

# Periodic Research

## Brand Failures- When Do Good Brands Do Bad (A Case Study of Classic Example of Brand Failure: Pepsi café Chino)



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### Abstract

Pepsi was first introduced as "Brad's Drink" in New Bern, North Carolina, United States, in 1898 by Caleb Bradham, who made it at his home where the drink was sold. It was later labeled Pepsi Cola, named after the digestive enzyme pepsin and kola nuts used in the recipe. Pepsi's branding for many years failed to give the product a stand-alone identity and introduced many extensions. Successful brand line extensions are not entirely new products; they are simply new branches on the main plant. In order to optimize the power of the overall brand, line extensions have to make sense, be part of a long-term plan and reflect the core images and message of the brand. The present study empirically tests the factors which are responsible for brand failure in emerging markets by analyzing the example of Pepsi café Chino. The basic aim of this piece of research is to understand the way consumers evaluate the reasons as to why brands fail and seeks to make an attempt to learn where the main threats lie for brand failures. After all, we learn more from failure than from success. Emerging Indian market has witnessed failures varying from low magnitude to very high magnitude, however not much research has been done in this area. The present study empirically tests the factors which are responsible for brand failure in these emerging markets.

**Keywords:** Brand, Brand Line Extensions, Emerging Markets Pepsi Café Chino, Brand Failure, Consumer Evaluation

### Introduction

The term "Brand management" was created around 1927 by Procter and Gamble and then was adopted and adapted by many other consumer product companies. According to the American Marketing Association (AMA), brand is a "name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition". Technically speaking, whenever a marketer creates a new name, logo, or symbol for a new product or service, he or she has created a brand. Building brands with the high budgeted advertising and then watching in a state of limbo brands failing is a matter of concern for all in today's business world. Failure indeed is inevitable, however by analyzing the "horror stories" of brand failures, can help in identifying the key danger areas. Successful brand line extensions are not entirely new products; they are simply new branches on the main plant. In order to optimize the power of the overall brand, line extensions have to make sense, be part of a long-term plan and reflect the core images and message of the brand. Pepsi was first introduced as "Brad's Drink" in New Bern, North Carolina, United States, in 1898 by Caleb Bradham, who made it at his home where the drink was sold. It was later labeled Pepsi Cola, named after the digestive enzyme pepsin and kola nuts used in the recipe. Bradham sought to create a fountain drink that was delicious and would aid in digestion and boost energy. In 1926, Pepsi received its first logo redesign since the original design of 1905. In 1929, the logo was changed again. In 1931, at the depth of the Great Depression, the Pepsi-Cola Company entered bankruptcy - in large part due to financial losses incurred by speculating on wildly fluctuating sugar prices as a result of World War I. As it wasn't the first to market the cola category, Pepsi was never going to be the generic name. People rarely say, 'I'm going to have a Pepsi'. Even when they have a Pepsi bottle in their fridge they would be more likely to say, 'I'm going to

have a Coke.' However, although this situation couldn't be avoided, Pepsi's branding for many years failed to give the product a stand-alone identity.

### Objectives of the Present Study

The objectives of the present study for the Brand under study are as under

1. To identify the factors which have led to brand failure of the brand under study.
2. To assess the underlying perceptions developed by consumers in emerging markets regarding as to why brands fail.
3. To formulate an optimal strategy to avoid brand mistakes and escape brand failures.

### Review of Literature

A brand extension strategy involves using an established brand name in one product class to enter another product class. Many firms have used this strategy in the last decade to further leverage brand equity. A "good" brand extension strategy is one where the brand name aids the extension, while a "very good" brand extension also enhances the brand name (Aaker, 1991). Consumer evaluation of a brand extension is often described as a process by which the core brand associations of the parent brand transfers to the extension. The basic premise on which brand extensions are based is that consumers hold positive attitude toward the parent brand that can be transferred to an extension without any negative consequences as long as there is a "fit" between the two (Aaker and Keller 1990). This means that the brand-extension associations must be consistent with those of the parent brand in order for it to be successful. The introduction of brand extensions with inconsistent associations may fail and, in some cases, can even dilute the parent brand equity (Loken and Roedder John 1993). Most research on extension evaluation has focused on the issues surrounding "fit" between the parent brand and the extension and moderating variables that affect this fit. The introduction of a brand extension in an established product category results in restructuring of the category, related brand associations, and pertinent consumer knowledge, thereby, affecting consumers' attitudes toward the existing brands in the target category (Czellar 2003). Woodside and Clokey (1974) identified that consumers' attitudes are affected by competitor activity, as well as, numerous other information sources. They developed a Multiattribute/Multi-brand model of attitude formation and systematically evaluated the process of brand attitude formation. The results of the Woodside and Clokey (1974) study state that, "brand choice was more accurately predicted when attitudes toward other brands were also considered." Similarly, the results of the Abe and Tanaka (1989) study indicate that the brand evaluation process is not independent of other brands in the competitive markets. Chintagunta (1996 and 1999) examined the impact of the introduction of line extension and a new brand on the market structure. The results of his research conclude that the introduction of a new brand significantly alters the existing market structure by shifting the brands in the perceptual map, and by changing the importance attached to different product category attributes. These market structure changes caused by new brand

entrants in an established product category significantly affect the "subjective brand judgments, brand preferences, and choice," (Pan and Lehman 1993) due to a shift in similarity judgments between/among the existing brands caused by the new entrant with attribute(s) similar to the existing brands (Baker, Hunt, and Scribner, 2002). The findings from research reported by Pan and Lehman (1993) suggest that new brand entrants alter the subjective evaluation of the existing brands through an "attraction effect." The attraction effect works by affecting the perceptual space and its dimensions when a new brand is introduced and positioned against the existing brands. Highly rated brand extensions considered to be a good fit with the parent brand are not evaluated as favorably in the presence of competing brands as when they are evaluated on their own. Most notably, the measures of fit that make an extension relevant with the parent brand may no longer be sufficient in a competitive setting. This means that a brand extension must fit not only with the parent brand, but it must also be introduced with a good understanding of the effect of the competing brands in the target category (Harish Kapoor and Louise A. Heslop, 2007).

### Hypothesis of the Study

1. H0 (I) There is no significant linear co-relationship between the different attributes of brand failures.
2. H0 (II) There is a significant difference between the perception of the companies and customers regarding the brand line extension products.

### Sample Size

The total sample size of this survey was 1450. This sample size was divided as:

City	Sample%	Sample Size
Delhi	30	435
Ludhiana	20	290
Jammu	20	290
Srinagar	30	435

Table I: Sample Size

### Sampling Method

A stratified random sampling method was used for this study. Field interviews were conducted in the four cities with a proper self administered questionnaire.

### Constraints of the Study

- The study suffers from the following constraints
1. The brands under study have operations in other countries also and are being sold in those countries as well. But the researcher due to lack of funds could not interview consumers/ customers in these countries.
  2. Another limitation of this study is that people in India are wary of revealing income or matters related to income, thus it is possible that some respondents have reported wrong income. The income revealed by them did not match their living standard.
  3. Sometimes the respondents did not fill the questionnaire immediately when they were told about the study and the brands under study. They sent their completed questionnaires through mail. It is possible they would have lost the idea about the study when they actually sat for filling up of the questionnaire.
  4. Researcher feels a bias may have been created in favoring the companies and brands under study and not using other brands/companies.

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	Product feature	Fit between product & brand name	Brand values	Brand Image	Social dimension of Brand image	Marketing support	Retailer acceptance	Risk	Consumer experiences	Pricing	Level of advertising	warranty	Benefits	culture	Policy & practice	Sales Channel	Ineffective promotion	Lack of emotional connection	Non- delivery of promises
Product feature	1	.490(**)	.474(**)	.421(**)	.114(**)	.131(**)	-.030	.085(*)	.099(**)	.016	.080(*)	.240(**)	.055	.041	.163(**)	.215(**)	.076(*)	.192(**)	.026
	.000	1	.475(**)	.463(**)	.183(**)	.163(**)	.094(**)	-.061	-.105(**)	.182(**)	.140(**)	.231(**)	-.013	.112(**)	.141(**)	.216(**)	.009	.131(**)	.019
Fit between product & brand name	.490(**)	1	.475(**)	.463(**)	.183(**)	.163(**)	.094(**)	-.061	-.105(**)	.182(**)	.140(**)	.231(**)	-.013	.112(**)	.141(**)	.216(**)	.009	.131(**)	.019
	.000	.000	1	.674(**)	.226(**)	.398(**)	-.051	-.115(**)	-.240(**)	.092(**)	.135(**)	.182(**)	-.003	-.011	.230(**)	.113(**)	.085(*)	.028	-.014
Brand values	.474(**)	.475(**)	1	.674(**)	.226(**)	.398(**)	-.051	-.115(**)	-.240(**)	.092(**)	.135(**)	.182(**)	-.003	-.011	.230(**)	.113(**)	.085(*)	.028	-.014
	.000	.000	.000	1	.245(**)	.374(**)	-.039	-.144(**)	-.195(**)	.051	.226(**)	.282(**)	.124(**)	.072(*)	.174(**)	.186(**)	.111(**)	.073(*)	.154(**)
Brand Image	.421(**)	.463(**)	.674(**)	1	.245(**)	.374(**)	-.039	-.144(**)	-.195(**)	.051	.226(**)	.282(**)	.124(**)	.072(*)	.174(**)	.186(**)	.111(**)	.073(*)	.154(**)
	.000	.000	.000	.000	1	.009	-.011	-.175(**)	-.155(**)	.095(**)	-.087(*)	.221(**)	-.003	.191(**)	.147(**)	.153(**)	-.031	.063	-.088(*)
Social dimension of Brand image	.114(**)	.183(**)	.226(**)	.245(**)	1	.009	-.011	-.175(**)	-.155(**)	.095(**)	-.087(*)	.221(**)	-.003	.191(**)	.147(**)	.153(**)	-.031	.063	-.088(*)
	.000	.000	.000	.000	.000	1	.269(**)	-.098(**)	-.059	.027	.245(**)	.088(**)	-.089(**)	.007	.272(**)	.132(**)	.270(**)	-.071(*)	-.018
Marketing support	.131(**)	.163(**)	.398(**)	.374(**)	.009	1	.269(**)	-.098(**)	-.059	.027	.245(**)	.088(**)	-.089(**)	.007	.272(**)	.132(**)	.270(**)	-.071(*)	-.018
	.000	.000	.000	.000	.780	.000	.000	.003	.073	.427	.000	.010	.009	.830	.000	.000	.000	.038	.602
Retailer acceptance	-.030	.094(**)	-.051	-.039	-.011	.269(**)	1	.193(**)	.103(**)	.117(**)	.050	.047	-.213(**)	-.073(*)	-.018	.178(**)	.225(**)	.064	-.055
	.366	.004	.119	.231	.738	.000	.000	.002	.001	.142	.175	.000	.034	.604	.000	.000	.000	.063	.110
Risk	.085(*)	-.061	-.115(**)	-.144(**)	-.175(**)	-.098(**)	.193(**)	1	.144(**)	-.143(**)	-.244(**)	-.022	-.051	.098(**)	-.144(**)	-.052	-.160(**)	.113(**)	-.037
	.010	.066	.001	.000	.000	.003	.000	.000	.000	.000	.000	.532	.143	.005	.000	.134	.000	.001	.283
Consumer experiences	.099(**)	-.105(**)	-.240(**)	-.195(**)	-.155(**)	-.059	.103(**)	.144(**)	1	-.163(**)	-.061	-.186(**)	.013	.156(**)	.153(**)	.223(**)	.042	-.035	.150(**)
	.003	.001	.000	.000	.000	.073	.002	.000	.000	.000	.069	.000	.700	.000	.000	.000	.226	.311	.000
Pricing	.016	.182(**)	.092(**)	.051	.095(**)	.027	.117(**)	-.143(**)	-.163(**)	1	.340(**)	.161(**)	-.010	-.212(**)	.047	.185(**)	.302(**)	.041	-.021
	.642	.000	.006	.130	.005	.427	.001	.000	.000	.000	.000	.000	.776	.000	.170	.000	.000	.233	.541
Level of advertising	.080(*)	.140(**)	.135(**)	.226(**)	-.087(*)	.245(**)	.050	-.244(**)	-.061	.340(**)	1	.226(**)	.034	-.038	.215(**)	.261(**)	.441(**)	.117(**)	.103(**)
	.018	.000	.000	.000	.010	.000	.142	.000	.069	.000	.000	.000	.315	.271	.000	.000	.000	.001	.003
Warranty	.240(**)	.231(**)	.182(**)	.282(**)	.221(**)	.088(**)	.047	-.022	-.186(**)	.161(**)	.226(**)	1	.205(**)	.140(**)	.088(**)	.165(**)	.194(**)	.204(**)	.106(**)
	.000	.000	.000	.000	.000	.010	.175	.532	.000	.000	.000	.000	.000	.000	.010	.000	.000	.000	.002
Benefits	.055	-.013	-.003	.124(**)	-.003	-.089(**)	-.213(**)	-.051	.013	-.010	.034	.205(**)	1	.140(**)	.129(**)	.054	-.032	.097(**)	.209(**)
	.107	.711	.927	.000	.926	.009	.000	.143	.700	.776	.315	.000	.000	.000	.114	.351	.004	.000	.000
Culture	.041	.112(**)	-.011	.072(*)	.191(**)	.007	-.073(*)	.098(**)	.156(**)	-.212(**)	-.038	.140(**)	.140(**)	1	.157(**)	.128(**)	-.097(**)	-.005	-.009
	.225	.001	.748	.035	.000	.830	.034	.005	.000	.000	.271	.000	.000	.000	.000	.000	.005	.881	.803
Policy & practice	.163(**)	.141(**)	.230(**)	.174(**)	.147(**)	.272(**)	-.018	-.144(**)	.153(**)	.047	.215(**)	.088(*)	.129(**)	.157(**)	1	.313(**)	.021	-.046	-.087(*)
	.000	.000	.000	.000	.000	.000	.604	.000	.000	.170	.000	.010	.000	.000	.000	.000	.543	.178	.011
Sales Channel	.215(**)	.216(**)	.113(**)	.186(**)	.153(**)	.132(**)	.178(**)	-.052	.223(**)	.185(**)	.261(**)	.165(**)	.054	.128(**)	.313(**)	1	.217(**)	.076(*)	.068(*)
	.000	.000	.001	.000	.000	.000	.000	.134	.000	.000	.000	.000	.114	.000	.000	.000	.000	.027	.046
Ineffective promotion	.076(*)	.009	.085(*)	.111(**)	-.031	.270(**)	.225(**)	-.160(**)	.042	.302(**)	.441(**)	.194(**)	-.032	-.097(**)	.021	.217(**)	1	.224(**)	.229(**)
	.027	.785	.013	.001	.376	.000	.000	.000	.226	.000	.000	.000	.351	.005	.543	.000	.000	.000	.000
Lack of emotional connection	.192(**)	.131(**)	.028	.073(*)	.063	-.071(*)	.064	.113(**)	-.035	.041	.117(**)	.204(**)	.097(**)	-.005	-.046	.076(*)	.224(**)	1	.396(**)
	.000	.000	.421	.033	.068	.038	.063	.001	.311	.233	.001	.000	.004	.881	.178	.027	.000	.000	.000
Non- delivery of promises	.026	.019	-.014	.154(**)	-.088(*)	-.018	-.055	-.037	.150(**)	-.021	.103(**)	.106(**)	.209(**)	-.009	-.087(*)	.068(*)	.229(**)	.396(**)	1
	.456	.573	.690	.000	.010	.602	.110	.283	.000	.541	.003	.002	.000	.803	.011	.046	.000	.000	.000

\*\*Correlation is significant at the 0.01 level (2-tailed). \*Correlation is significant at the 0.05 level (2-tailed). TABLE 2: CORELATION FOR PEPSI CAFE CHIN

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## Factor Analysis of Pepsi Café Chino

Table 2 gives us the correlation matrix and indicates the close correlation between the various attributes.

<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</b>		.665
<b>Bartlett's Test of Sphericity</b>	<b>Approx. Chi-Square</b>	3661.737
	df	171
	Sig.	.000

**Table 3: KMO and Bartlett's Test**

Table 3 gives the Kaiser-Miller olkin test (KMO) and Bartlett's Test of sphericity. Kaiser-Miller olkin test (KMO) measure of sampling adequacy tests the partial correlations among the variables are small or not. Since the value of KMO is 0.665 which is "middling" .This suggests sufficient sample size relative to the items in our scale. Bartlett's Test of sphericity for the 19 item correlation matrix is highly significant thus the correlation matrix is not identical. Thus, the correlation matrix (table 2) is factorable and there are some underlying dimensions that may explain the variance of 19 item.

Factors	Initial	Extraction
Product feature	1.000	.522
Fit between product & brand name	1.000	.468
Brand values	1.000	.600
Brand Image	1.000	.592
Social dimension of Brand image	1.000	.229
Marketing support	1.000	.413
Retailer acceptance	1.000	.239
Risk	1.000	.109
Consumer experiences	1.000	.164
Pricing	1.000	.434
Level of advertising	1.000	.490
Warranty	1.000	.321
Benefits	1.000	.316
Culture	1.000	.268
Policy & practice	1.000	.291
Sales Channel	1.000	.228
Ineffective promotion	1.000	.508
Lack of emotional connection	1.000	.438
Non- delivery of promises	1.000	.540

Extraction Method: Principal Component Analysis

**Table 4: Communalities**

In Table 4 Principal Component Analysis method (PCA) was used to derive the factors the communalities figure indicates the variance explained for various attributes.

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.657	19.246	19.246	3.657	19.246	19.246	3.177	16.720	16.720
2	1.822	9.592	28.837	1.822	9.592	28.837	2.166	11.400	28.119
3	1.690	8.894	37.732	1.690	8.894	37.732	1.826	9.612	37.732
4	1.623	8.540	46.272						
5	1.441	7.585	53.857						
6	1.232	6.486	60.343						
7	1.021	5.373	65.716						
8	.925	4.871	70.587						
9	.736	3.873	74.461						
10	.695	3.658	78.118						
11	.665	3.502	81.621						
12	.620	3.262	84.882						
13	.584	3.073	87.955						
14	.528	2.777	90.732						
15	.474	2.494	93.226						
16	.399	2.102	95.328						
17	.326	1.718	97.047						
18	.301	1.585	98.632						
19	.260	1.368	100.000						

**Table 5: Total Variance Explained**

Table 5 presents SPSS for Windows output indicating the total amount of variance in the factors that is explained by 19 extracted factors. The total number of possible principal components is exactly same as the number of factors in the correlation matrix being examined (i.e. total of column 2 of table 5 is 19). Dividing each of these Eigen values in column

2 of the table 5 by total amount of variance (s<sup>2</sup>=19) gives the variance in the factor that is explained by a particular component. These are summarized as percentages in column 3 of the table 5. The first component explains the largest amount of variance (19.246%) and the last component explains the least amount of variance(1.368%).Principal component

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Analysis always explains the variance in decreasing importance. The fourth column of table 5 gives cumulative percentage of variance that is extracted by each of the components. The first 3 principal components have extracted 37.732% of the variance. After first three components the increment in the amount of variance extracted by the remaining 16 components is relatively small. Table 5 also presents final Eigen Values after extraction .And it indicates that in PCA of the total variance in the attributes can be explained by three extracted components, with factor 1 explaining 19.246% variance, Factor 2 explaining 9.592% variance and factor 3 explaining 8.894% total variance.

Scree Plot

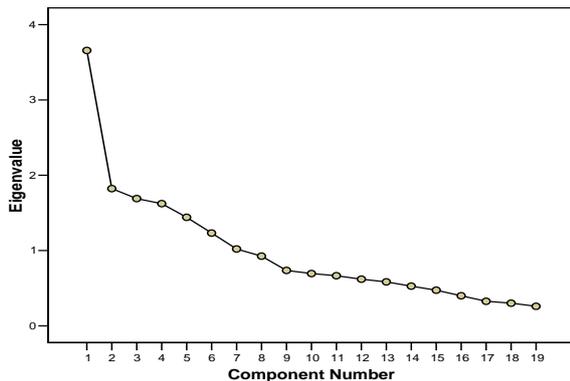


Figure 1: Scree Plot

Figure 1 gives SPSS generated Scree Plot for the 19 factors using PCA. After examining it was seen that three factors are being extracted which account for the maximum of variance in the 19 attributes. This Plot further substantiates the Criterion Eigen value >1 in table 5.

	Component		
	1	2	3
Product feature	.584	.424	.019
Fit between product & brand name	.631	.240	-.112
Brand values	.731	.155	-.204
Brand Image	.751	.167	.017
Social dimension of Brand image	.390	.175	-.215
Marketing support	.514	-.156	-.353
Retailer acceptance	.169	-.291	-.354
Risk	-.240	.227	-.017
Consumer experiences	-.134	.383	.008
Pricing	.340	-.562	-.056
Level of advertising	.493	-.469	.163
warranty	.475	-.055	.305
Benefits	.141	.263	.476
culture	.055	.510	.068
Policy & practice	.424	.232	-.241
Sales Channel	.459	.082	-.100
Ineffective promotion	.440	-.516	.218
Lack of emotional connection	.276	.001	.601
Non- delivery of promises	.179	.008	.713

Table 6: Component Matrix (a)

Table 6 summarizes the unrotated factor loadings for attributes 1 to 19 for three factors or

unrotated principal components. These loadings indicate the extent to which these attributes correlate with the three factors.

	Component		
	1	2	3
Product feature	.669	-.128	.241
Fit between product & brand name	.675	.052	.098
Brand values	.756	.169	.022
Brand Image	.710	.175	.239
Social dimension of Brand image	.473	.002	-.074
Marketing support	.489	.349	-.228
Retailer acceptance	.137	.321	-.342
Risk	-.111	-.308	.040
Consumer experiences	.036	-.402	.036
Pricing	.085	.650	-.059
Level of advertising	.187	.642	.205
Warranty	.295	.267	.404
Benefits	.082	-.157	.534
Culture	.232	-.433	.165
Policy & practice	.533	-.036	-.080
Sales Channel	.460	.121	.037
Ineffective promotion	.106	.664	.236
Lack of emotional connection	.055	.142	.644
Non- delivery of promises	-.061	.099	.725

Table 7: Rotated Component Matrix (a)

Table 7 shows the rotated factor loadings for the 19 attributes. This output was obtained by rotating the output given in table 6 using Varimax rotation method with Kaiser Normalization. The rotation was converged in 4 iterations.

Factors	Factor Loading		
	Factor 1	Factor 2	Factor 3
<b>Positioning Factors</b>			
Product feature	.669		
Fit between product & brand name	.675		
Brand values	.756		
Brand Image	.710		
Social dimension of Brand image	.473		
Marketing support	.489		
Policy & practice	.533		
<b>Communication Factors</b>			
Retailer acceptance		.321	
Pricing		.650	
Level of advertising		.642	
warranty		.267	
Ineffective promotion		.664	
Sales Channel		.121	
<b>Expectation Factors</b>			
Benefits			.534
Risk			.040
Consumer experiences			.036
culture			.165
Lack of emotional connection			.644
Non- delivery of promises			.725

Table 8: Factor Loading

Table 8 gives the complete details of the attributes being loaded on each factor along with factor loadings.

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## Objectives of the Research and Their Achievement

**Objective 1** To identify the factors which have led to brand failure of the brands under study.

The first objective of the study was to identify the factors which have led to brand failures under study. After looking at the results of factor analysis there were three prominent factors that were the main cause of brand failures:

1. Factor 1: Positioning factors
2. Factor 2: Communication factors
3. Factor 3: Expectation factors

These factors comprise following attributes:

### Positioning Factors

1. Product feature
2. Fit between product & brand name
3. Brand values
4. Brand Image
5. Social dimension of Brand image
6. Marketing support
7. Policy & practice

### Communication Factors

1. Retailer acceptance
2. Pricing
3. Level of advertising
4. Warranty
5. Sales Channel
6. Ineffective promotion

### Expectation Factors

1. Culture
2. Risk
3. Consumer experiences
4. Benefits
5. Lack of emotional connection
6. Non- delivery of promises

By understanding this composition of factors, it is easier to concentrate on these attributes while formulating brand related strategies.

**Objective 2:** To formulate an optimal strategy to avoid brand mistakes and escape brand failures.

The results of this research indicate the areas where the companies need to concentrate while launching a new product. Based on this research it is concluded that the main focus is consumer behavior. Hence the optimal strategy to avoid brand mistakes is one which is effective and only the marketing strategy based on consumer behavior can be effective. Thus companies should read their consumers well before any innovation of the products.

### Validity of the Hypotheses Tested

To set direction to the research two hypotheses were formulated to be tested which were phrased as in the "NULL" form.

### The following hypotheses have been laid down as Null Form

1. **H<sub>0</sub> (I):** There is significantly no linear correlation between the different characteristics of the brand failures.

As the present research has proved that in both product categories that is cold Drinks and Ready to eat foods factor analysis was possible and reliable outcome was achieved. Hence the hypotheses stands vindicated and Accepted.

2. **H<sub>0</sub> (II):** There is a significant difference between the perception of the companies and customers regarding the brand line extension products.

The results of the research clearly indicate that the factors which the companies perceive responsible for failure of the brand line extension that is: positioning Factor, communication Factor and Expectation factor are also perceived as responsible failure factors by the consumers.

### Accordingly the Hypotheses Stands Rejected.

### Other Conclusions Drawn From This Research

The other important conclusions that can be drawn from this research are:

1. Majority of the respondents (80%) were aware about the Pepsi café chino than any other brand under study.
2. Majority of the respondents (62%) were aware about the failure of Pepsi Café Chino than any other brand failure under study.
3. It is also noted from the research that 79 % of respondents are still brand sensitive and extension failure has not diluted the image of the brand.
4. Further it was also seen that 66% of respondents are brand loyal and extension failure of the brand has not impacted the brand image to a higher degree.
5. This Study of Failure of Brand extension of the brands under study can be replicated using larger sample size and larger scope.
6. This study highlights the role of various underlying factors responsible for failure and thus brands cannot afford to ignore these factors.
7. Formulation of effective marketing strategy can take place only by carefully analyzing the past mistakes and learning from it. This piece of research focuses on past brand failures and will surely act as a small corner stone in the field of Brand Management.

### Some Suggestions

1. A brand line extension strategy is not for every company. Following are the few important suggestions among the various suggestions of the present research:
2. Extension brand should be developed with characteristics that clearly differentiate it from the established product. However; these attributes should be credible and required by the consumers.
3. Brands to be developed should concentrate on three major factors which include Positioning factor, Communication factor and Expectation factor.
4. Brands developed should be differentiated products and consumers should perceive it.
5. The net combined sales of the established product and the line extension product be greater than sales of the established product alone.
6. In order to avoid brand failures and have acceptance of the brand extensions, companies should have well planned market entry strategy.
7. It is strongly suggested that companies should develop and generate deep consumer insight with regard to their brands. This can be achieved

by conducting in depth individual interviews with consumers before launch of extension products.

8. It is also suggested that proper promotional plans should be followed by the companies for launch of product extensions.
9. The companies' should try to make their consumers well informed about their policies about any change in the products.
10. The ultimate aim of the company should be to save the image of the parent brand.

Successful brand line extensions are not entirely new products; they are simply new branches on the main plant. In order to optimize the power of the overall brand, line extensions have to make sense, be part of a long-term plan and reflect the core images and message of the brand.

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