

**THE REPUBLIC OF TURKEY
BAHCESEHIR UNIVERSITY**

**THE SUITABILITY OF BRAND EXTENSION FOR
TEA AND SUGAR CATEGORIES:
IS IT POSSIBLE FOR A BRAND TO BE
SUCCESSFUL IN BOTH TEA AND SUGAR
MARKETS?**

Master's Thesis

YUNÜS ELMAS

STANBUL, 2012

**THE REPUBLIC OF TURKEY
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**INSTITUTE OF SOCIAL SCIENCES
MARKETING PROGRAM**

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ABSTRACT

THE SUITABILITY OF BRAND EXTENSION FOR TEA AND SUGAR CATEGORIES

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The purpose of this paper is to clarify whether it is possible for a brand to be successful in both tea and sugar product categories by using extension strategy. In an ever more rising competitive environment, brand marketers are looking for ways to expand their portfolios and at the same time decrease the costs of the new products introduced as well as reduce the risk of new product failure. Brand extension, to put a new product created in another category under the name of an existing brand, is one of the most popular ways to achieve this. If the product portfolio is consisting of complementary products like tea and sugar, brand extension strategy is evaluated as more and more attractive. But it should be carefully studied whether consumers could accept a brand as successful and preferable for both tea and sugar products. Perceived fit is crucial for an extension strategy to work efficiently. Although in some cases people consume tea and sugar at the same time, occasion and place; they could expect different product attributes and brand images for these categories. This means it may not be possible for a brand to be successful in both categories because of the lack of the perceived fit. On this basis, this study intends to find out how consumers perceive the brand extension strategy for these categories.

Turkish market is one of the most suitable markets to analyze the extension strategy for tea and sugar products because consumption of both tea and sugar per capita is extremely high. Additionally there are two important brands which are very successful in their categories: Bal Küpü is a strong brand in sugar products, called as "commodity" and has tea products; and Do u is a challenger tea brand which has gained important market share in last decade competing with Çaykur and Lipton; and has sugar products. As a case study these brands are studied in this thesis. Semi structured qualitative interviews are conducted on tea and sugar product categories and Bal Küpü and Do u brands in order to understand consumer's perceptions. Findings about consumer's perception, product categories and case brands indicates that brand extension strategy is not a suitable way for a brand to be successful in both tea and sugar product categories.

Keywords: Brand Extension, Perceived Fit, Brand Equity, Brand Associations

ÖZET

MARKA GENİ LEMESİNİN ÇAY VE EKER KATEGORİLERİ İÇİN UYGUNLUĞU

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Bu çalışmanın amacı, bir markanın yeni leme stratejisi ile hem çay hem de eker ürünleri kategorilerinde başarılı olup olamayacağını, ortaya koymaktır. Gittikçe artan rekabet ortamında, marka pazarlamacılar, ürün gamı genişletmek, aynı zamanda yeni ürün sunma maliyetleriyle birlikte başarılı olma riskini düşürmek için yollar aramaktadır. Marka genişlemesi, yeni bir kategoride sunulan bir ürünü mevcut marka altında sunma, bunu başarmak için en popüler yollardan biridir. Eker ürün gamını tamamlayıcı ürünler olan çay ve ekerden oluşan marka genişlemesi stratejisi daha çekici hale gelmektedir. Ancak tüketicilerin bir markayı hem çay hem de eker ürünleri için başarılı ve tercih edilebilir olarak değerlendirip değerlendirmeyecekleri çok dikkatlice irdelenmelidir. Algılanan uyum, marka genişlemesinin doğrusal şekilde ilerlemesi için hayati önem taşır. İnsanlar çay ve ekere bazen, okazyonlarda, aynı zaman ve yerde beraber tüketse dahi bu kategoriler için farklı özellik ve marka imajı bekleyebileceklerdir. Bu demek oluyor ki bir markanın iki kategoride birden algılanan uyumun yokluğu nedeniyle başarılı olmasa, muhtemelen mümkün olmayacaktır. Bu temelden hareketle bu çalışmada tüketicilerin marka genişlemesi stratejisini bu kategoriler için nasıl algıladıklarını, ortaya çıkarmayı amaçlamaktadır.

Türkiye pazarı, çay ve eker ürünlerinde, her iki üründe de kişisel tüketimlerin oldukça yüksek olması, dolayısıyla, marka genişlemesini analiz etmek için en uygun pazarlardan biridir. Ayrıca kategorilerinde çok başarılı olan iki marka bulunmaktadır: Bal Küpü emtia olarak anılan eker kategorisinde güçlü bir marka ve çay ürünlerine de sahip; ve Doğu, mücadeleci bir çay markası, olarak son yıllarda Çaykur ve Lipton markalarıyla rekabet ederek önemli bir pazar payı edindi ve eker ürünlerine sahip. Bu markalar vaka çalışması olarak bu tezde yer almıştır. Tüketici algılarını anlamak için çay ve eker kategorileriyle birlikte Bal Küpü ve Doğu markaları üzerine yapılmış, kalitatif araştırmalar, gerçekle tirilmiş tir. Tüketici algıları, kategoriler ve vaka markaları hakkındaki bulgular göstermektedir ki çay ve eker ürün kategorilerinde başarılı olmak için marka genişlemesi uygun bir yoldur.

Anahtar Kelimeler: Marka Geni lemesi, Algılanan Uyum, Marka Değeri, Marka Çarabımları,

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1. INTRODUCTION

The aim of this first chapter is to introduce the theme of this master thesis and the motives, problems and findings that lie behind this choice. It contains a brief general background of the area investigated and continues with presenting the main research question on which the entire project is structured and which will guide the later analysis and discussions. This chapter ends with setting the delimitations of this study.

1.1 BACKGROUND

In contemporary marketing world, more and more firms realize that the brand names associated with their products or services are some of their most valuable assets. Aaker (1991) defines brand as equity and a set of assets (and liabilities) linked to a brand's name and symbol that contributes the value provided by a product or service to a firm and/or that firm's customers. Creating, supporting, and enhancing the strength of those brands has become a key management imperative.

One of the most important advantages of having a strong brand is that it can facilitate acceptance of new products launched using that brand name, which is called as brand extension. Since brand extension reduces consumer risk and significantly lowers the cost of introductory marketing programs, it has become the predominant new product leveraging and stretching strategy.

Today, companies often use their established brands to introduce new products instead of creating new ones. But brand extension leveraging and stretching strategies do not guarantee success, yet they are often used to capitalize on marketplace growth opportunities (Dawar & Anderson 1994) and to exploit positive brand equity (Kumar & Ganesh 1995; Park & Srinivasan 1994). Despite it is accepted that extensions tend to receive more favorable consumer evaluations when the similarity of the extension to the core brand is high (Aaker & Keller 1990; Boush & Loken 1991), marketers are often

motivated to extend brands to seemingly dissimilar categories to take advantage of marketplace opportunities.

1.2 PROBLEM DISCUSSION

Brand extension is widely applied strategy for companies to get benefit from advantages of having a strong brand for their all product portfolio. Ambler and Styles (1997) state that high costs related to new product launches have made an increasing number of companies use brand extensions as a new product strategy last decades. Extending an existing brand is seen as more cost efficient and less risky as compared to a new brand launch. Moreover, according to Grime, Diamantopoulos and Smith (2002), brand extensions have a higher survival rate than new launched brands.

According to Ambler and Styles (1997), if the parent brand is perceived as being of high quality, if there is a perception of fit between new product category and the brand, and if expertise is needed to enter the new product category, the extension is considered successful.

When studies conducted within brand extension, it is observed that this concept is often connected to brand equity. It is also considered to be a suitable way of measuring the consumer evaluation and consequently the success of an extension (Keller 2003). According to Leone (2006) although the concept of branding and brand management has existed for a long time, the notion of brand equity has emerged only during the recent two decades as the number of mergers and acquisitions have made it clear that the amount of money paid for the firms is mainly related with the value of their brands.

Studies have shown that some conclusions create question marks related to brand extension strategies. For instance, Mao (2006) is focusing on how consumers evaluate brand extensions. It is stated that consumers' favorable evaluation about a brand extension depends on high fit with the brand and the brand's positive evaluations. But, in marketing world, extension strategy tend to be used commonly regardless of product category, it has hence taken less consideration to the degree of difference

of the parent brand and the extended products. As a result of this, many brand extensions could have failed. Another possible mistake might be the lack of ability among marketers to identify what parts of the brand equity are actually associated with the parent brand. Hence, in this thesis brand extension strategy is studied by giving importance to consumer perception and brand equity models.

If the product portfolio is consisting of tea and sugar, which are complementary in some degree, brand extension strategy seems more and more attractive. In order to verify this judgment it should be carefully studied whether consumers could accept a brand as suitable for both tea and sugar products. That is, although tea and sugar are consumed together for some occasions, consumers could have different expectations and benefits from each category separately. Thus, the investigation on fit between tea and sugar categories becomes a necessity.

1.3 PURPOSE

The purpose of this investigation is to gain deeper understanding about brand extension strategy focusing on tea and sugar products categories. This thesis also aims to contribute to the knowledge of how consumers respond to the extended products, by focusing on categories itself and investigating the awareness and associations of the parent brand.

1.4 RESEARCH QUESTIONS

Brand extension strategy could be evaluated as highly suitable and efficient way of gaining success for both tea and sugar products categories; but the reality possibly is far from this assumption. Consumers always have the potential not to accept the extended brand as well as the parent brand or even they can reject depending on attached value to the brand. So the research question arises: Does brand extension strategy work for tea and sugar categories? Is it possible for a brand to be successful in both product categories?

1.5 DELIMITATIONS

The consumer perspective will be explored and studied in order to increase the understanding about the consumers' mind towards the product categories and determined brands. The financial perspective will be left out since this thesis is focusing on the success of brands on consumers' perception.

The brand concept levels (mostly black tea and sugar) will be examined in formulating the survey questions rather than each specific sub product categories.

2. LITERATURE REVIEW

This chapter intends to set the theoretical base of the thesis by introducing the main areas needed to build up the analysis, to shape the way towards the purpose of thesis. Thus, it begins with a short description of the brand management approach and brand equity concept; continues with the concept of brand extension providing the common factors for the success in main and extended categories. After setting the theoretical base and frame of the subject, this chapter narrows its scope and presents the nature of perceived fit by overlooking the factors of associations and personalities related to brands.

2.1 BRAND MANAGEMENT

It is realized by the management that the prime asset of a company is its brand. Furthermore, recently it became obvious that the factual value is perceived value in the minds of potential consumers (Kapferer 1997). One of the influential researchers in branding, Kapferer (1997), states that although high prices are paid for companies with brands, companies are in fact buying certain places in the minds of potential consumers. He adds awareness, image, trust and reputation could promise future success for the brand. So the value of a company depends on the value of brand, in other words the place in consumers mind. Thus, management of a brand is as important as management of the company.

In order to manage a brand effectively, it is crucial to build a strong brand personality. Aaker (1997) defines the brand personality as "the set of human characteristics associated with a brand" while Larson (2002) believes that brand personality is the first reaction people have to a brand when they hear, see, taste or touch a certain product belonging to a specific brand name.

Aaker (1997) describes in details how brand personality can create differentiation on the market: "First, a personality can make the brand interesting and memorable." He adds

“a brand without personality has trouble gaining awareness and developing a relationship with customers. Second, brand personality stimulates consideration of constructs such as energy and youthfulness, which can be useful to many brands. Third, a brand personality can help suggest brand-customer relationships such as friend, party companion or advisor.” He lastly states that relationship development becomes clearer and more motivating thanks to the personality metaphor in place (Aaker 1997).

For companies brand personality has a meaning when it has contributions on behalf of equity of brand. Brand equity could broadly be categorized into two sides with different definitions depending from which aspect it is viewed. According to Pappu (2005), these are firstly financially pointing out the value of a brand to the firm and secondly, from a consumer perspective putting its focus on how consumers perceive the brand. Elliot considers (2007), when understanding brand equity as a concept, it must be viewed from a consumer perspective since that is what ultimately will result in increased brand success. Thus, it is argued that it is the sense of added value among consumers that will influence preferences for a particular brand. So, in fact, financial brand equity is consequently the outcome of customer-based brand equity.

Depending on the general acceptance of researchers, that is the process of brand evaluation is best looked upon through a consumer rather than a financial perspective, the investigation for this thesis will be conducted by support of customer-based equity. When moving into a customer-based approach, in order to identify the factors that determine brand equity in the minds of consumers, it is necessary to understand the brand constructing factors. With the aim of framing these factors, various models have been presented, each consisting of different dimensions. However, none of these dimensions are universally accepted, but the logic as well as the parts linked together often resembles one another (Pappu 2005).

One of the well known researcher, Aaker (1991), in his study about brand equity, states that the best dimensions representing customer-based brand equity are brand awareness, brand associations, perceived quality and brand loyalty. According to Yoo (2000), the first to develop a multidimensional scale to measure brand equity,

brand awareness and brand associations could be put together forming three dimensions instead of four.

Elliot (2007) mentions about four dimensions which are; brand awareness, brand salience, brand attitude and brand loyalty. Brand awareness leads to brand salience, creating the learning of the brand. Brand salience further results in the construction of attitudes and finally ending up in brand loyalty.

In summary much literature written within brand equity deals with the problem in determining the critical factors that drive this concept. Since there are obviously several different ways of categorization, it is difficult to choose the most appropriate for this thesis. However, with concern to the nature of this thesis and with regard to the question should be answered, Kellerø (2003) model of customer based-equity is selected as the most suitable one to study on.

Keller (2003) defines customer-based equity as "the differential effect that customer knowledge about a brand has on their response to marketing activities and programs for that brand". The two most important sources of this concept, that produce brand knowledge and ultimately change consumer response, are brand awareness and brand associations (Keller 2003). Thus, "awareness" and "associations" are the dimensions that above all need to be considered in order to identify what causes customer-based equity to exist. Keller (2003) mentions about two other dimensions, "perceived quality" and "loyalty" as part of his model. However, this thesis will exclude these parts since the aim of this study is to determine the associations among consumers. This thesis also accepts the fact that associations towards a brand are affected by the overall perceived quality of its products. However, it is presumed that the aspect of quality will be included into brand associations. Since the part related with loyalty mainly deals with the consequences of perceptions among consumers, loyalty is limited interest for this thesis. Although it could be criticized these exclusions may cause some constitute limitations of certain aspects in this study, this choice of limitation will not affect the findings to any significant extent, but rather help to the clarification of the focus of this research.

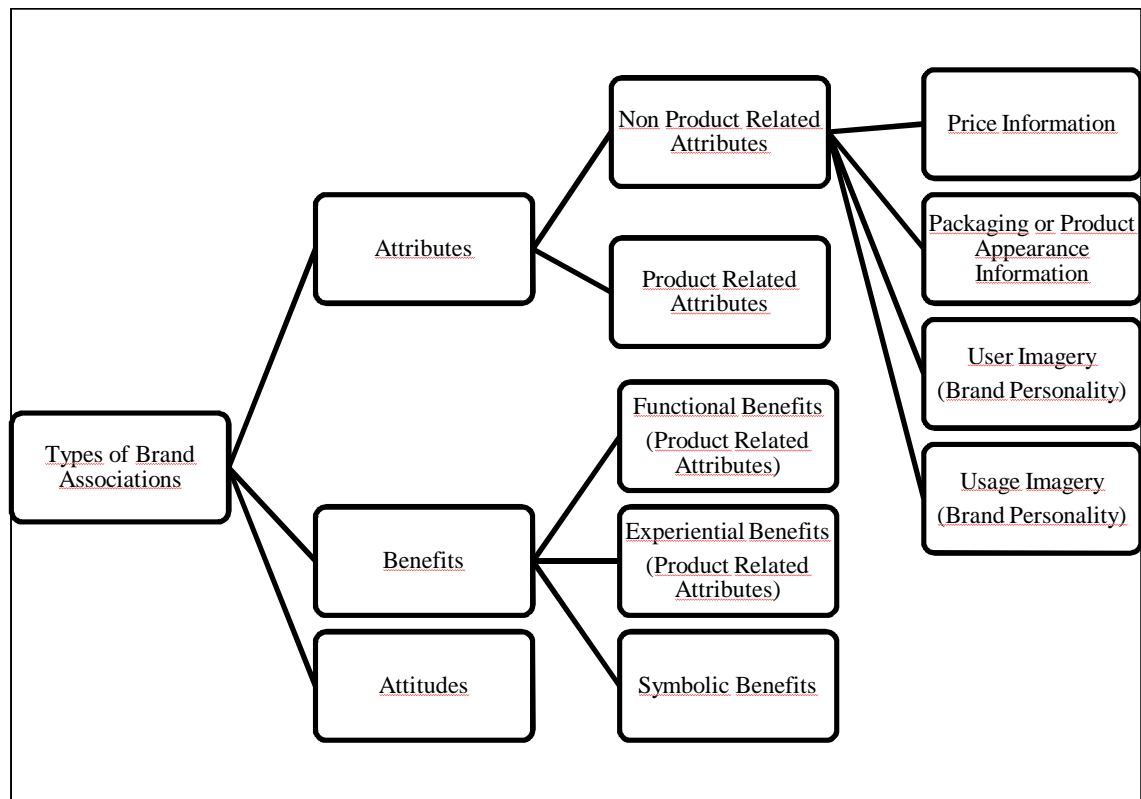
2.1.1 Brand Awareness

Keller (1998) states that brand awareness concerns the trace in memory, hence the strength of brand, under given circumstances. In order consumers to prefer a brand, they necessarily need to be aware of its existence. For a brand extension to create equity, a sufficient level of awareness must exist. The strength in this concept lies within a sense of familiarity. Moreover, this involves knowing about a brand without necessarily including specific details. Hence, this theory suggests that one is more likely to remember a familiar brand as such than the details of a new brand (Elliot 2007). According to Aaker (1998), strong brand awareness is crucial when especially involving high-priced products. Oppositely, one is not as likely to be aware of less significant brands.

2.1.2 Brand Associations

Due to the popularity of brand extensions, much literature has been written about how consumers behave when being exposed to them. Particularly, focus is put on how different variables, related to the product and brand, are influencing the consumers. These variables include brand associations and more specifically brand benefits and brand attributes. Brand benefits and brand attributes are further subdivided into several categories, explaining in particular their specific functions to evaluate a product as shown in the Kellerø (1993) model, in Figure 2.1, below:

Figure 2.1: Categories consisting Keller's brand associations



Source: Keller, K.L., 1993. Conceptualizing, measuring and managing customer-based brand equity. *Journal of Marketing*. 57 (1), pp. 1-22.

According to Keller (1993) brand associations mainly are divided into three parts; these are brand attributes, brand benefits and attitudes. Brand attributes consist of product-related attributes and non product related attributes. Non product attributes has four dimensions price, packaging, user imagery and usage imagery. Price represents necessary in the purchase process but does not relate directly to the product performance or service function. Packaging is part of the purchase and consumption process but does not directly relate to the necessary ingredients for product performance (Keller 1993). User imagery explains who or what type of a person, might use that product whereas usage imagery describes the consumers' idea of when and where a certain product is appropriate to be used, which situations and places are considered suitable for exploiting it. User and usage image attributes can also produce brand personality attributes and the depiction of the target (Keller 1993).

According to Keller (1993) product related attributes can be briefly defined as the ingredients necessary for performing the product or service function sought by consumers. Product related attributes contains the physical characteristics that consumers associate with a certain product; they are descriptive aspects of the tangible parts of a product.

In Keller's model brand benefits consist of functional benefits, experiential benefits and symbolic benefits. The first one refers to the practical features of a product; it describes its physical advantages and tangible characteristics serving to physiological or safety needs (Keller 1993). Experiential benefits are related with consumption practices and deal with the feelings such as sensory pleasure, variety and cognitive stimulation gained by the usage of product. These two benefits also correspond to product-related attributes. Finally, the symbolic benefits explain the feelings and emotions that a certain product conveys to the consumer, offering emotional advantages to the user, often closely linked to the self-expressive aspect of the consumer's personality (Keller 1993). Keller (1993) adds symbolic benefits correspond to non-product attributes and thus should be especially relevant for socially visible, badge products.

Brand attitudes are defined as the overall evaluations of a brand the consumer owns (Wilkie 1986). Brand attitudes are important because the basis of consumer behavior mostly formed by them. Different models of brand attitudes have been proposed and one of them is widely accepted, the approach based on a multiattribute formulation in which brand attitudes are a function of the associated attributes and benefits that are salient for the brand (Keller 1993).

2.2 BRAND EXTENSION

In 1979, Edward M. Tauber used the term "brand extension" to describe using the leverage of a well known brand name in one category to launch a new product in a different category. Keller (1998) uses a close definition but in a different way: "Category extension is when the parent brand is used to enter a different product category from that currently served by the parent brand." Aaker (1996) briefly defines

brand extension as extending the brand to a new category. Thus, brand extension refers to the use of brand for more products or categories than it was originally made for.

Kapferer (2001) states that growth is the first reason for extending a brand after all other options involving the core product have been explored. According to Sharp (1993) brand extension is a way to achieve growth in a cost controlled world. The rationale behind this lies in the opportunity to capture a growing segment by promoting the positive values associated with the core brand, which appear distinctively compelling in that segment (Kapferer, 2001). Kim and Lavack (1996) add that extensions are attractive as the strength of an established brand name may also bring new customers to the brand and create a previously non-existing segment, thus increasing market coverage.

Ambler and Styles (1997) propose that a brand extension can be launched as a result of a consumer trend or need that may be discovered by conducting a market research. Weilbacher (1995) further argues that, by finding out consumers' wishes, needs, desires, attitudes, daydreams and thereby try to fulfill these by extending the brand with a new product or product category is a way to keep customers satisfied and loyal to the brand.

Tauber (1981) indicates that the use of existing brand is first possible strategy for marketers with multiple product lines to introduce a new product. A brand extension strategy aims to capitalize directly on the value or equity of the existing or 'parent' brand. It is assumed that the existing brand has many customers and these customers may have a variety of positive associations with the brand. In addition, the brand could have some awareness in the market and the brand's name may be also known to non-customers (Tauber 1981). A new product introduced as a brand extension can capitalize on the existing recognition value of and the positive associations with the parent brand. Existing brand's name, value and awareness may stimulate trial for the new product.

On the other hand, a brand extension may not benefit from a parent brand's equity if consumers find that the new product does not fit with existing products of the parent brand (Aaker & Keller 1990). Furthermore, a brand extension may damage the brand's

equity if the extension is found to be of poor quality or if it fails (Keller & Aaker 1992; Zimmer & Bhat 1996) since brand extension is directly built on the relationship between the parent brand and new product. Keller & Sanjay (2003) states "brand extension can be a double-edged sword".

To sum up, researchers state diversified rationales lying behind brand extension decisions. In order these rationales to provide contributions to the brand as targeted and to get benefit from the extension strategy, the existence of suitable conditions is crucial. Thus, before the deciding to extend, in relation with the subject of this thesis, it should be investigated the suitability of the core category of brand and the category intended to extend. Following this investigation, it could be questioned the situation of the brand in the lights of these findings. By this way it is reached to the understanding of perceived fit, which provides the survival of the brand and its extension.

2.2.1 The Role of Perceived Fit

Apostolopoulou (2002) determines main key factors needed to be considered when introducing a brand extension. His study points out the importance of promotional support and positioning of the extended brand, as well as the quality, distribution strategy, and management of the extended product. More importantly, the perceived fit between the parent brand and the extended product as base for the implementation of a brand extension is presented.

Also Keller (2003) highlights the importance of consistency between the extended products and the parent brand regarding the consumers' perception towards the extension. According to Keller (2003) strong associations of the parent brand in the consumers' memory should result in a more noticeable connection between the extension and the parent brand.

Martinez (2004), states that a positive effect of a brand extension could be observed on the extended product image, but also on the image of the brand as a whole. This could be affected by variables such as the consumers' brand familiarity, the similarity

between the parent brand and the extended brand, and the attitudes toward the extension. In parallel with these, Hem (2003) emphasizes that the fit between the parent brand and the brand extension is likely to influence the brand image as a whole.

Due to the importance of perceived fit in brand extension research, it is measured by many researchers differently in various studies and seems to comprise different dimensions. Overall, perceived fit includes measures of similarity (Aaker & Keller 1990; Aaker & Keller 1992; Broniarczyk & Alba 1994, Swaminathan 2001), typicality (Boush & Loken 1991; Loken & John 1993; Milberg 1997; Gürhan-Canli & Maheswaran 1998) and brand concept consistency (Park 1991). According to Aaker & Keller (1991) similarity can be defined as "salient attributes shared by the core brand and the extension product class" or as "total feature overlap" (Broniarczyk & Alba 1994). Typicality refers to "the degree to which category members are representative of the family brand" (Gürhan-Canli & Maheswaran 1998). And lastly, Park (1991) states "brand concept consistency perceptions rely on the extension products ability to accommodate the brand concept" and the relevant brand concept associations. If all measures are considered as a whole, two general dimensions can be identified underlying the concept of perceived fit: product category fit and brand image fit that comprises concept or attribute consistency amongst others (Park 1991; John 1998; Grime 2002).

In summary, perceived fit is defined as the similarities between the parent brand and the extension. Moreover, the perceived fit is further subcategorized into product fit and image fit. The product fit concerns the differences in the product features transferred from the parent brand to the brand extension while the image fit focuses on the transfer of the image (Bhat 2001).

Depending on investigations overviewed, the model of this thesis is designed on perceived fit of product categories and brands by studying brand equities and matching associations. In order to come across the brand associations, brand attributes and brand benefits will be investigated. The accumulation of these, what is perceived among consumers, are hence what form brand associations. The associations found through

conducted survey findings will consequently be viewed from the concept of perceived fit, to investigate whether brand extension strategy is suitable for studied product categories for a brand to be successful in both.

3. METHODOLOGY

The research methodology chapter of this thesis aims to explain the approach used in determining the structure of the thesis and the research strategy that will lead to the fulfillment of this paper's objectives. Moreover, the data collection method is going to show the way and the sources of the information collected. The population and sampling procedure sub-chapter explains the criteria and path used in the consumer survey, followed by information concerning the method for data analysis and ending with validity and reliability concerns regarding the study.

3.1 RESEARCH PURPOSE

Research can be classified, according to Yin (1994) and Wiedersheim-Paul and Eriksson (1998), into one of these three different purposes: exploratory, descriptive or explanatory research. The aim of exploratory research is to formulate and define a problem. Wiedersheim-Paul & Eriksson (1998) state it is useful when the problem is difficult to demarcate. Therefore the purpose of an exploratory study is to collect as much information as possible about a specific problem.

Descriptive research is preferred when the purpose is to correctly describe a phenomenon and when the problem is well structured. According to Saunderson, Lewis & Thornhill (2000) the researcher needs to have clear understanding of the phenomenon before the collection of data starts. This research is suitable when the researcher wants to find out which aspects of a problem that are relevant, and describe these aspects more thoroughly without researching connections and symptoms (Wiedersheim-Paul & Eriksson 1998).

Explanatory research is conducted to analyze cause and relationships, explaining which relationships are produced as result of which causes (Yin 1994). Furthermore, this also brings the explanations of a certain purpose, when investigating if one specific factor affects another (Wiedersheim-Paul & Eriksson 1998)

As a result, the primary aim of this study is to explore whether brand extension strategy is suitable for companies to be successful in both sugar and tea product categories in Turkey. So, the purpose of this thesis is exploratory, because no identical research approach has been made before and it is targeted to gain as much information as possible in order to obtain better understanding of the research area. Since the empirical data collected in order to find patterns in the exploratory study, the study is primarily descriptive. Finally, explanations depending on the results and conclusions that are answering the research question somewhat will contribute to research's explanatory purpose.

3.2 RESEARCH APPROACH

Research is classified as either quantitative or qualitative (Yin 1994). Quantitative approach is formalized and structured concentrating on the testing of ideas, concepts, ads, etc., and the project-ability of the results (Holme & Solvang 1991). According to Kim (2003) it is one of the essential elements for market researchers to find out where the key preferences and trends of their target customers lie in relation to the proposed marketing initiative they may be considering.

A qualitative approach draws conclusions from non-quantifiable data such as, attitudes, values, or perceptions; and is oriented towards the opinion of consumers (Holme & Solvang 1991; Yin 1994). It concentrates less on quantifiable measures and analyses and more the reasons behind someone's choice to approve or disapprove, or like or dislike a marketing initiative. For advertisers and marketers, qualitative research has been a key method to gain a full understanding of consumers (Kim, 2003).

Both quantitative and qualitative methods have some advantages or disadvantages. For example, quantitative research is best at providing large-scale statistically valid information but it does not show the reasons behind that information. On the other hand qualitative research could be criticized as subjective. Thus, research should be constructed being aware of these and one of the approaches should be determined as the main approach of the study. Since in this thesis it is interested in getting inside the mind

of the consumers, understanding how they are influenced when evaluating a brand extension, qualitative approach is determined as the appropriate one to gain findings about consumer perceptions.

3.3 RESEARCH STRATEGY

When examining the effects of the brand extension, this thesis focuses on consumer perspective. Perceptions towards the brand for the core and extended products and the relationship between them are viewed from a consumer perspective. Hence, to come across the associations of the extension that are related to the brand, the answers from interviewees are as the core for investigation. These will hence be used when trying to trace associations back to the brand for core product category and towards to extended product category. Information about brands market position and product categories are based on secondary data. These hence serve to illustrate what is known about the general environment of product categories and brandsøpositions.

Wiedersheim-Paul and Eriksson (1998) states that there are three major research strategies available in social sciences: experiments, surveys and case studies. According to Yin (1994) research strategies distinguishes by three different conditions which are the type of research question posed, the extent of control an investigator has over actual behavioral events and lastly the degree of focus on contemporary as opposed to historical events. Surveys provides more opportunity to get answers for who, what, where, how many etc. questions, do not requires control over behavioral events and focus on contemporary events (Yin 1994). Thus, conducting survey for this thesis is the most convenient strategy serving to the purpose.

3.3.1 Market Selection

For selected product categories, tea and sugar, Turkish market has high per capita consumption levels for both. There are two important brands which are successful in their categories: Bal K p  is a strong brand in sugar products called as  commodity  and has tea products; and Do u is a challenger tea brand which has gained important

market share in last decade competing with Çaykur and Lipton and has sugar products. These brands, which have applied brand extension strategy into different categories crossly, provide quite suitable observation conditions in Turkish market.

3.3.2 Product Category and Brand Selection

Mostly tea and sugar products are consumed together, in same places and occasions. Thus, at first sight brand extension for these categories is seen as suitable and rationale; so it needs to be investigated. Additionally having case brands in these categories, which have applied the extension strategy, provides a big opportunity for the purpose of making contribution to researches on brand extension.

Bal Küpü has extended into tea category while it is a strong brand in sugar market whereas Do u , which is known as Do u Tea, is extended into sugar category. These brands are both well known and have considerably different images among consumers, hence their extensions suitable to be compared and analyzed.

3.3.3 Respondent Selection

In daily life almost everybody consumes tea and sugar products somehow in Turkey. Thus, a complex respondent selection procedure was not applied. Consumers being aware of the brands investigated were preferred but being aware of the extensions of brands was not a must. Since consumers interviewed were aware of the brands studied, the analysis had the prerequisite to proceed by trying to determine what associations were referred to the brand and the extensions.

3.4 DATA COLLECTION

In order to analyze the perceived fit in the consumers' mind, it is essential to choose a technique by which the consumers' perceptions can be collected. Hence, to gain further knowledge about the subject and to answer the research question,

qualitative interviews were conducted and secondary data was gathered about the brands and market environment.

3.4.1 Primary Data

When collecting primary data for the purpose of the thesis, qualitative interviews were conducted. This approach was chosen as it was aimed to gain a deeper knowledge about the interviewees' point of view. Thus it was interested in the consumers' perceptions towards certain products and brands, as well as their ideas and associations driving them.

As a semi-structured interview was chosen, a set of specific questions was prepared (see Appendix 1). The purpose of this was not to help getting an exact answer to every question, but rather to guide the interviewer in the way the interview conducted. This helped to gain deeper understanding about perceptions and the associations lying behind the evaluations.

As the aim was to conduct this study among tea and/or sugar consumers, average tea cafes and parks were chosen and ten interviewees were selected randomly. Then, the purpose of the study was explained to them and was moved on depending on their willingness to attend. All interviews were conducted in Turkish. The reason behind this decision was the fact that the ability of some people to communicate efficiently could be hindered by having to speak a foreign language (Bryman 2003).

Each interview lasted approximately fifteen minutes depending on the participant and everything said was noted. Since it is taken into consideration that people could hesitate recording their voices and they might not give responses in confidence, digital recording was not applied. Answers gained from the survey, containing semi structured questions, were put in an order to categorize the answers into the dimensions of attributes and benefits required for analysis.

3.4.2 Secondary Data

The secondary data, regarding product categories and market positions of brands, was gathered from business articles and published market researches. This data served as a base for construction of interview structure. Moreover, some secondary data was collected from the official websites and news on the web, for the purpose of presenting the market environment better. Additionally, since there is no market research published about sugar products, empiric data related with this product category is tried to be gained by visiting retail points and communicating with traders.

3.5 DATA ANALYSIS

According to Miles and Huberman (1994) the process of analyzing data consists of three activities: data reduction, data display and conclusion drawing/verification. Data reduction is viewed as the process of selecting, simplifying and transforming the data in an arranged way that final conclusions can be drawn and verified. Data display refers to the presentation of the reduced data in an organized way in order to simplify the process of drawing conclusions. Conclusion drawing/verification is the ultimate analytical activity where the researcher evaluates the significance of the findings by noting regularities, explanations, patterns, casual flows and propositions (Miles and Huberman 1994). These three steps suggested by Miles and Huberman (1994) were followed when analyzing the data.

3.6 RELIABILITY AND VALIDITY

According to Ghauri (2002), reliability refers to the stability of the measure. Ghauri (2002) adds, it is essential for meaningful and interpretable research findings to construct validity in the business research. In this study it is most interested in finding the correlations between associations of product categories, perceptions about brands and their extensions. However, since conducted survey is qualitative and the number of interviews is limited, high stability should not be expected.

Bryman (2003) states knowledge could first be seen as knowledge when it is tested and in some way validated. However, if the research is related to perceptions and opinions, this view is difficult to adopt. Minds are complex and therefore not easy to investigate. Hence, it is complicated to validate research concerning associations when reflected upon from this approach (Bryman 2003). Thus, for this study it is hard to validate findings.

4. DATA PRESENTATION

The purpose of this chapter is to present to the reader the basic knowledge about product categories and to describe market environment to give basic information where investigated brands' position on the market with a presentation of its strongest competitors. Furthermore, the chapter intends to present the structure of product categories and extensions of brands. The final part is reserved for presenting the findings gained from interviews.

4.1 BASIC DATA ABOUT PRODUCT CATEGORIES

4.1.1 Tea Category

Tea is the most popular hot drink in Turkey. With a total tea volume of about 180,000 tonnes in 2004 according to Euromonitor International, Turkey has the second largest tea market in the world. In terms of tea consumption levels, Turkey has the highest per capita consumption at 2.5 kg, followed by the UK (2.1 kg) and Morocco (1.4 kg). All these figures represent the consumption of packaged and branded tea.

Local trade press reported that ninety percent of the Turkish population drinks tea at least once a day. Turkish consumers frequently drink tea at home, at work, at school and while visiting friends. Almost in every work place, there is at least one tea maker employed solely to make tea and coffee. When visiting friends, the first thing that guests will be offered is tea in small traditional tea glasses.

Turkish tea, called as *õçayõ* in Turkish, is served boiling hot. People can add sugar in it and have it either lighter (weaker) or darker (stronger) depending on their preferences. Serious tea-drinkers usually go to a coffee & tea house where tea is served with a *samovar*, *õsemaverõ* in Turkish; so they can refill their glasses themselves as much as they want.

Tea is identified with Eastern Black Sea Region in Turkey. Many of the tea plantations are centered around Rize province.

Çaykur, the monopoly institute of state until 1984 and the brand name of products, maintained its leading position within tea in 2010, recording a retail value share of 53% (Euromonitor). The company is the oldest tea producer in Turkey and its brands are popular and widely available throughout the country.

According to Nielsen (2011) reports Lipton, which is globally promoted by Unilever Company, and Do u brands are followers of market leader Çaykur. Bal Küpü tea has a market share less than two percent in overall tea market.

4.1.2 Sugar Category

Up to recent years sugar products were mostly bought as bags of fifty kilograms or loose sugar from groceries. In last decades the consumption of small sized packaged sugar has raised and a few number of brands emerged especially in cube sugar segment.

Since it is called as commodity and any marketing communication via media is not conducted there is no market data published by research companies. Depending on the knowledge gathered from retail owners and big traders, Bal Küpü is known as the market leader of sugar category, especially of cube sugar. In İstanbul, the metropolitan city of Turkey, the brand has high penetration rates among retailers. Retail shelves and statements of retailers indicate that other Do u and Torku are other important brands, possibly sharing second and third places in ranking for this product category.

4.2 BASIC DATA ABOUT CASE BRANDS

4.2.1 Market Position & Portfolio of Bal Küpü

Bal Küpü was created as a packaged cube sugar brand at the beginning of 1990s, then other small size packaged sugar products supplied by the brand. At the beginning of

2000s tea products, a new product category, were launched under the same brand name via media investment by using extension strategy.

It is a common acceptance that Bal Küpü is the leader brand at cube sugar by the measurement of market share. Especially in İstanbul the brand is so strong and almost in every retail shop at least one product of the brand exists.

Although the brand has tea products for a long time it is not possible to claim the brand has gained success as desired. As it is shown on Nielsen Research Company's reports, the brand survives under the percentage of two in total tea market. Reasons lying behind this situation are open to the discussion. Limited focus of the company among product portfolio, the product itself or sales & distribution strategy etc. may have contributions to the result. However, apart from these, in order to find out consumers' perspective, brand's position will be investigated from branding strategy point of view and perceived fit will be questioned.

4.2.2 Market Position & Portfolio of Doğu

Doğu brand was the first brand of private sector in tea market after the monopoly of Çaykur lifted in 1980s. The brand's scope of business was tea products and today Doğu presents itself as the leader of private sector in overall tea market (doguscay.com.tr).

In 1994, Doğu decided to support the tea category and to expand the product portfolio, thus Doğu Sugar started to being manufactured. According to company sources Doğu Sugar (in Turkish Doğu Şeker) is among the top two brands in the sector. Doğu has also canned tomato paste products under Doğu Bahçe brand but this will be excluded for this study as it is being recently launched and not directly related with research question.

4.3 INTERVIEWS

In this section, the results from the interviews will be presented. The entire interview guide containing the questions asked is found in Appendix 1. To distinguish what specific attributes and benefits the answers of the respondents refer to, Kellerø model for brand associations is used.

Kellerø model, as it is explained in literature review, has three types of attributes. Since it is the overall evaluation of other parts (attitude) is excluded; dimensions of (attributes) and (benefits) listed in the model will be guiding to order answers gained from interviews. As it is stated by Keller (1993), some dimensions in the model are highly related with product attributes and some with non product attributes. Since the core aim of this study is to understand attributes attached to product categories, results related with categories rather than brands, gained from the interview will be presented by the help of the model. In last part of the interview it is questioned the success of case brands from consumers' point of view.

4.3.1 Product Related Attributes

The first question intended to get a conversation started and somewhat assesses ladder other questions giving guidance in how to continue the interview. Then, it was asked the respondents to describe tea as a product in their own words. After completing questions about tea category it was continued with sugar category by following same path.

The most prominent elements revealed for tea products included (blackness), (hot drinkable) and (watery kind of thing). Some respondents started to the description by mentioning about the color of the product in glass as (red) or (dark red). In order to feature the product, most essential remarkable physical features was seen as the color; (black) and (red) were mostly used ones. The reason for the use of (black) was the ingredient of classic and commonly used packages which was called (loose tea). A few interviewees stated about the roots of tea and said (it is coming from green leaf).

One of the interviewees described tea as an accompanying product of Turkish traditional food *şimit*. Most of the respondents had a tendency to define products in use or occasion, which will be discussed in following parts. They evaluated the product as very known and said *it is a product as we know, tea is tea.* One respondent described the product as the drink which was drunk with sugar.

On the other hand, sugar products were rather illustrated with *whiteness* and *small particles*. Interviewees were mostly mentioning about the product as *very simple* and *nothing to tell more*. Some of the respondents used the words *square* or *cubic* when defining the shape. Majority of interviewees defined the product as a *sweetener*.

4.3.2 Functional and Experiential Benefits

At this point, it was asked the interviewees about the specific features or characteristics that they liked about the product categories. It was tried to be understood for what purposes consumers used product categories and what they experienced and felt by the consumption of product categories.

In general the tea products were described as helpful for *relaxation* and *refreshing*. Most of interviewees stated that drinking tea was a way of having break. Some interviewees highlighted the stimulus effect of the product making them awaken and refresh. Some others claimed that tea products help them for calming and warming addition to invigorating affect.

Several respondents added that drinking tea was just a habit for them. They told they were drinking tea because they got used to.

Interestingly, a few respondents stated: *actually tea has no benefit, even it could be harmful but we are just drinking it.* They told they were drinking tea for not a special purpose but for pleasure during leisure time.

When it was asked the same set of questions about the sugar products, respondents mostly replied "the sweetening" purpose of sugar especially while drinking tea. One of the interviewees stated sugar as the complementary of tea while another one stating the assistance of sugar to arrange taste of tea while drinking.

Only minority of interviewees brought up positive comments related to sugar: "It sweetens what I drink and makes me happy, as chocolate does." After describing the sweetening benefit of sugar majority of respondents added that sugar had no benefit. Furthermore, some consumers emphasized the harmfulness of sugar and told "in fact the right thing to do is not to consume". Almost one third of respondents underlined they were not consuming.

4.3.3 Symbolic Benefits

Subsequently, respondents were encouraged to state whether product categories carry some meanings apart from tangible specifications. It was tried to get some clues giving information about some unexplainable connections made with products in their own worlds.

When asked about tea products, some consumers responded that they were imagining Black Sea region of Turkey and Rize province. Two of the respondents defined tea as a reminder of their home towns and villages.

Some respondents stated that tea was reminiscent of "warm conversation", "friendly talks" and "dialog". For most of them tea was the medium of social sharing and a way of coming together. One old interviewee exemplified what came to this mind when it was asked about tea: "We are drinking tea when we come together. Tea reminds the meeting of neighbors. It is the essence of Turkish coffee house."

When the same investigation made for sugar products, interviewees mostly kept silent for a while and thought for their replies. One of the respondents tried to mention about "the glucose" whereas another one was stating about his brainstorming as "it is useless,

there is nothing to arise. So, there were nothing worthy to note related with symbolic benefits of sugar products.

4.3.4 Usage Imagery

The interview proceeded by asking the respondents about their opinion for the appropriate time, place and occasion to consume the product categories.

All interviewees, except one, indicated firstly the use of tea at breakfast. Some of them mentioned about tea as the symbol of breakfast. Respondents who introduced themselves as not heavy tea consumers said that they were consuming tea everyday because of having their first meal of the day with tea.

Some interviewees enhanced the use of tea. They were consuming tea while having fun with friends outdoor, watching tv, during office times and after the dinners. One of the respondents told when they, as colleagues, had a break at construction work they usually drank tea in order to get relax.

One interviewee had difficulty to give examples of appropriate time, place or occasion. "It is hard to say something specific; I consume tea without any distinction of situation. I am a tea addict." he said. Similar to this respondent after expressing a list of occasion most interviewees ended their words with meaning this statement: "In fact, it could be consumed every place and time for pleasure, when just it is desired."

On the sugar products side, comments were not very diversified. Some respondents answered that they were preferring sugar only with tea. Remaining respondents additionally exemplified the use with desserts, patisserie and pudding kind of things. Some interviewees stated they were not consuming sugar anyhow.

A few interviewees mentioned their usage habit of sugar with coffee, which could be counted second wide use next to tea. These people added sugar products being placed in coffee houses and restaurants.

4.3.5 User Imagery

To be able to establish the user imagery, it was aimed the consumers to depict the type of person they imagined who would heavily use the product categories. It was asked how to describe tea drinkers and heavy sugar users depending on their imaginations.

Two interviewees defined heavy tea consumers as aggressive and nervous while another one mentioned their being calm, social and conversable. These statements followed by this sentence: "I know someone who drinks tea much and he/she is like that." Thus, it was understood they were not talking about a general characteristics they imagined actually. Several interviewees told tea drinkers were normal people but possibly they could be persons paying attention to their taste or dynamic people by the help of tea.

In the case of sugar consumption, after a short while some interviewees built their evaluations and described sugar users as fat and not healthy people. One of them said "they are diabetic patients like me". Actually most interviewees' first expressions were "nothing to say, there is no characteristics about them" but later, they remind the statements about the harmfulness of products and made guesses to describe heavy users of sugar.

4.3.6 Price Information

It is tried to understand how consumers valued branded products in each product categories by the help of questions related to price. They were asked whether they were influenced by price differences among brands and how sensitive they were.

For tea products, half of the interviewees said they were not giving importance to price levels during their purchasing process. Some of them emphasized that there was no way of changing their favorite brands because of others' low price. The reason they indicated was their habits and special taste. Some respondents stated both brand and price were important for them and they could change their preferences depending on price

benchmarking. One respondent spelled a brand name and said that when she found it at convenient price level she could prefer. None of the respondents stated he or she could choose a brand just due to its low price.

The situation was different for sugar brands. Most of the respondents said that price had an important influence on their purchases. There were mainly three types of answers at the same percentage: One group said that they were looking for the cheapest brand. There was a respondent saying "sugar is sugar, there is no difference in between". The second group told they were giving importance for both brand and price. The last group stated that they were just buying their favorite brand disregarding others' price levels.

4.3.7 Packaging

Lastly the importance of packaging for consumers' preferences was investigated. This aimed at determining some specific color, quality and shape specifications that consumers might attach to the products.

For both product categories, most of the interviewees claimed that there was no significance of packaging for them. The reason expressed for tea was that they were accustomed to salient packages. Only one respondent told he was looking for different designs because he was evaluating yellow colored ones as classic and boring. According to another respondent, package's impression of being solid could be an advantage. On the sugar products' side, for almost all respondents packaging had no specification. There were only two additions: "It should be safe" and "It should be the sign of products' being manufactured in hygiene".

4.3.8 Case Brands Do u and Bal Küpü

At this point, after having discussed the associations related with product categories, it is tried to obtain some brief evaluations of interviewees about case brands in related product categories. First, it was asked the respondents to list tea and sugar brands with no aid in order to see awareness levels of Do u and Bal Küpü for these categories.

Then it was questioned, in an order, whether they were evaluating stated brands as successful and preferable for both product categories. Interviewees were encouraged to express their attitudes towards extensions of these brands by the help of why and how questions to gain deeper understanding of their perceptions and critics.

When asked about the tea brands, almost all of the respondents mentioned about Do u as being aware of. Çaykur was the dominant leader of the lists. Bal K p  was not stated among known brands  list, but during conversations some people recalled tea products of the brand. On the other side, when sugar brands were investigated, almost all interviewees indicated Bal K p  as the most known brand. Some of them could not find another brand to declare. There was not a strong second brand in respondents  list but Torku could be ranked next to Bal K p . Do u , as a sugar brand, was mentioned by only two people. During interviews some additional respondents remembered sugar products of Do u .

At the last part of the interviews it was questioned evaluations about Do u and Bal K p  brands for two product categories. For tea products, most of the respondents approved the status of Do u as successful and mentioned as a good alternative in this sector. The reasons mostly stated for this situation, were being aware of the brand due to its advertisements and its convenient price levels. On the other hand, three respondents did not find Do u as preferable for tea products. Two of them reasoned their being accustomed to use  kaçak  ay , a special strong tasting tea which was called as smuggled tea in Turkish. However, these people described Do u as preferable for sugar products. One interviewee said that he would not prefer Do u for tea and sugar products because of disliking the brand. Two respondents stated that they could prefer Do u brand for both product categories if it was at suitable price levels. Remaining half of the respondents answered that the brand was not in preferable brand list for sugar products. The possible reasons for them were their acceptance of Do u as tea brand, not matching with sugar products and their habits. One of them said  Do u brand is overlapping with tea; but I perceive its sugar as artificial . Nevertheless, it could be noted that there was no negative reaction to the extension of the brand.

When it was observed the evaluations about Bal K p ; it was seen, with no discussion, people appreciated in value of Bal K p  brand for sugar products. The first associations stated were high quality and expertise. One of the respondents emphasized the meaning of the brand itself which, according to him, could affect his perceptions as sweet like  Bal , in English corresponding to  honey . But for tea products of the brand, respondents did not make much positive evaluations. Furthermore, some respondents rejected the extension of the brand. Only a few respondents told they could prefer Bal K p  tea by using conditional statements:  If brand makes ads it can be familiar to me ,  If I try and like, I may sustain ,  I may prefer depending on its bundling promotions or premium price offers . Only one person told she could buy Bal K p  tea because she was pleased with sugar products of the brand. Reasons stated for not preferring were such:  The brand is not overlapping with tea, it is identified with sugar ,  Bal K p  tea reminds me the sweetness, does not sound good for tea.  The reflection of the rejecters of the Bal K p  extension was:  it was better for Bal K p  to move on sugar category, where it was quite successful . According to them every one should act where it had expertise. When they were reminded that Do u brand was not criticized in the same way, they told their perception for Bal K p  was how they had expressed. Do u extension was not regarded as strange as Bal K p .

5. ANALYSIS

In this chapter it is analyzed the collected data presented in the previous chapter. A within-category analysis is performed to compare the data about product categories and brands with the theories in this thesis's conceptualization, according to the research questions.

As perceived fit was divided into product fit and image fit, findings were analyzed in two parts. Product related attributes and benefits were evaluated to measure fit of product categories.

5.1 PRODUCT CATEGORY FIT

5.1.1 Product Related Attributes

As common feature there were no characteristics of categories. The origin of region or province stated did not match for tea and sugar products. Tea products defined with 'öblack' or 'ögreen' while sugar was defined with 'öwhite'. The shape of sugar was stated as cube and crystal particles whereas tea was connected to 'öleaf'.

5.1.2 Functional and Experiential Benefits

Tea and sugar products were being consumed for different purposes and expectations except sugar's being complementary during tea times. Some respondents referred the benefits of tea consumption to pleasure, relaxation, refreshing and having break; whereas some others mentioned about the stimulus and awakening effect of it. A few interviewees added tea products's function of calming and warming. On the contrary, sugar was consumed for its sweetening function. The most crucial differentiation point was that one third of respondents underlined they were not consuming sugar products and some others were trying to avoid because of the thought of the product's being

harmful. As a result, for tea and sugar categories, it is not possible to declare the existence of product fit.

5.2 BRAND IMAGE FIT

It was investigated how dimensions of brand image fit worked for product categories. Thus, consumers' imaginations, expectations and evaluations, which were not directly related to products, were observed.

5.2.1 Symbolic Benefits

There were many attributes attached to tea while sugar had nothing. According to several respondents tea was symbolizing the beginning of new day. Some people mentioned about tea with "warm conversation", "friendly talks", "dialog", "social sharing" and "being together". A few consumers expressed that tea products made them feel as they were at Black Sea region or their home town.

5.2.2 Usage Imagery

The usage of tea and sugar products overlapped in case of tea consumption. Apart from this both product categories had many own usages. "Breakfasts", "having fun with friends outdoor", "leisure times", "watching tv", "office times", "after the dinners", "break times at work" etc were stated for tea and interviewees mostly ended up their words by stating the existence of diversified occasions and places. The use of sugar was listed as in "desserts", "pudding", "patisserie kind of things" and with "coffee". Some people were using sugar only with tea.

5.2.3 User Imagery

For both tea and sugar product categories it was hard to mention about a clear and noteworthy user imagery described by interviewees. In further investigations people

could make a connection between heavy sugar consumption and fat people or diabetic patients.

5.2.4 Price Information

Price was a determining factor for purchase of sugar brands compared to tea brands. Most interviewees told their being loyal to tea brands whereas sugar brands could be replaced easily by cheap ones.

5.2.5 Packaging

The packaging of both tea and sugar products did not matter for interviewees. They said only that they were looking for tea packages just which they were accustomed to. They were not giving importance to the packaging of sugar products. Thus, a brand's in line package design could not provide the salience for other product category.

To sum up, it is hard to mention about the existence of the image fit between tea and sugar categories. Although there was a serious usage relationship between product categories, which existed at occasions of tea consumption, this fact was not sufficient to declare even the fit of 'usage imagery' dimension. 'Symbolic benefits', 'user imagery', 'price' and 'packaging' dimensions also indicate that there was no valid or strong match between tea and sugar categories.

5.3 BRAND ASSOCIATIONS & PERCEIVED FIT IN CASE STUDY

Do u brand was not at the top of any brand list declared by the interviewees, but its awareness was quite high for tea category. Do u was highly associated with tea products and it was seen as a good alternative in tea sector. Some respondents reminded the slogan of the brand: 'En güzel çay Do u çay', meaning 'The most beautiful tea is Do u tea'. Interestingly, Do u was not mentioned as a sugar brand in their first list but some were familiar with sugar products of the brand. When it was investigated the perceived fit of Do u for these product categories; although consumers did not reject

the extension of brand and mentioned as preferable for both categories by some, perceived fit of the brand for sugar products was weak. Several respondents told they could buy Do u sugar only if it was cheap. Some others did not criticize the brand for its extension but they declared not to prefer it as a sugar brand, because they did not perceive the brand as suitable for sugar products.

In the sight of interviewees Bal Küpü was almost a generic brand in sugar products category, especially for cube sugar. People were associating the brand with high quality and well sweetening. Conversely, most of the respondents were not aware of the brand's extension to tea category. When it was questioned their opinions about perceived fit of the brand for tea products just a few of respondents evaluated it as having chance to be preferable in case of providing low price. Most interviewees expressed not to prefer Bal Küpü for tea products. Furthermore, some of them criticized the brand not to stay in category where it had expertise. Since they were perceiving sweetness, with the contribution of the meaning of the brand, people mostly did not regard Bal Küpü as suitable for tea products. Thus, it is not possible to mention about the existence of perceived fit of Bal Küpü brand for tea products.

6. CONCLUSIONS, SUGGESTIONS AND FURTHER RESEARCH

In this final chapter of the thesis, it is aimed to conclude the findings and attempted to answer the research questions based on the data and analysis chapter. The conclusions are drawn from the results obtained from analyzing the survey performed and the respective literature. The chapter will end with implications for management, theory and further research.

6.1 CONCLUSIONS AND SUGGESTIONS

Brands are the most valuable assets for all companies in today's world. Since it constitutes the essence of the businesses brand management become a key administrative imperative. Brands are seen as equities and enhancing the strength of brand and broadening it to other areas have become a key management methodology.

Extending a brand is now widely used strategy for marketers to get benefit from having a strong brand. New products which employ an existing brand name have an advantage in marketplace. The consumer is aware of the brand, it has an established reputation and generally the brand name itself conveys a benefit or specific positioning. This could be evaluated as brand's equity which can increase the probability of success of new product and reduce the cost of entry compared to the launch of a new brand. But the success is dependent upon the consistency of the brand and product categories.

In order to evaluate the consistency of a brand extension, the perceived fit, which is related to consumer perception, should be discussed and studied carefully. First of all it should be clearly understood whether the consumer perceives the new item to be consistent with the parent brand (Tauber 1981). The new product should be perceived to be consistent with the parent brand name. In addition, it should be analyzed the benefit associated with the parent brand is the same one offered and desired from the new franchise extension (Tauber 1981). In perception of consumers brand has some aspects or utilities and these are also reflected for new category. So brand extensions must be

completely a logical fit with consumers' expectations. Hence, perceived fit between product categories should be investigated as a base, and depending on these findings, the suitability of the brand for category intended to extend must be analyzed.

For studied categories in this thesis, tea and sugar products, the perceived fit is investigated on the basis of customer based brand equity model of Keller. By the help of the model, it is reached that since it is not possible to mention about the existence of perceived fit, brand extension strategy does not work for tea and sugar categories. Dimensions of the model indicated the inconsistency of both product and image fit of categories. Although for some circumstances tea and sugar products are seen as complementary products, each category has own differentiated consumption purposes and benefits. Furthermore, there are some consumers rejecting sugar consumption with tea or trying to lower overall sugar consumption. In addition, the attached attributes to categories and valuation of the products are differing from each other. Especially tea products are requiring more sophisticated and discrete features, particularly symbolic meanings

The inconsistency between the perceptions of tea and sugar categories points out that it is not possible for a brand to be successful in both product categories. The survey findings and situation of case brands, Bal K p  and Do u , confirm this conclusion. Both case brands are not perceived as successful in extended categories. They have the possibility to be preferable only in case of low prices. Since brand management philosophy aims to convince people to pay more, brand extension strategy could not be accepted as brilliant way for these categories and brands. Thus, it is suggested for these brands to apply different strategy from brand extension. This is also crucial for their core categories, if Do u intends to be synonymous with  tea  and Bal K p  aims to survive its almost  generic  position.

6.2 FURTHER RESEARCH

A similar study could be conducted on a larger sample of consumers by quantitative research techniques enabling greater generalizations. In addition, this research has been

conducted in setting to reach conclusions by focusing on tea and sugar categories, which are complementary in some manner. Hence, it could be investigated in a broader sense considering all complementary product categories to contribute to literature the study of suitability of brand extension strategy for complementary products.

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MARKETS?**

Master's Thesis

YUNÜS ELMAS

Thesis Supervisor: Hakk, P,nar KILIÇ

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