

**BRAND EXTENSION STRATEGIES AND BRAND
IMAGE OF TUSKYS MAVAZI**

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DECLARATION

I affirm that this research project is my genuine work and to my understanding, has never existed or offered to the University of Nairobi or to any other institution for any award.

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D61/88239/2016

This inquiry venture has been submitted for examination with my endorsement as the university supervisor.

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DEDICATION

I devote this work to my beloved family for their endless encouragement, love and support.

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ABBREVIATIONS/ ACRONYMS

CRM Customer relationship management

MSMEs Micro, Small and Medium Enterprises

ABSTRACT

This was set to establish brand extension strategy on brand image at Tuskys Mavazi. The set research questions answered were: How different types or categories of brand extension affected brand image? A case study research design was utilized where 3 managers from Tuskys Mavazi were targeted. An open-ended interview was utilized to gather the primary information. Content analysis techniques was used to analyze the narrations of the research participants. The study results showed that there existed an association between shifting of form extension and brand image. There are various types of brand extension but it's not so much the choice of extension as is the transfer of benefits that will lead to success of the brand extension. It was much easier to convert customers who were already using and were loyal to the mother brand than it was to convert new entrants when it comes to brand extensions. The findings therefore show that there existed associations of leveraging customer base extensions and brand image. Also, the study reveals that there existed an association between transfer of benefits extension, and brand image. It was observed that the more the benefits adopted from parent brand by the extended brand, the easier the acceptance in the market. This study gives policy recommendations that Tuskys should invest more in differentiating Mavazi components to the youth and young adults, from other similar brands in the market. This will enhance not only the brand, but also increased adoption by the youth and young adults. Therefore, the suggestions for this study is that, through using longitudinal research design, a study is required on brand extension strategies and brand image.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Brand extension is currently being used in a number of industries as a growth strategy (Aaker & Keller, 1990). Since consumer preferences are rapidly changing from the original brands, brand extension strategies are increasingly becoming more important and popular. It is believed that a brand extended over varied product categories and several product lines enables it to be accessible to a larger consumer groups. The adoption of brand extension using existing brand name is popularly employed across many industries due to the fact that it minimizes and its less expensive than creating a totally new brand name. A number of firms establish the extended brand based on popular brand identity, perceived quality, high brand awareness, customer loyalty, and sales value retention (Phau & Prendergast, 2000). Yet, Keller (2008) notes that brand extension strategy do not always guarantee a positive impact. This is accredited to the fact that introducing an extended brand may lead to cannibalizing among family brands or tarnishing the original brand image (Keller, 2008).

Customer relationship management (CRM) has gained significant attention in the recent past. CRM entails consideration of customer practices and needs with the aim of establishing a strong customer relationship. Any business organization seeks to achieve greater customer relationship. Currently CRM practices covers all aspects of business operations. CRM is prominently used in the service marketing sector. Keller and Aaker (1992) suggest a brand extension theory stating that the original brand quality and the “fit” between the extended and original brands affect evaluation of brand extension. They elaborated that the congruence attributes are substitutability, complementarity,

difficulty, transferability and the entire attributes directly influence the new brand extension preference.

Aaker and Keller (1992) employed tenets of categorization theory to explain that transfer from a category that is familiar to a new brand is fostered when the new product is alleged to have traits that are comparable to those linked to the category. According to categorization theories, over time, experiences from different individual experience lead to the development of unique categories in memories (Miller, Malhotra, & King, 2006).

Keller and Aaker (1992) suggest that product wise a consumer forms categories containing products having common features. In the event a new product is encountered, the consumer tends to evaluate the product through categorization rather than first evaluate the new product specific attributes. The individual will attempt to categorize the products into a known store of memory. Upon realization that the product fits into a known category, the attached affect of the category is moved to a new product.

Retail sector entails all activities that create external income. The retail sector is designed in such a way that it typically lures consumers into a particular area in order to spend their money (Mbogo, 2018). This way the retail sector contributes to the economy by generating external income (Miller, Malhotra, & King, 2006). It also plays a supplemental role in enhancing economic growth by preventing income drainage out of an area (Azar & Fuller, 2008). In Kenya, for example, this can be achieved both locally and nationally since retail sector provides goods and services hence hindering the desire and need among the local population to travel elsewhere to purchase those

goods. Retail sector plays an important role in employment creation among other benefits (Mbogo, 2018).

The Kenyan retail sector has been singled out as a crucial cog in the national long term development policy for reshaping the Kenyan Economy to a trade competitive economy (Kenya Retail Sector Prompt Payment Study, 2017). Though the sector is characterized with micro, small and medium enterprises (MSMEs) that consist of kiosks and market stalls (Kenya Economic Report, 2017), the sector has evolved in recent times to include supermarkets, shopping and exhibition malls which are quickly replacing traditional small shops and kiosks (Kenya Economic Report, 2017). Retailing as a driver of Kenya's economic growth is highlighted in Kenya's development guide, Vision 2030. The Kenya government intent was to increase the percentage of product sold through formal retail channel such as supermarkets 5% in 2007 to 30% to 2012 (Kenya Retail Sector Prompt Payment Study, 2017). This was projected to generate Ksh 50 billion GDP. This was envisaged to stimulate investment opportunities that were to be driven by consumer demand and in particular MSMEs in the agricultural sector (Kenya Economic Report, 2017).

1.1.1 Brand Extension Strategies

Anselmsson, Bondesson, and Johansson (2014) define brand extension to refer a new product introduction within the existing product line. Arai, Ko and Kaplanidou (2013) also define brand extension as extending of an existing brand name into an organization's new product or categories. This implies that a firm may opt to extend an existing brand name into a new product in order to grant the new product momentum into the market. Brand extensions can be categorized into two main groups namely vertical and the horizontal brand extensions.

Brand extension strategies are measured by brand image transfer extension, shifting of form, and transfer of components (Arai et al., 2013). Anselmsson et al., (2014) observe that horizontal brand extension depicts an introduction of a new product class that is related or a completely new product to an organization. Vertical extension implies brand extension to a similar a category of a particular product with a different price levels or quality (Arai et al., 2013). Arai et al. (2013) assert that focus of horizontal extensions is on extending existing brand names to new products while vertical extensions use a second brand name alongside the core brand name.

1.1.2 Brand Image

There exist variations of definitions of the concept brand image. Besides, measures of brand image vary widely depending on the economic sector of a given firm. For example, service organizations, the manufacturing, and government bodies; each has its own unique measure of brand image. For example, looking at O'Malley (1991) definition, a brand represents a symbolic, design, name or some collection that portraying a firm's product with uniquely differentiated features. According to Keller (2010), brand image is the feeling depicted based on the associations in customer's memory.

Despite the contradiction in the definition of brand image by scholars, one thing remains that firms need a brand image for survival in the market. Keller asserts that brand image significantly influences firm competitiveness thus implying that brand image should be treated a unique resource to the organization as suggested by Porter (1984). Brand image is measured using indicators such as; good value, trust and interesting (Keller, 2010).

1.1.3 Retail Sector in Kenya

In the past decade, retail sector in Kenya has experienced a rapid increase in growth. New store outlets have been opened up in order to attract the upwardly-mobile middle-classes. Supermarket outlets are steadily gaining dominance in the market. This is attributed to the fact that supermarkets provide a wide range of product alongside greater convenience. The current trend shows major retail outlets becoming tenants rather than owning their own premises. The boom in the retail sector in Kenya can be attributed to the fact that Kenyan government has stepped up its efforts towards ensuring a conducive business environment in Kenya such as Vision 2030 agenda that seeks to realise socioeconomic and political stability in Kenya by the year 2030 (Economic Survey, 2010).

The retail sector plays an important role in the Kenyan economy contributing 10% to GDP and a total wage payment of Ksh. 86.7 million in 2009 (Economic Survey, 2010). The retail sector in Kenya has not only flourished locally but has also ventured into the international markets such as Uganda, and Tanzania. Most of the retailers have sought to meet a wide variety of customer needs, particularly, the young employed population. The retailers have been re-locating to modern shopping centers and malls, offering superior shopping experience and atmosphere more so in the peri-urban and urban centers.

1.1.4 Tuskys Mavazi

Tuskys Mavazi is a brand extension of the original brand name Tuskys Supermarket. Tuskys supermarket is one of the major players in the retail sector in Kenya. The supermarket targets from upper to lower middle class in Kenya. Currently Tuskys has the largest retail outlet network in Kenya mainly covering major cities and towns such

as Nairobi, Kisumu, Mombasa, Thika, Kisii, among others. Tuskys also seeks to venture into the transnational markets such as Rwanda and Uganda. Tuskys has the largest customer base among the retail chains in Kenya (Mbogo, 2018).

Tuskys launched its first Mavazi store at its T-Mall branch in November 2017. Thereafter, other Mavazi stores were launched in line with the corporate development plan of the company. The Mavazi concept is founded on the discovery that shoppers will often prefer to shop for fashion items separately from food items thereby necessitating the need to separate the two. Tuskys Mavazi stores feature a variety of locally and international sourced shoes, lifestyle clothing items, baby wear among other related accessories (Mbogo, 2018).

1.2 Research Problem

Competitive business environment in the recent past forces firms to leverage on their known brands as a way of introducing new products to the market, and cut costs associated with establishing a new brand. Organizations do rely on this brand extension strategy because of the inherent belief that brand extension will enable them to convey a strong brand positioning, identity, and awareness, and as a result, maintain or expand on their market share (Roy & Banerjee, 2014). However, not all brand extensions have been successful (Keller, 2010). According to (Chernatony et al., 2003), brand specific associations for example brand trust, equity in brand, brand attitude and perceived fit between a parent brand and a brand extension have also been found to affect brand extension success.

In other economic sectors such telecommunications firms have adopted the brand extensions strategies in order to tap into new market with the aim of reducing marketing cost, revenue generation and product failure rate reduction (Roy & Banerjee,

2014). The current turbulent business environment requires having a powerful brand name of the firm. The adoption and implementation of a brand extension strategy is widely practiced strategy characterized with less risky growth alongside cost saving advantage (Chernatony et al., 2003).

Globally, various studies have been conducted to establish brand extension on brand image, brand loyalty, and brand equity. For instance, Martinez, Polo, and De Chernatony (2008) examined brand extension on brand image, but exclusively compared Spanish and UK's banking sector. The study found brand extension always did not have significant impact on brand image. Sattler, Volckner and Sattler (2006) focused on factors influencing consumer evaluations of brand extensions. The study employed quantitative approach and used questionnaire to collect primary data. They found that brand image and identity were key to customers' evaluation of brand extensions.

In Nigeria, Alivinasab, Soltania and Alimohammadi (2017) carried out a study on brand extension strategy and brand image of the LG customers. They revealed that brand extension associated positively with brand image. In South Africa, Muroyiwa, Abratt and Miongione (2017) carried out a study on the effect of vertical brand extension on consumer brand relationships. The study compared luxury brands represented by Apple mobile handset and functional brands represented by Samsung mobile handset.

In Kenya, a study by Shihachi (2012) examined strategy on corporate branding and Safaricom's performance and concluded that the firm had relied heavily on brand extension strategy to introduce new brands to the respective market. Murithi (2014) researched the concept of transferability of brand equity in the private labels in the

manufacturing industry and he ascertained that equity of brands can be moved to a particular private brands as much as they consisted of more value and their prices fair enough as compared to the respective national brands.

The studies reviewed herein have mainly focused on telecommunication industry, mobile phone handsets and home appliances. Therefore, this study sought to examine the influence of brand extension strategies in the retail sector by seeking to answer the following research questions: how do brand extension strategies influence brand image of Tuskys Mavazi?

1.3 Objective of the Study

The objective of this study was to examine the influence of brand extension strategy on brand image of Tuskys Mavazi.

1.4 Value of the Study

This study generated empirical evidence on the influence of brand extension strategies on brand image. This provided a basis for understanding the brand extension and Customer Relationship Management (CRM) theories. The theoretical perspectives delved on the retail chain sector.

This study hopes to inform the government of Kenya towards making policy decisions with the aim of fostering growth rate in the retail sector as well as retail market liberalization advantage. This is true in the face of a period when the retail sector is facing challenges in terms of expansion, case in point the recent collapse of Nakumatt Supermarket

The study hopes to inform Tuskys Mavazi management on various brand extension strategies used in the retail sector and further show a mix of brand extension strategies that would deliver the best results on the brand image.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The review of the literature focused on the influence of brand extension strategy on brand image. This chapter contains the theoretical review, brand extension strategies on brand image, empirical review, a summary of literature and their respective gap in knowledge identified.

2.2 Theoretical Foundations

The theoretical underpinnings of this study were customer relationship management and brand extension theory.

2.2.1 Brand Extension Theory

Keller and Aaker (1992) proposed a theory of brand extension. This theory argue that the between original brand and the concept extension influence the evaluation of brand extension. It also poses that brand quality originality and its congruence contributes to brand extension evaluation exercise. The “fit” attributes are complementarity, substitutability, transferability and difficulty and that all these attributes have a direct influence on preferring the extension of new brands in the market. Another important assumption is that the parent brand needs support so as improve and increase equity of different brands in the market before launching the extension process. Critics of this theory have pointed to the dilution of the existing brand and cannibalism (Brandy et al., 2008).

Keller and Aaker (1992), in the context of products, an individual forms category that comprise of products that have features which are common in nature. The theories of categorization indicate that respective individuals thoroughly categorize products

through evaluation before evaluating specific attributes of the new product in the market. Thus, these individuals classify these products to a known store memory. Therefore, if the respective product is affirmed to be suitable for a known category, then the attached affect in that particular category is moved to a new product (Keller & Aaker, 1992). However, if the acceptable features of known category is not observed, then the individual attributes exerts information processing demands upon the individual.

According Miller et. Al., (2006) specific individuals prefers to do a category-based process in evaluation of the product as much as information processing demands is lower and very accommodative. Theory of associative- network memory serves as a theory of overarching to make us understand evaluations which is done in regard with brand extension (Keller & Aaker, 1992). In this case, the effects of perceived similarity was observed on the category of extension and category of parent brand on transferring affect from one parent brand to the extension. The study results suggested that respective consumers adopt names of different brands to aggregate their knowledge with regard to a particular brand. This information on a particular brand gives them a basis or a ground on overall picture of impression toward brand extension. Therefore, brand extension evaluation is influenced by the evaluation of the parent brand. Thus, the parent brand give a basis for extension of a particular brand in the market.

Therefore, in the market arena, consumers tend to accept brand extension through the existence of strong brands. There are two thematic categorization of brand extension in the market which include the horizontal and vertical brand extensions. The quality level variations of a particular brand within a certain category is called as vertical extension

while on the other hand, the function of that product is referred to horizontal extension (Volckner & Sattler, 2006).

2.2.2 Relationship Marketing Theory

This theory was advanced by Alexander (1998). This theory states that relationship marketing is the ability to develop and create relationship with organization's stakeholders in the long term. The theory further states that long-term relationship with key stakeholders is beneficial and profitable to the parties and can be realized via relationship advertising. Relationship advertising entails three keys issues namely data base, interaction marketing and network (Morgan & Hunt, 1994). Database marketing utilizes IT to increase customer loyalty, consumer satisfaction, and profits.

Buttle (1996) stated that CRM paradigm considers two things, that are, the viability of relationship marketing and valuable for customers and organizations. Further, there must be an increase in the significance of retailers in enhancing and maintenance of general connections that exist with customers because of the customer and company relationship. Customer are more likely to communicate with the brand, which fulfil their needs (Alexander, 1998). The relevance of the current study is hinged on the fact that it shows the significance of improving customer relation by stating that the profitability of a customer was most prominent amid the later years of the client relationship because of the accompanying three reasons: incremental buys, the increment in price, and most importantly the diminishing expenses.

2.3 Determinants of Brand Extension

There are three brand extension strategies used by firms to enhance their brand image namely brand image transfer extension, shifting of form and transfer of a component extension as discussed herein.

2.3.1 Brand Image Transfer Extension

Studies in the field of brand image and brand extensions have revealed the existence of a fit between a brand, and associated beliefs on the brand image (Smith, 2004; Batra & Homer, 2004). In most instances, many new products being introduced into the market place lack brand and image recognition. To enhance the product awareness, organizations do brand association, a technique of drawing on the benefits and awareness of an existing brand, particularly the brand image, and transferring these benefits to the new product.

This association transfers the qualities linked with a familiar brand to the new product (Roy & Banerjee, 2014). Similarly, Brady et al., (2008) note that for a brand image transfer extension to be effective, the brand association must be distinctive, strong, and with good name recognition. This means that this brand images must go beyond the simple perceived quality to intangible properties.

According to Smith (2004), brand image transfers are created from associations that have product category experiences, adequate positioning and promotional penetration within a given market segment. In this case, a strong brand transfers most of its customer accolades to the new products, making the new products enjoy similar customer liking as the existing old product. One of the reasons organizations and marketers rely on brand image extension is to cut costs associated with branding a new product. A new brand and its associated costs do not guarantee that the new product will receive traction in the market, or that it will be profitable (Aaker, 2009; Arslan & Altuna, 2012). As such, organizations do avoid spending money on launching and establishing a new brand, if similar existing brands in the product category can be used to confer or transfer benefits to the new product.

2.3.2 Shifting of Form

Shifting of form is one of the strategies of brand extension that marketers use to enhance new or existing brand image awareness. According to Martinez et al., (2008), shifting the form is a mechanism through which organizations re-modify or change a product form to look like a similar product category that is well-established on the market. By doing this, organizations make it easy for customers to associate the new product form with an existing product form they already like. This strategy is usually effective in that perceived efficiencies and quality of the already existing product is transferred to the new product (Calantone & Montoyo-Weiss, 2012).

Studies conducted by Klink and Smith (2011) and Rabiei (2008), established that customers do associate relationships with brand image forms. This means that if a well-known brand form has attracted loyal customers and followers, a similar brand form being introduced by the same organization in similar brand product category, does experience similar brand image liking and performance at the market. Stated differently, a well-performing brand image of a particular form confers associative quality and liking to the new product with similar form.

Aaker and Keller (2010) also points out that the main underlying factor in brand extension is the brand extension rely on the organizations brand image, and quality as leverage and market penetration. In the service industries, it is a bit difficult to emulate and rely of a service brand form or shift of form. However, in most instances, say like banks, a new service will imitate the provisions of a previous service that had large traction, brand image, and customer loyalty (Rabiei, 2008).

As such, as noted by Iacobucci, (2014), brand image specifications in terms of form, shape and size do influence customers' preference for a particular brand, or associative

forms of new and similar brands in the market. Another argument posited by Swaminathan, Fox and Reddy (2011), brand extension in terms of shifting the form helps enhance not alone the brand image, but also equity of brands new in the market. In as much as it is not guaranteed that shifting the form of a product will result in a successful brand image, it is a brand extension technique that marketers and organizations rely on from time to time to enhance brand image awareness of new products they are trying to introduce to the market place (Iacobucci, 2014).

2.3.3 Transfer of a Component Extension

The transfer of a component extension strategy refers to marketers' use of components that have been used to produce a previous well-established product on the market (Han & Sung, 2008). Components in this regard refers to flavor of the product, color and other ingredients that go into a well-established market product brand, and a well-established brand image. Iacobucci (2014) notes that transfer of component is usually done to a different project where components of a prominent product is desirable as a way of improving awareness levels, equity of brands and the overall image in the market.

The use of transfer of a component extension is usually referred to us as the foothold strategy or the vertical extension strategy (Smith, 2004). Every service or product on the market is usually made up of multiple components. These components are usually closely associated with components in the major brand image product. In most instances, under transfer of component, a new product can leverage on the components in a major brand to extend similar benefits, quality, and customer awareness as a mechanism to penetrate a given market segment (Han & Sung, 2008). Transfer of

components includes incorporation of ingredients into new products as has been the case with Advil drug.

2.4 Empirical Studies and Knowledge Gap

Internationally, a study in Greece on a professional sports team by Broniarczyk and Alba (2004) verified that brand specific attributes are usually transferred to the brand extension regardless of category fit, if the customers do like and associate themselves with the parent brand. By brand specific attributes, Broniarczyk and Alba referred to those attributes that are defined by a brand. For instance, Marlboro cigarettes specific attributes is strong men cigarettes. Conversely, Bull (2009) observed that there could be a negative effect associated with brand extension, if the brand image and equity of the brand parent is lower or, in the case where customers perceive the parent brand image to be lower. In such cases, associations might not be beneficial to the new product can hurt the products brand image and awareness; therefore, such associations should be avoided.

Kazemi, Mohammadi, and Seify (2013) analyzed brand extension strategies on brand image in the mobile handset market. The questionnaires were developed to measure product fit laptops and Nokia brand variables. The study used simple random sampling where the findings of the study revealed the quality of brand image was influenced by the image of brand before the process of extension.

Lavuri (2018) conducted a research on extension on parent brand image. The study aimed at analyzing the impact of brand extensions on parent brands image as well as determine the correlation between demographical variables and parent brand image. A questionnaire was in a form of structured questions was used to measure the influence

of brand extension. The target population was persons of every age group. The study found out that brand extensions has a strong impact on parent brand image.

Locally, Nzisa (2016) examined brand extension on product brand image. The study employed literature review, empirical literature and empirical analysis of primary data from Safaricom Ltd subscribers. The study targeted 1,000 subscribers. The study used simple random. The findings indicate that increased levels of brand extension led to increased product brand image levels among Safaricom subscribers.

Muthoni (2013) did a study to establish the effect brand extension strategy has on the brand image in the Nairobi's pharmaceutical companies/firms. The study employed census techniques where all the 50 companies in pharmaceutical sector were included in the study. A survey questionnaire was employed to gather the primary information from the 50 targeted pharmaceutical firms. From the study results, it emerged that the studied pharmaceutical companies embraced brand extension strategy which resulted to knowledge of various brands achieved in the respective markets, the classification and interpretation of different brands and their meanings to consumers, definition of boundaries of domains where they compete, trends of customers and their various needs, increment of brand value, a quick and a new way in entering the market through consumer awareness, growth of various segments in the market, meeting the changing market, achieving economies of scale in regard to communication, averting risks, lowering of cost of the new brand in the market, a tool of defense against competitors, reduce the costs of communication thus enabling in the increment of profitability of the respective organization.

The empirical studies reviewed in this paper reveals that firms use brand extension strategies to increase brand knowledge, improve brand meaning, clarification to the

customers, define market domain boundaries, identify customer trend and need as well as improved. Kazemi, Mohammadi, and Seify (2013) analyzed "the influence of brand extension strategies on brand image in the mobile handset market." They found that the brand image quality after implementing the brand extension strategy has been influenced by brand's image before extension. However, mobile handset industry is quite different from retail chain industry hence the findings are not directly applicable.

Lavuri (2018) conducted a study to find out "the impact of brand extension on parent brand image." This study took place in telecommunication industry in Denmark. The study found out that brand extensions has a strong impact on parent brand image. This study took place in a developed country hence its findings may not be applied to developing countries such as Kenya.

Locally, Nzisa (2016) examined brand extension on product brand image. The study employed literature review, empirical literature and empirical analysis of primary data from Safaricom Ltd subscribers. The findings indicate that increased levels of brand extension led to increased product brand image levels among Safaricom subscribers. Telecommunication industry differs from retail chain industry in a number of factors such as customer expectations, competitive rivalry intensity and mode of operations among other hence the findings cannot be generalized. Therefore, this study sought to examine brand extension strategies in the retail sector. The fundamental questions answered were: how brand image transfer extension influences brand image, what is the influence of shifting form on brand image, and how transfer of components influences brand image, with bias on Tusky's Mavazi.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section describe methods and tools employed in achieving the set objectives. The thematic areas used were research design which was a case study, the population targeted, data gathering instruments and the data analysis techniques employed.

3.2 Research Design

For the purpose of this study, a research design was a case study in nature. Case study entails empirical investigation of a particular case in details (Mugenda, 2013). A case study is used to examine in detail the influence of brand extension strategies on brand image and thereafter make conclusions that are applicable across the retail industry.

The case studies provide the opportunity to analyze every day activities that Tuskys Mavazi employ in their approaches towards brand extension strategies. Case studies rely on different data sources hence the findings tend to be more accurate (Chandran, 2011). This study employed interview techniques for data collection (Kombo and Tromp, 2006). This design allows participants to narrate, in a detailed manner, their experiences/thoughts/views on brand extension strategies. The current study used interview schedule to obtain information from three Mavazi managers.

3.3 Data Collection

Primary data was gathered by the use of interview schedule. The interview questions were open ended. The researcher ensured a conducive environment for the interview in order to obtain accurate information (Gay, 2011). The use of interview guide also permitted probing so that in-depth information was obtained.

Interview gave insight responses from the research participants to understand the process in which Tuskys Mavazi came to adopt brand extension strategies, including the decision-making mind set and the key internal stakeholders involved in that particular process. It is also important to analyze the manner in which this process has not only affected the structure and working methodology within the company, but also the managerial functions at an individual level. Brand extension strategies are key source of insight on the extent of the impact on the structure and culture of the organization. The study also seeks to collect information on the type of brand extension strategies adopted at corporate and individual brand levels in order to enable brand marketers, and corporate leaders to effectively launch the extended brand.

3.4 Data Analysis

The information gathered was prepared for analysis. First, the data from the interviews of the Tuskys Mavazi managers was transcribed verbatim. Thereafter, the information gathered was grouped to produce a meaningful segments with regard to the variables of the study. The segments were then coded and analyzed using various categories. These steps were repeated to obtain more categories from the dataset (Creswell, 2012).

The researcher then combined the categories into themes, presented narration of the experiences of the Tuskys Mavazi managers on brand extension. Finally the results were interpreted, conclusions drawn and recommendations made (Mugenda, 2012). The study also suggested areas for further research.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND FINDINGS

4.1 Introduction

The chapter comprises data analysis, results and findings. Data was collected using an interview guide and afterwards information gathered was used to produce meaningful segment with regards to the variables.

Data was collected from three Tuskys Mavazi managers. The findings on types of brand extensions on brand image; leveraging customer base extension to influence brand image, and how transfer of benefits extension influences brand image.

4.2 Shifting of Form and Influence on Brand Image

This study sought to examine how shifting form strategy was employed in Tuskys Mavazi. The findings show that Mavazi focused on fashion targeting special category of customers hence shifted form extension has been adopted.

"In as much as Tuskys did not shift form in terms of redesigning the Mavazi product, but this was not the first time Tuskys was launching products targeting special customers." Tuskys Branch Manager B

The study sought to know the difference that exists between Tuskys products and Mavazi products. The findings indicate that major difference between Tuskys products and Mavazi products was that Mavazi products were designed to take care of the growing fashion demand in Kenya.

"The difference with the Mavazi product is that the way it was designed, it encapsulated various aspects of benefits that targeted growing fashion demand in Kenya." Tuskys Branch Manager A

The study sought to determine how shifting of form strategy helped Tuskys build reputable brand image. The results show that shifting of form made it easy for Tuskys customers to adopt, acquire and accord it reputable brand image.

"By doing this, Tuskys has made it easy for customers to adopt and utilize Mavazi and accord it reputable brand image as it is the case with Tuskys main brand." Tuskys Branch Manager C

4.3 Leveraging Customer Base Extension to Influence Brand Image

This study sought to determine how leveraging customer base influences brand image. The study found that Tuskys Mavazi branding relies on the large number of Tuskys brand

"Tuskys Mavazi branding relies mostly on Tuskys customer base, although some of our customers are new customers who were not Tuskys customers before." Tuskys Branch Manager A

On the question on how have Tuskys stores been utilized to promote Mavazi products, the findings show that one can access Mavazi products in Tuskys' stores.

"Tuskys stores have adequate stock of Mavazi products. Our customers can easily access Mavazi products in our nearest Tuskys store in the neighborhood." Tuskys Branch Manager A.

This study sought to determine how has Tuskys stores been strategic for selling Mavazi products. The findings show that the findings indicate that Tuskys stores were strategic for Mavazi products.

“The use of Tuskys store for Mavazi products enabled easy access, referral, and purchase of a new product as clients do not have to spend hours moving from place to place in search of the new product.” Tuskys Branch Manager C

When interviewees were asked whether Tuskys was targeting special category of customers, it was revealed that they felt like Mavazi has set apart youth and young adults as a different kind of customers.

“Mavazi targeted customer aged 18-50 years. To reach the youth and young adults, Tuskys had to target already existing youth and young adult customers, however, reaching out to special category customers and those who would be in need of clothes, shoes, and handbags among others. Through this avenue, Tuskys was able to enhance Mavazi as a viable brand image.” Tuskys Branch Manager C

4.4 Transfer of Benefits Extension and its Influences on Brand Image

This study sought to determine how transfer of benefits extensions do influence brand image. First question was on whether Mavazi already benefits customers already using Tuskys products.

“Brand associations are important not only because of the underlying value of the brand, but also the meaning that customers do assign to the parent brands and the brand names. For instance, in the case of this study, current Tuskys customers associate benefits accrued by purchasing Mavazi products. As such, Mavazi products and services gain traction in the market not because they are startlingly excellent on their own, but because of the associative power the products and services have accrued through associative relationship with Tuskys brand.” Tuskys Branch Manager B

When asked how Mavazi benefited transfer of benefits strategy. This study found that one of the benefits of brand extension of enhancing of brand equity for the new product at a reduced cost.

“In the case Mavazi products and services, brand extensions are important in that they help a parent brand enhance its brand equity of the existing and also of a new product. In this regard, Tuskys can measure its brand equity by how strongly existing customers were attracted to the new Mavazi product. Mavazi has the characteristics and ability to enhance Tuskys brand and equity among the youth and young adults at the least marketing and operational costs.”

Tuskys Branch Manager C

4.5 Discussion

Shifting the form is a mechanism through which organizations re-modify or change a product form to look like a similar product category that is well-established on the market. Brand image transfer extension can involve leveraging on existing loyal customer base to introduce a product at limited promotional costs. The transfer of a component extension strategy on the other hand refers to marketers' use of components that have been used to produce a previous well-established product on the market (Han & Sung, 2008).

4.5.1 Types of Shifting of Form and Influence on Brand Image

This study examined how shifting of form strategy was employed in Tuskys Mavazi. The findings revealed that although Tuskys Mavazi did not redesign its products they launched new products targeting special category of clients. The study found that Mavazi product was different from other Tuskys products since they were particularly

targeted to the growing fashion demand in Kenya. It was further revealed that shifting of form strategy has enable customers to adopt, utilize, and accord Mavazi a reputable brand image. In support of the findings of this study, Smith (2004); Batra and Homer (2004) that revealed “the existence of a fit between a brand, and associated beliefs on the brand image. Further, they had noted that to enhance the product awareness, organizations had resorted to brand extensions so as to benefits from customer awareness of an existing brand, particularly the brand image.

In most cases, as it was the case with the findings of this study, different types of brand extensions influence brand image differently.” Martinez et al. (2008) supports the findings of the current study by noting that “shifting the form was a mechanism that allowed organizations remodify or change a product form to look like a similar product category that is well-established on the market.” Furthermore, Aaker and Keller (2010) also observed that “the main underlying factor in brand extension is the brand extension rely on the organizations brand image, and quality as leverage and market penetration. In the service industries, it is a bit difficult to emulate and rely of a service brand form or shift of form.”

4.5.2 Leveraging Customer Base Extension and Influence on Brand Image

This study examined how leveraging customer base extension influenced brand image of Tuskys Mavazi. It verified that Tuskys Mavazi relied mainly on Tuksys customer base. Broniarczyk and Alba (2004) concur with the findings of the current study by observing that “the existence of a significant relationship between leveraging customer base extensions and brand image.” Thus Tuskys used existing core customers to create brand recognition as well as leverage the new product. It is believed that introducing

new product to the already existing customers was cheaper and much easier since the target market was already Tuskys customers.

This depicts that organizations that have a good relationship with the existing customers find it easy to introduce new product than those that do not. Calantone & Montoyo-Weiss (2012) argued that “brand extension leverages on the trust and rapport that an organization has built with its customer base. In most instances, the rapport an organization has accounts for most of its sales. As such, by building on the existing customers rapport can be less costly as opposed to establishing new customer base and introducing them to a new product brand that they are not familiar with.”

The study verified that using existing stores to sell Mavazi products was a type of leveraging on customer base employed by Tuskys Mavazi. The study revealed that use of Tuskys stores to sell Mavazi products was less costly, enhanced awareness as well as adoption of Mavazi products. Furthermore, the use of Tuskys stores enhanced access, referral, and purchase of Mavazi products. In support of the findings of the current study, Tauber (2010) observed that “in the auto industry, customers usually takes for wheel change, and the store offers wheel alignment and wheel balancing, there was a high probability that customers would prefer to have their wheels balanced and aligned while they were being changed, rather than going to another store to have this kind of service done. The availability of these services within the same space or store enhances purchase ability, and adoption.” Similarly, for Tuskys, by having Mavazi products sold in Tuskys shops was a guaranteed way of enhancing adoption.

It was further revealed that Tuskys targeted special kind of customers for Mavazi products. Particularly, it verified that Tuskys Mavazi targeted consumers aged 18-50. This target population is believed to have the potential to enable Tuskys Mavazi reach

its goal. The findings concur with that of Dacin and Smith (2004) who argued that “special customers can leverage organization sales even in tough economic seasons. In most instances, special customers can be attached to special kind of products within a general population. Ultimately, seeking to extend brand image of new products within this group would mean relying on the parent product brand image to seek special customers’ adoption of the new product.” To reach the youth and young adults, Tuskys targeted already existing Tuskys customers; nevertheless, reaching out to special group consumers through this particular avenue, Tuskys was able to portray Mavazi as a reputable brand image.

4.5.3 Transfer of Benefits Extension and Its Influences on Brand Image

This study sought to establish how transfer of benefits extension influenced brand image. It was verified that transfer of benefits extension was brought about by the advantages accrued from the reliance on already existing Tuskys brand. In support of the findings of the current study, Aaker (2009) argued that “brand extension is usually successful when beneficiaries can attribute benefit to the associative brand.” Similarly, Le, Cheng, Lee and Jain (2012) who noted “the existence of a significant relationship between benefits of brand extensions and brand image.” This implies that the benefits of brand extension outweigh its cost.

The study further revealed that brand extension enhanced brand equity for the Mavazi products and services. Brand extensions help improve Tuskys brand equity. Rabiei (2008) supports the findings of the current study by arguing that “increase in desirable associations increases parent brand image and equity, while at the same time enhances customers’ loyalty to the organizational products.”

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter presents the study summary, the conclusion and recommendations for policy implications. The study summary was presented first, followed by conclusion and recommendations were also presented in the same order.

5.2 Summary

The study endeavored to establish brand extension strategy and brand image. The research questions answered were: How does shifting of form brand extension influence brand image? How does customer base leveraging extension influence brand image? How does transfer of benefits extension influence brand image?

This study utilized a case study design. The population of the study was all Tuskys Mavazi managers. Purposive sampling was used to select a sample size of 3 respondents. An open-ended interview guide was used to collect primary data. This data was analyzed for content analysis.

The findings show that there is an association between shifting of form extension and brand image. There are various types of brand extension but it's not so much the choice of extension as is the transfer of benefits that will lead to success of the brand extension. It was much easier to convert customers who were already using, and were loyal to the mother brand than it was to convert new entrants when it comes to brand extensions. The findings therefore show that there exists a relationship between leveraging customer base extensions and brand image. The findings show that there exists a relationship between transfer of benefits extension, and brand image. It was

observed that the more the benefits adopted from parent brand by the extended brand, the easier the acceptance in the market.

5.3 Conclusion

This study sought to determine whether types of brand extension influences brand image. The findings have established that there is an association between types of brand extension and brand image. Therefore, this study concludes brand image transfers, shifting of form extensions, and transfers of component have been instrumental in advancing Tuskys Mavazi brand image.

This study sought to examine whether leveraging customer base extension influences brand image. The findings show that there is an association between leveraging customer base extension and Mavazi brand image. This study concludes that the use of Tuskys customer care stores for Mavazi products had enhanced Mavazi brand image. Similarly, targeting youth and young adults as special group for Mavazi enhanced adoption of the products and services among the youth and young adults.

This study sought to establish whether transfer of benefits extension influences brand image. The findings show that there is an association between transfer of benefit extension and brand image. This study thus concludes that the use of brand association between Tuskys brand and Mavazi products was effective; also, Tuskys brand extension helped increased Mavazi brand equity, awareness, while at the same time reduced marketing and advertising related costs.

5.4 Recommendations

This study has established the existence of association between types of brand extensions and brand image. Brand image transfer, shifting of form, and transfer of

component were most effective forms of brand transfer that enhanced Mavazi brand image. Consequently, this study recommends that Tuskys should invest more in differentiating Mavazi components to the youth and young adults, from other similar products on the market. This will enhance not only the brand, but also increased adoption by the youth and young adults.

The findings of this study have established the existence of a relationship between leveraging customer base extension and brand image. The use of Tuskys stores to sell Mavazi products and services and targeting youth and young adults as a special group to whom Mavazi was designed enhanced Mavazi brand image and adoption. Due to this, the study recommends that Tuskys should invest more in promotional advertising to create awareness of these products particularly in the entire country that might have minimal stores to showcase Mavazi products.

The findings of this study revealed the existence of association between transfer of benefits and brand image. Brand association between Tuskys parent brand and Mavazi products and services benefited Mavazi brand image. Similarly, benefits such as increase in Mavazi brand equity, awareness and reduced costs contributed to enhancing Mavazi brand image. This study then recommends that Tuskys should popularize these benefits through more Tuskys product associations as a way of creating more awareness among the youth and young adults on the benefits of Mavazi products and services.

This study focused on the influence of brand extension strategy on brand image. The study variables were limited to types of brand extension, leveraging customer base extension; and transfer of benefits extension. These variables were not exhaustive in

examining brand image. Other future studies should focus on products other than in the retail sector.

5.5 Limitations of the Study

Due to logistical challenges the study concentrated only on brand extension strategies in Tuskys Mavazi. The researcher collected data from only three Tuskys Mavazi outlets. Due to the strategic nature of the study some interviewees had reservations in giving critical information necessary for this study. This problem was addressed by assuring them that this study will not be used for any other purpose other than academic purpose stated above and that their responses will be treated with confidentiality.

5.6 Suggestions for Further Studies

This study propose that another study to be done to establish brand extension strategies and brand image in the retail brands in Kenya. Another study should be conducted to examine the influence of brand extension strategies on brand image in other sectors of the economy. Also, a study on the effect of brand extension strategies brand image using longitudinal design since this will help understand this nexus over time.

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APPENDICES

Appendix I: Interview Guide

1	How was shifting on form strategy employed in Tuskys Mavazi?
2	What major difference exists between Tuskys products and Mavazi products?
3	How has shifting of form strategy enabled Tuskys Mavazi build reputable brand image?
4	How does leveraging customer base influences Tuskys Mavazi brand image
5.	How has Tuskys stores been utilized to promote Mavazi products?
6	How has Tuskys stores been strategic for selling Mavazi products?
7	What category of customers have been targeted by Tuskys Mavazi?
8	How does transfer of benefits strategy influence brand image of Tuskys Mavazi?
9	How has Mavazi benefitted from transfer of benefits strategy?

Appendix II: Letter of Introduction