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Corporate Brand Extension: A Review of Literature

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Abstract:
The purpose of this paper is to review the literature of corporate brand extensions- the story so far. There are various aspects covered in this paper which would help the researcher in the field of corporate brand management and extension to get an overall understanding in this area. Aspects such as Corporate brand extension evaluation, positive and negative effects of extension and the study conducted so far.
As we know, brand extensions allow consumers to draw conclusions and form expectations about the potential performance of a new product (i.e. the brand extension) based on their existing knowledge about the brand. This research paper would also benefit the organisations who adopt Corporate branding strategies, specially when it comes to corporate brand extension. This would in turn benefit the organisations in taking Corporate strategic decisions specially with respect to products to be launched in an unknown category.
Keywords: *Corporate Branding, Corporate Brand Management, Corporate Brand Extension, Corporate Brand Equity*

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I. Introduction & Background

Companies are able to realize in recent times, that leveraging on one of the most important assets they own, the brand, may help them to achieve their long-term growth objectives not only more quickly, but also in a more profitable way. These companies are starting to view their products and services as more than just a “thing” a customer buys. This makes sense, because brands are not only what a company sells, they are what a company does and, more importantly, what a company is. Many companies, though, are not maximizing their financial returns because they are not maximizing the power of their brands. For instance, if the company has sales of $100 million, it means that the companies believe they can increase revenues by $30 to $50 million with commensurate profits over the next five years. This will happen if, and only if, companies decide to let the brand help to drive their growth, and they take advantage of what is the most important weapon they have at their disposal, i.e. their brand.

Balmer (2001a) views brand as an intangible but critical component of what a company stands for. While a consumer generally does not have a relationship with a product or a service, a consumer can have a relationship with a brand. A brand represents a set of promises. It implies trust, consistency, and a defined set of expectations. The strongest brands in the world own a positioning in the consumer's mind that is unique to that brand and can universally be articulated by almost everyone. Nowadays, the company is witnessing a shift from product branding to corporate branding (Aaker, 1996; de Chernatony, 1999; Hatch and Schultz, 2001, 2003; Keller, 2003). Corporate branding goes far beyond the well-established tradition of product branding: It does not explicitly deal with product features, but rather transports a well defined set of corporate values (Aaker and Joachimsthaler, 2000; Hatch and Schultz, 2003; Schultz and de Chernatony, 2002). The general aim of corporate branding is to build a sustainable bond between the branded company and its customers through a clear value proposition (Schultz and de Chernatony, 2002).

In an era when the emphasis is moving from line branding to corporate branding (Balmer, 1995; Mitchell, 1997), there is a need to better appreciate the management approach for corporate branding as this needs different management from line branding. One of the key differences between line and corporate branding is that the latter requires greater focus within the organization. The size and composition of brand management teams are changing, requiring greater co-ordination of activities. One of the implications of this is that corporate marketing necessitates not only a planning perspective which addresses the matching of external opportunities with core competencies, but also considers the integration of internal activities to ensure cohesion and therefore consistency in delivery.The concept of the corporate brand has recently been raised to prominence in both academic and practitioner fields, with a number of authors pointing to the potential economic value inherent in managing and developing the brand at the level of the organization (Fombrun and Van Riel, 1997; Greyser, 1999; Aaker and Joachimsthaler,1999). Before proceeding into the meaning of Corporate Brands and Corporate branding, it is imperative to study the architecture of brands, cooperate branding being one of them.

1.1 Introduction to Corporate Brand

Corporate brand is defined at the level of the company. The positive image of a strong company usually extends to credibility of the products sold under the company's brand, both existing ones and those that are new to the market (Siburian, 2004). According to Aaker when brands are managed separately and independently, overall resources allocation among brands may be less than optimal (1996). Therefore, having the corporate brand, or in other words cohesive brand portfolio, instead of number of individual product brands, is more rational from the company's point of view.

Corporate brand is defined primarily by organizational associations (Aaker, 2004). It is extremely important to notice that organisational associations are equally important for both product and corporate brands. Nevertheless, the power, number and credibility of the organisational associations are larger in case of corporate associations.

It is reported that a corporate brand can add value to the company's product policy and linking corporate and product brands will be beneficial to both the corporate and its individual products. Several multinationals have become aware of the importance of their names and are trying to establish and create a strong link between their corporate brand and product brand (Uehling, 2000). However, although there are many theories that have been advanced explaining how customers evaluate and select a particular product (Bettman, 1970; de Chernatony and Dall'Olmo Riley, 1998; Jamal and Goode, 2001; Kim and Chung, 1997; Lee and Ganesh, 1999; Low and Lamb, 2000; Mitchell and Olson, 1981; Muthukrishnan and Kardes, 2001; Woodside and Clokey, 1974), most of these attempts have only partially examined the impact of corporate branding on consumers' product evaluation.

1.2 Brand Extensions

A brand extension is defined as using the current brand name to enter a different product class, such as Ivory moving from soap to shampoo (Aaker and Keller, 1990), and Billabong entering the snowboard and skateboard categories from their base in casual surfwear. This strategy is frequently used in mature fast-moving consumer goods (FMCG) categories such as personal care products (Ambler and Styles, 1997). Myriad academic studies have appeared exploring successful approaches in applying brand extensions and investigating consumers' responses towards brand extensions (Aaker and Keller, 1990; Ambler and Styles, 1997; Barone, 2005; Bottomley and Holden, 2001; Fedorikhin, Park and Thomson, 2008)

Brand extensions have become one of the most heavily-researched topics as well as one of the most influential areas in branding (Czellar, 2003). Successful brand extensions depend on consumers' perceptions of fit or similarity between the new extension and the parent brand (Aaker and Keller, 1990; Czellar, 2003; Klink and Smith, 2001; Volckner and Sattler, 2006). Furthermore, studies reveal an interaction between the parent brand and the extension category: factors affecting the parent brand will affect the extension as well. Similarly, factors that influence the extension category will affect the parent brand (Byung Chul, Jongwon and Robert, 2007; Hem, 2001; Kumar, 2005; Martinez and Pina, 2003; Martinez, Polo and de Chernatony, 2008; Maureen, 1999; Nan, 2006; Yeung and Wyer Jr, 2005). Customers evaluating brand extensions may change their core beliefs about parent brands, which may lead to a stronger or weaker brand positioning (Sheinin,2000).

Importance of Brand Extension is observed with regards to factors such as, Innovation: which allows the brand to remain up to date and demonstrates and increasing urge to detect and respond to the profound changes in customer tastes & expectations. Brands that have stuck to a single state-of-art product, relying on communication alone to update their image, have not done well.

Cost of advertising: Advertising is very essential to achieve an extended market share (from local market to national to international market). If one adds to this the need to be heard as much as the competitors, at least matching their share of voice, one understands why advertising expenditure is raising so much. The cost of advertising makes it impossible to support too many brands; efforts have to be concentrated on a few brands only. It is imperative to decide which brands should be advertised more. Therefore, brands extensions prove to be much more economical.

Brand extension is the only way of defending a brand at risk in a basic market. Brand extension gives access to an accumulated images capital. Brand awareness surveys are done to find out the existing images of the brand in the minds of the consumer. This not only makes us aware of the perception of the brand in the market but also gives adequate information of the extension potential of the brand.

Extending the brand enables the reinforcement of the image capital of the brand and fuels it. By coming up with new or rejuvenated product, a brand can prove that it is relevant and up to date. For that reason brand extension, far from weakening the brand often makes it healthier.

The brand extension strategy is often seen as beneficial because it reduces new product introduction marketing research and advertising costs, and increases the chance of success due to higher preference derived from the core brand equity (Chen & Liu, 2004). All investigations on the determinants of successful brand extensions initially assume that a brand is an accumulation of associations (Keller, 1993) and the parent brand associations can influence consumers' reactions to brand extensions (Aaker & Keller, 1990; Bhat & Reddy, 2001). In previous studies different authors identified some antecedents of brand extension attitude of consumers. The antecedents they have identified are parent brand trust and parent brand affect. A brand extension strategy can be beneficial because it reduces the new product introduction costs and also increases the chance of success (Kapferer, 1994). The rationale behind brand extensions is simple: when a strong brand has been established, the brand has moved beyond the functional product into a realm of values. It makes economical sense to try to deliver the same emotional benefits in a different market (Mortimer, 2003). Since awareness of a certain brand already exists, costs of launching a new product will, ceteris paribus, be lower than in the absence of a strong brand. The main objective of brand extensions is hence to leverage the intangible qualities of a brand since the functional benefits can generally be imitated (Urde, 1999).

1.3 Corporate Brand Extensions

A company makes a corporate brand extension when it relies on its corporate name to launch a new product. A corporate brand extension clearly identifies an organization with the product, and so evokes different reactions from consumers than a product brand extension. A corporate brand may create associations in consumers' minds that reflect the values, programs, and activities of the firm. (Aaker & Keller 1998).

Companies are increasingly taking their corporate brand into new and unrelated business areas in order to capitalize on their brand equity. Wally Olins points to one of the most essential strategic issues concerning branding strategy: Brand Extension. With the increasing focus on optimization of brand value, one of the main strategic brand issues for companies to consider is how the brand equity can create value across more activities, markets, and product categories (Balmer & Grey, 2003; Aaker, 2004). Many companies therefore work at stretching or extending their brand into business areas that are not related to the business in which the brand originated.

One significant explanation for the success or failure of a corporate brand stretch is to be found in the role played by the culture and identity of the organisation in the brand stretch process. Brands and organizational culture and identity are becoming more closely interlinked. A corporate brand stretch strategy and the organizational culture and identity will therefore mutually influence each other.

Extensions always carry the risk of diluting what the original brand name means to consumers, especially in the case of extensions that are inconsistent with the brand's existing image. The dilution has also been investigated through empirical research and there are results showing that under certain conditions, a brand extension can diminish consumer feelings and beliefs about a brand name. The risk of diluting the parent brand is also a concern (Keller, 2000). The conclusion in most research on brand extensions is that the brand needs to be a strong brand with a very precise meaning- a solid brand identity- in order to cover a broad range of unrelated products. The more a brand covers different categories, the more it stretches and weakens, losing its force like an elastic band (Kapferer, 1992). An example of a well known brand that has been stretched too far is the Pringle brand, known for its colourful high quality knitwear for men and sponsorship of top golfers. In 1993, the company rolled out a diversification strategy, and suddenly the Pringle brand appeared on everything from jeans to cotton dresses, blazers, luggage, belts and silk. Pringle even moved into retailing, launched a chain of Pringle shops selling their own apparel, and soon discovered the logistic nightmare which this rapid expansion entailed. All new product lines, apart from knitwear, were outsourced and were found to be difficult to coordinate. They became too diversified too fast, in areas their consumers didn't expect them to be. For eg; the cotton dresses which seemed to be out of step with the masculine Pringle brand. From a theoretical perspective it can be argued that Pringle extended its brand in directions, that in the minds of consumers, did not fit with the original masculine, high class image closely connected to knitwear. The core identity compromised, and the organisation also seemed to lack the necessary competencies for the expansion so the launch failed. The changing market dynamics and heightened competition of the global economy has amplified the role of Corporate brands to an unsurpassed level. Marketers seek ways to achieve growth while reducing both the cost of new product introductions as well as the risk of new product failure. A popular way of launching new products into a new sector or market has therefore been to leverage the equity of the corporate brand.

II. Review Of Literature

2.1 Corporate Brand Literature: Definition, Associations & Evaluation

In recent years, corporate brands have developed into strong drivers of financial value for companies (Brand Channel, 2004). The market value of companies holding strong corporate brands can be twice as high as their book values (Hatch & Schultz, 2001). In addition, corporate brands are unique because they can effectively represent an organization as well as a product (Aaker, 2004). Corporate brands can be seen as the ultimate branded house, whereby the product brand consists primarily of the corporate brand and a descriptor (Aaker, 2004).

2.1.1 Definition of Corporate Brands

King (1991) is considered the first researcher to classify what was then known as the 'company brand' as becoming the main discriminator. King (1991) argues that consumer choice of their purchase decision will depend less on the functional benefits of a product or service, rather the assessment of the entire company culture is of most importance. Aaker's (2004) definition of corporate brand is principally defined by organizational associations and reflects its heritage, assets, capabilities, people, values, priorities and strategy. This implies that corporate brands are able to develop and leverage various associations to its product brands. Knox and Bickerton (2003) propose a more holistic definition of the corporate brand, "the visual, verbal and behavioral expression of an organization's unique business model". Balmer and Gray (2003) emphasize that corporate brands can be considered a navigational tool for a diversity of stakeholders that serve for different purposes such as employment, investment and consumer buying behavior. For several stakeholders, corporate brands are seen as symbols associated with key values that represent quality and financial risk insurance.

2.2 Brand Extension Definition

According to Keller (2003), a brand extension is defined as "when a firm uses an established brand name to introduce a new product". Brand extensions are made on an ad hoc basis or according to a strategy to create a range brand (Aaker, 1996). Sharp (1993) illustrates how important it is that the extensions of a brand share the features of the original brand, which were an important factor in the differentiation of the competitors and lead to competitive advantage of the original brand, in order to be able to use and manage the marketing strategy of brand extensions wisely. Sustaining brand equity deals with maintaining the bond with the customer, and proper usage of brand extension appears to be about regarding the important factors that build the brand in the first place. Therefore, one has to ensure that any extension of a brand is a quality product release that will be held up well by the marketing effort. Davis and Halligan (2001) illustrates how growing the value of a brand includes a lot more than just extending that brand by adding products and services or through maximizing delivery channels. In order for a brand extension to be successful, the underlying association of the brand have to be created, maintained and expanded because those associations imply a promise to the consumer from the organisation as a whole. They also state that a brand is not worth anything if it does not have an impact on the customer's experience with the company or organisation. Davis and Halligan (2001) also believe that it is critical for a company to extend the equity of their brands in order to achieve full growth and out space competitors. If marketers manage to link brand extensions back to the customer relationship and how the relationship has been used as a basis for brand positioning, the extensions are even more dominant. When a brand is extended it either extends the target market of the company, or it can also extend the business definition or the point of difference, or extends the entire position of the brand.

2.2.1 Benefits of Brand Extension

Keller (2003) distinguishes two kinds of benefits:(1) benefits that relate to the acceptance of the brand extension, and (2) benefits that relate to the parent brand image. Kapferer (1997) also makes a distinction between brand extensions and their benefits from an operational point of view, and proposes that brand extensions that are intended to boost sales should be distinguished from new products that carry brand image and exist to fuel the brand. As per Keller (2003) Brand extensions allow consumers to draw conclusions and form expectations about the potential performance of a new product (i.e. the brand extension) based on their existing knowledge about the brand. Keller (2003) further claimed that provided a strong brand name is present, the perceived risk by consumers is substantially reduced when familiarity and knowledge about the parent brand is present.

Keller, Kapferer (2003) linked benefits derived from introducing new products with achieving operational efficiencies. A favorable parent brand reduces costs associated with gaining distribution since retailers are more positive to stock and promote a brand extension. As per Keller, Kapferer (2003) another benefit relates to marketing communications: since brand awareness already exists, promotional activities (including introductory and follow-up advertising and other marketing programs) of a brand extension can be less intensive and thus less costly than those of a totally new brand and product. Other efficiencies includes avoiding costly development of brand names, logos, symbols, packages, characters, slogans, etc. (Keller, 2003).

2.2.2 Drawbacks associated with Brand Extension

Keller (2003) mentions several drawbacks of brand extensions. First, the image of the parent brand can be hurt irrespective of the success or failure of the extension. This happens when the attributes of the extension are seen as inconsistent or conflicting with the corresponding attributes of the parent brand. Second, brand extensions may obscure the identification of the brand with its original categories, reducing brand awareness and/or diluting the brand meaning. Third, brand extensions can lead to problems of practical nature, for example a large number of extensions might confuse or frustrate customers, and there might be problems with retailers being unwilling to shelf/store all the different extensions. Similarly, Loken and John (1993) suggest that "unsuccessful brand extensions *can* dilute brand names by diminishing the favorable attitudes that consumers have learned to associate with the family brand name".

2.3 Concepts for Evaluating Brand Extensions

2.3.1 Extension reaction

Aaker and Keller's (1990) study on how consumers evaluate brand extensions is principle study in the field of brand extensions. The authors hypothesize that "evaluations of brand extensions are based on the quality of the original brand, the fit between the parent and extension categories and the interaction between the two" (Bottomley & H olden, 2001, p. 494). Despite the fact that this study by Aaker & Keller (1990) per se provides no evidence that a direct relationship between the quality of the parent brand and the consumer evaluation of the brand extension exist, the empirical generalizability of Aaker and Keller's (1990) model is well supported in Bottomley and Holden's (2001) secondary analysis, which examines seven replication studies.

Bottomley and Holden (2001) draw three general conclusions:(1) The quality of the parent brand and the fit between the parent brand and the brand extension are key determinants of consumer evaluations of brand extensions; (2) Consumer's brand extension evaluations are also determined by (a) the dimensions of fit (i.e. the complementarity and transferability of assets and skills) between the parent brand and the brand extension, and (b) to what extent consumers perceive the brand extension is difficult to produce; (3) Cultural differences influence how brand extensions are evaluated with respect to relative measurement factors.

2.3.2 Spillover and substitution effects

While Aaker and Keller (1990) and consequent replication studies provide a rationale for leveraging parent brand equity through brand extensions, from which economic profits can be extruded, Balachander and G hose (2003) examine the reciprocal effect of brand extensions on the parent brand.

As per Balachander and Ghose (2003) the reciprocal effect of brand extensions on the parent brand is measured by "brand-choice elasticities", which measure the increase in choice probability that results from increase in exposure. The findings of Balachander and Ghose (2003) provide strong support to positive spillover effects from advertising of a brand extension on choice of a parent brand. This reciprocal spillover effect does, however, not seem to be symmetrical—that is, forward spillover effects from advertising of a parent brand on choice of a brand extension are limited.

2.3.3 Categorical and piecemeal evaluation processes

Kapferer (1997) states that to understand how consumers evaluate new brand extensions, categorization theory is a useful concept. It aims at identifying the processes by which consumers form categories, and assigns certain objects to one category rather than another. Mervis and Rosch (1981) propose that "a category exists whenever two or more distinguishable objects are treated equivalently". As per (Loken & John, 1993) when a new brand extension is launched, a set of attributes or beliefs in addition to the already existing family or parent brand image is introduced. If these attributes or beliefs are consistent with the parent brand image, an extension is considered to be acceptable (Kapferer, 1997) or perceived to "fit" the category (Boush & Loken, 1991).

Fiske, Cohen (1982) and Brooks (1978) set up another concept for attitude formation towards brand extensions so-called; "piecemeal", "analytical" or "computational" processing, where attitude is "computed" from specific brand extension attributes. This type of model does not aim to describe conscious evaluation processes (Boush & Loken, 1991). Fiske and Pavelchak (1986) propose a two-step process of evaluation. In the first step, the consumer attempts to match a brand extension (or some other new object) with the current category. If categorization is successful, in other words, if there is a match, the affect that is associated with the category type is applied to the brand extension and so the evaluation process is complete. If there on the other hand is a poor match between the category and the brand extension, piecemeal processes are initiated. Affect is then evaluated through a weighted combination of attributes. As per Loken & John (1993), even if inconsistency implies that the extension is not "integrated" in the parent category, an inconsistent brand extension can have a negative impact on the parent brand by "diluting" specific attribute beliefs that consumers have come to hold about an established brand name, rather than "diluting" the global affect associated with the established brand name. The negative impact of an inconsistent extension depends on the typicality of the brand attribute at stake. Hence, brand dilution is an important issue when launching new brand or category extensions.

2.3.4 Influence of Brand extension on the Parent brand

Three studies that investigated the influence of brand extensions on the parent brands particularly influenced this research. Martinez & Pina (2003) examined the negative impact of brand extensions on parent brand image. 2. Pina, Martinez, De Chernatony, and Drury (2006) developed an empirical model which explains the effects of service brand extensions on corporate image. 3. Martinez, Polo, & de Chernatony (2008) investigated the effect of brand extension strategies on brand image in a comparative study of the UK and Spanish markets, particularly the industry of sport products. These three studies suggest brand extensions have a significant effect on the parent brand image. Sheinin (2000) explored how brand extensions influence knowledge about parent brands. The major finding is that brand extensions influence knowledge of unfamiliar parent brands more than familiar parent brands. However brand image and brand knowledge are only two dimensions of branding. Other aspects such as the consumer-brand relationship, brand experience, brand personality, and brand architecture still need to be examined.

2.3.4.1 Influence of the Parent Brand Characteristics on Brand Extension

Keller (2003) states that there has to exist a brand node in the consumer's memory with a variety of associations linked to it–this is conceptualized as brand knowledge. Information stored in the memory network can be verbal, visual, abstract, or contextual in nature. Brand knowledge can be characterized in terms of two components: brand awareness and brand image. Whereas Broniarczyk & Alba (1994) claims that if consumers are to appreciate the appropriateness of the brand extension, knowledge of the brand-specific association is required.Aaker and Keller (1990) propose a relation between perceived quality of parent brand and consumers' attitude toward the extensions in unrelated product categories. As the perceived quality (termed QUALITY) of the parent brand is higher, the transfer of positive attitudes toward the extension is also higher. Zeithaml (1988) defines perceived quality as a global assessment of a consumer's judgment about the superiority or excellence of a product, and also concludes that perceived quality is a construct that is on a higher level of abstraction compared to a specific product attribute.

Keller and Aaker (1997) mention that corporate brand equity lies in the association of consistent delivery of superior functionality and performance that customers or suppliers have with a firm's offering.

Keller and Aaker (1997) propose that marketing efforts that emphasize innovation leads to favorable perceptions of corporate expertise and thus has a positive impact on corporate brand extension evaluation. For the purposes of the current study, it is then reasonable to assume that a parent brand that is perceived to be innovative will lead to a more favorable brand extension evaluation compared to a brand which is not perceived as innovative. Aaker and Keller (1990) also states that the transfer of positive attitudes is also influenced by the similarity between the corporate brand and the extension. This follows the categorization theory and category-based processing, where consumers evaluate a new brand extension as to how well this "fits" with the parent brand. Similarly, Boush and Loken (1991) propose that affect associated with the original brand is transferred to the extension when similarity between the two products is high. Following this, if consumers perceive a "fit" between a business-to-business brand and a consumer product class, they will transfer perceptions of quality to the new brand extension. Aaker and Keller (1990) identify two additional dimensions of fit: the first one is Complement, which is related to the product; the second one is Substitute, which is related to the producer. As per Henderson & Quandt (1980), when the product of the parent brand and the brand extension can be consumed jointly to satisfy some need, it is said that they complement each other. On the other hand, when the brand extension can be used instead of the parent brand product, they are substitutes.

Aaker and Keller (1990) also introduced a Difficulty as a variable, This denotes the perceived difficulty in designing or producing the brand extension product. If the extension is perceived to be difficult to make, consumers' attitude towards the extension will be negative. This is because a parent brand manufacturing a new product class which is difficult to manufacture would challenge the competency of the parent (corporate) brand resulting a costly or an incompetent end product which may also take into consideration the cost of outsourcing if required to build the unit or the product class, which would thereby lead to exploitive pricing. Henderson and Quandt (1980) states that when the product of the parent brand and the brand extension can be consumed jointly to satisfy some need, it is said that they complement each other. On the other hand, when the brand extension can be used instead of the parent brand product, they are substitutes.

2.4 Consumer's Attitude towards Brand Extension

Aaker and Keller (1990) hypothesized that "the consumer's attitude towards the brand extension is a positive function of the quality of parent brand, the fit between the parent's brand category and the extension category (measured in terms of the transferability of skills and expertise from one category to the other and the complementarity and substitutability of one category and the other), the interactions of quality with three fit variables, and the degree of difficulty in designing and making a product in the extension category" (Bottomley & Holden, 2001, p. 495). Loken and John (1993) stated that Inconsistent brand extension can have a negative impact on the parent brand by "diluting" specific attribute beliefs that consumers have come to hold about an established brand name, rather than diluting the global effect associated with the established brand name. When a new brand extension is launched, a set of attributes or beliefs in addition to the already existing family or parent brand image is introduced. Broniarczyk and Alba (1994) proposed that, If consumers are to appreciate the appropriateness of the brand extension, knowledge of the brand specific association is required. Consumer do not evaluate the brand extension based on the perceived product category fit, but their assessment are driven primarily by the association of the brand. Parent Brand Association (brand specific association) should be salient and relevant to establish a strong relationship with its brand extension to new product categories. Keller and Aaker (1997) stated that marketing efforts that emphasize innovation leads to favorable perceptions of corporate expertise and thus has a positive impact on corporate brand extension evaluation. Various types of Marketing activities would influence corporate credibility and thus an overall effect on brand extension evaluation. Bottomley and Holden (2001) suggested that the quality of the parent brand and the fir between the parent brand and the extension are the key determinants for consumers evaluation. Consumer's brand extension evaluation is also determined by the dimension of the fit.

2.5 Corporate Brand Extensions

Keller and Aaker (1997) did examine in their working paper how corporate marketing activities portraying a firm as innovative, environmentally concern, and involved with the community might lead to positive corporate credibility and thus have a positive effect on brand extension evaluation.

Keller and Aaker (1997) examined how various types of corporate marketing activities (communication activities portraying a firm as innovative, environmentally concerned, and involved with the community) would influence corporate credibility (i.e. perceived expertise, trustworthiness, and likeability) and thus have a positive effect on brand extension evaluation. In their study, four hypothetical corporate brand extensions outside the current brand offering were presented alongside corporate descriptions that emphasized one of the following three types of attributes: (1) A firm's reputation of being innovative and philosophy of launching technologically advanced products; (2) a firm's policy to offer "environmentally friendly" products and to manufacture products in an environmentally safe fashion; and (3) a firm's philosophy to improve the quality of life in local communities through various activities and programs.

The findings of Keller and Aaker (1997) suggest that corporate marketing efforts can be beneficial as it improves perceptions and evaluations of a corporate brand extension. Creating a positive corporate image and executing a corporate brand strategy can thus facilitate new product acceptance.

III. Analysis of the Review of Literature

Limited academic research in the field of corporate brand extensions has been published to date. Keller and Aaker (1997) did however examine in their working paper how corporate marketing activities portraying a firm as innovative, environmentally concern, and involved with the community might lead to positive corporate credibility and thus have a positive effect on brand extension evaluation, as mentioned in the Literature review. Out of which only perceived innovativeness had a significant impact on corporate brand extension evaluation, because emphasis on innovation was the only type of marketing activity that enhanced the perceived fit between the corporate parent brand and the extension. Extensive research has examined the process by which consumers evaluate product brand extensions. Many researchers have also examined the conceptualization, antecedents, and consequences of corporate image. Despite the prevalence and importance of corporate branding strategies, relatively little research, however, has examined how corporate-level associations affect the success of brand extensions. It has been observed from the review of Literature conducted so far in the field of Corporate Brand Management and Brand Extensions that not much significant work has been conducted on the issue of the extent to which a Corporate Brand can stretch itself i.e.; how far a Corporate brand can stretch itself without. Subsequently not much research is conducted on how far a new product category to which the Corporate brand is venturing into would leverage on the core associations of the Corporate Brand. This would lead in figuring out the strength of association of the Corporate brand and how successful would the new product category relate strongly with core associations. Further on holistically, whether the Corporate Brand stretch to new product categories i.e.; it's diversification to new product categories affect its Parent (Corporate) brand equity is yet to be further analyzed. Specially the Corporate brand stretching to unrelated product categories or conglomerate diversifications. There is also a dearth of research done in this field of Corporate brand extensions exclusively in the Consumer Electronics and Home Appliances sector, which has been extensively making use of brand extensions in there Umbrella branding type of brand architecture. Last but not the least a very limited research of such kind has been conducted in this sector in a dynamic and diversified market such as India, which is one of the fastest growing economy in the world and a market which is heavily cluttered with me too brands.

IV. Conclusion

A strong corporate brand acts as a focal point for the attention, interest and activity stakeholders bring to a corporation. Like a beacon in the fog, a corporate brand attracts and orients relevant audiences, stakeholders and constituencies around the recognizable values and symbols that differentiate the organisation. Brand extensions allow consumers to draw conclusions and form expectations about the potential performance of a new product (i.e. the brand extension) based on their existing knowledge about the brand. The set of associations for which the parent corporate stands in the market, for what it is known for in the market, is of prime importance, as it was seen through the brand concept map of the corporate brand. This research would thus benefit the organisations who adopt Corporate branding strategies, with respect to how far can it stretch its corporate presence without the parent brand getting diluted or its brand equity getting affected. This would in turn benefit the organisations in taking Corporate strategic decisions with respect which product in an unknown category should they invest and which ones should they not.

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