.

Table 9: Regression Model Results – Co-efficient

Coefficients ^a						
	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.B
		B	Std. Error	Beta		
1	(Constant)	0.923	.154		5.988	.000
	Brand Extension	.413	.043	.388	9.602	.000
	Competitive Strategy	.458	.039	.428	11.733	.000
	Quality	.235	.034	.308	6.878	.000
	Perceived Fit	.325	.045	.346	7.219	.000
	Innovation	.259	.036	.327	7.101	.000
	Brand Loyalty	.446	.068	.509	6.542	.000
	a. Dependent Variable: Brand Personality					

All the independent variables ("Brand Extension," "Competitive Strategy," "Quality," "Perceived Fit," "Innovation," and "Brand Loyalty") have a significant impact on the dependent variable ("Brand Personality"). The coefficients provide valuable insights into how each variable influences the brand personality.

Hypothesis Testing

Table 10: Hypothesis Testing

Hypothesis	Path	Co-efficient	t-Value	p-Value	Empirical Conclusion
H1	Brand Extension Brand Personality	0.413	9.602	0.000	Accepted
H2	Competitive Strategy Brand Personality	0.458	11.733	0.000	Accepted
H3	Quality Brand Personality	0.235	6.878	0.000	Accepted
H4	Perceived Fit Brand Personality	0.325	7.219	0.000	Accepted
H5	Innovation Brand Personality	0.259	7.101	0.000	Accepted
H6	Brand Loyalty Brand Personality	0.446	6.542	0.000	Accepted

All six hypotheses (H1 to H6) are accepted based on their t-values and p-values, which demonstrate that brand extension, competitive strategy, quality, perceived fit, innovation, and brand loyalty have significant positive impacts on brand personality.

These results provide valuable insights into the impact of brand extension on Nestle's brand personality in Pakistan.

CONCLUSION

Brand extensions have been a long-standing strategy in the market. Companies decide to introduce new products under their umbrella or create new brands after carefully considering various factors that may affect the brand's personality during the extension process. In the case of Nestle, the brand's numerous successful extensions worldwide have contributed to maintaining a high brand personality and consumer loyalty.

The study shed light on the impact of brand personality resulting from brand extension. It revealed that consumers' preferences play a crucial role in extending a brand successfully. The research utilized regression analysis to understand the nature of the relationships between variables and Pearson's Correlation test to assess their associations, both of which reaffirmed the positive correlations between brand extension and brand personality, as well as the individual independent variables.

This research delved into the relationship between brand extension and brand personality, focusing on Nestle in Pakistan. The study identified competitive strategy, quality, perceived fit, innovation, and brand loyalty as major independent variables relating to brand expansion. Each independent variable significantly influenced brand personality, supporting the hypothesis that brand extension impacts brand personality positively.

SUMMARY OF FINDINGS

With a focus on Nestle in Pakistan, the goal of this study was to examine the effect of Brand Extension on Brand Personality. To understand their impact on brand personality, the study looked at a number of independent variables connected to brand extension, including competitive strategy, quality, perceived fit, innovation, and brand loyalty. In Karachi, information was gathered from 214 Nestle customers and analyzed with SPSS. The findings supported the positive correlation between brand expansion and brand personality by showing that all independent variables had a substantial impact on brand personality.

RECOMMENDATIONS

On the basis of the study's findings, the following suggestions are made:

1. Brand extension is preferable to brand launch, especially when supported by a parent brand with a solid reputation that helps with sales and promotion.
2. By continually addressing customer wants and adhering to a solid competitive strategy, businesses can keep their customers' loyalty and stop them from looking elsewhere.
3. Quality should never be sacrificed since if customers notice a drop in the caliber of a product or service, they will swiftly move to alternatives.

4. Customers have certain expectations about companies and their goods, so it's important to meet those expectations.
5. Since consumers are drawn to new and inventive items, constant innovation is necessary to keep them interested.
6. Consumer satisfaction leads to brand loyalty, which is largely maintained by price and quality.

IMPLICATIONS OF THE STUDY

This study has shed important light on how brand extension affects brand personality, especially in the context of Nestle in Pakistan. An awareness of how a parent brand can maintain its uniqueness while growing its brand is necessary for successful expansions. Through expansion, factors like competitive strategy, quality, perceived fit, innovation, and brand loyalty affect a brand's personality. Customers are more likely to purchase from brand extensions when the parent brand has a good reputation. Brand expansions may also have an effect on the parent brand's reputation, particularly if issues like cost and quality are not adequately addressed. The study's findings are applicable to brands other than Nestle in Pakistan's food and beverage sector. This study also creates avenues for further investigation into brand extension and personality in other contexts.

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