The Influence of Brand Extension Strategy on Marketing Performance of Soft Drinks Bottling Firms in Nigeria

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Abstract

This study reckoned that since the recession of 1990s many firms have lost loyal customers, due to firms' inability to keep up with ever changing preferences and tastes of customers. As a result, many brands are out of existence. The soft drinks industry appears not exempted, due to cases of consumer switching especially, when changes in tastes and preferences are no longer cared for by specific product brands. This study therefore surveyed the effect of brand extension such as brand image similarity, on marketing performance metrics as sales volume, sales growth and profitability. A total of 98 copies of questionnaire were administered among Commercial Managers, Marketing Managers, Sales Managers and Sales Leads in the order of 4 each of 12 firms studied. Analysis of the data through the use of descriptive tables and Pearson Correlation Coefficient of the SPSS package, the study found that a significant percentage of the total soft drinks products sold on annual bases belong to the extended brands of the parent products. The study therefore concluded that the combined influence of brand image similarity such as fit perception; does provide strong leverage to firms' overall marketing performance. It was therefore recommended that provided firm's core brands are shielded from image-dilution, firms should continue to infuse fit perception of core brands on extended brands tailored to provide bundles of extra solution to demand, to accommodate all categories of consumers, and thus maintain corporate relevance while making profit through sustained growth rate of sales.

Key Words: Brand extension strategy, marketing performance, brand image similarity, soft drinks

Paper Type: Research Paper

Introduction

The twentieth century has seen the emergence of many brands amidst numerous brands in the global scene (Dahlberg, et al., 2004; Saunders, Lewis and Thombill, 2000). Nonetheless, greater awareness on branding was traced back to the 1950's when branding became a vital marketing activity for firms, and thus became the central assets ought to be treasured for organizations survival and product/service acceptability (Nijssen 1999; Blois, 2000). As such, most influential conglomerates in the world economy owe their successes to their strong brands otherwise known as firm's key assets equal to employees, capital and equipment (Davis, 2002). The challenge of branding is to develop a set of meanings for the brand relating to the attributes, benefits, values and personality associated with the brand. One of the major branding decisions for a company is the selection of brand strategy (Dahlberg *et al*, 2004; and Grime *et al*, 2002).

According to Kotler and Armstrong (1996), a company has four brand strategies to choose from, namely: Multi-brands, introduction of new brand, line extensions, or brand extensions. Firstly, multi-branding is described as when companies are introducing additional brands in the same product category as the company presently is active in. Multi-branding is a way to establish different features and appeal to several different buying motives at the same time. According to Ambler and Styles (1997), there is a difference in how to interpret the meaning of the concept of line and brand extension as these are often used interchangeably.

However, for the purpose of this research, the following definitions have been borrowed from Dahlberg *et al*, (2004): Line extension can be described as when a company introduces additional attributes to a specific product category under the same successful brand name. This extension alternative is performed in a way that the product can be given new flavors, forms, colors, ingredients or package sizes.

On the other hand, brand extension draws support from existing strong brand and can be defined as using a successful brand name to launch a new or modified product in a new product category. A well-known brand name helps the company enter new product categories more easily (Grime *et al*, 2002). Brand extension strategy gives a new product instant recognition and faster acceptance (Kapferer I995). There is positive relationship between brand image similarity and performance (Grime, 2002). Studies carried out by Keller and Sood, (2003) came to the conclusion that parent brand dilution occurs only under specific circumstances and is actually a function of three different factors: Strength, diagnosticity and inconsistency of extension experience. Trust and acceptance of an extended brand is the key to organizations performance (Aaker and Keller 1990). Previous scholars have also argued that Brand extension can be launched as a result of a consumer trend or need that may be discovered by conducting a market research (Grime *et al,* 2002).

In addition to the focus of this research, firms in the main stream production of soft drinks and others that fully or in part, belong to the same class, have evidently explored tremendously from the strategies of reaching target market with new products under existing brand names. A typical example is that of Coca Cola which has maintained existing market and penetrated new markets with new products using global brand names like "Coke". Today, it is common for consumers of Coca Cola soft drinks to patronize new soft drinks with extended brand name of Coke such as, diet Coke, Coke light, Vanilla Coke, Coke free, etc within the Coke family. Previous studies have considered the influence of brand extension using various measuring indices in various industries without specific attention focused on the Nigeria context. The study therefore fills the gap by investigating the extent to which brand extension affects marketing performance using the adopted model below as the conceptual framework for the study, to see if results as found in previous studies in other industries is consistent with what was found among firms in the soft drinks bottling and marketing business in the Niger Delta Region of Nigeria.

Theoretical Foundation and Hypotheses

The concept-brand extension has its root from the word brand or branding (Dahlberg *et al*, 2004). To begin with, branding is said to be the process of creating a unique identity for a product, creating ability to recall the product name, attributes and values, establish preferences, habits and loyalties as well as encouraging a relationship between a brand and its user. Branding assists the consumer's memory process by identifying the product and making it possible to position relative to other products. In addition, branding can also transform a product and make it more valued because of the respect that has been created for the brand name (Wells, Burnett and Moriarty, 2000). According to Nilson (1998), to brand simply means to burn a mark on something or an object. For instance, it is that process whereby for instance a farmer engraves a particular symbol in form of name initials such as '*XYZ*' or '*AK'* or whatever identifying mark he may chose to place on his cattle with the help of a hot iron just to identify his property in the midst of others. The root word itself is said to have come from the *Scandinavian* word "*bränna*" which means *to burn,* and a *fire in Swedish* is referred to as "*brand*", (Dahlberg *et al*, 2004). In other words, to brand is to put one's mark on one's property or on items that has been produced by somebody (Dahlberg *et al*, 2004). Czinkota and Ronkainen (2001) are of view that the benefit of a strong brand name is the ability to exploit the brand in a new market or a new market category. Kotler and Armstrong, (1996), were of the view that brand can be defined as a name, term, sign, symbol, design or a combination of these attributes intended to identify products and differentiate them from those of competitors. Additionally, a brand identifies the maker or seller of a product (Kotler and Armstrong, 1996).

Ambler and Styles (1996) as in Dahlberg *et al,* (2004), described two different views of defining a brand. The first is the product plus view, in this case, the brand is seen as an addition to the product, and in this view a brand is also called an identifier. The second is the holistic view that communicates the focus on the brand itself that is considered to be much more than just the product. The brand is said to be the sum of all elements of the marketing mix. In other words, a brand can be defined as the promise of attributes that someone buys and that later provides satisfaction. The attributes that make the brand can be real, rational or emotional, tangible or invisible (Ambler and Styles, 1996). Furthermore, Kalu, (1998) added that a brand is a name, symbol, term, sign or design or a combination of them which is intended to identify the goods and services of a seller or a group of sellers and to differentiate them from those of competitors.

Baker, (1992) described brand as a good or service with a set of characteristics which clearly and readily differentiates it from all other products. In the light of the above, we therefore define brand as an offering in form of sign, symbol, name, term, design or a combination of such from a known source which has long standing heritage, distinct personality and with emotional benefits different from those of competitors.

Brand extension has been described as the situation where a brand owner launches a new product – the extended product – under an existing brand name, (Dahlberg *et al*, 2004). The initial product becomes the parent product or flagship product of the extended brand (Kapferer, (2005): Grime *et al,* (2002): Akar, (2001): Ambler and Styles (1997). Alluding to this, Kapferer (2001), further stated that brand extension is one of the most discussed topics in brand management given the fact that it is the most radical of the innovations offered by new-style brand management when it comes to the planning on how to capitalize on the value around one single name for creating a mega-brand. Extending a brand is now an indispensable part of a brand's life as it represents growth, expansion of scope and market adaptability (Kapferer, 2001). Based on the above, we describe Brand Extension as the means by which an individual or firm introduces a new product under an existing brand name for the purpose of accommodating new or emerging demand while retaining existing customers, whereby the initial product becomes parent brand.

According to Kapferer (2001), growth is the principal reason for extending a brand after all other options involving the core product have been explored. Sharp (1993) argues that brand extension is a way to achieve growth in a cost controlled world. 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. Other factors, such as economic advantages might also be rationales behind extensions. Introduction of a new product with an established brand name can dramatically reduce the investment required and improve the likelihood of its success compared to a new brand launch. Brand extensions provide a minimal cost of branding, since name research will not be needed, nor will extensive advertising costs for new brand name awareness and preference be necessary (Aaker, 1992). According to Randall (2000), the introduction of a new brand is estimated to cost up to US $1 billion (equivalent to N157 billion in Nigeria currency), whereas the launch of a new product under the name of an established brand will cost a fraction of that. It has also been observed that new products draw immediate advantage by entering from a strong positioning that the established brand name provides, thus reducing the risk of failure (Aaker, 1992).

The sales potential for the new product is, argued by Buday, (1998), to be one of the major guidelines whether to extend a brand or not. Thus, brand extension is more efficient in making more use of the financial budget which allows marketers to reduce budgets and earn a reasonable return on even small-volume products, Buday, (1998). In addition, Ambler and Styles (1997) concluded that brand extensions decrease the cost of building up awareness by capitalizing on the core brand's already known reputation, thus one product will promote the other with the same brand. In agreement with Buday, (1989). Nilson (1998) states that the major appeal in extending a brand lies in the economies of scale. The rationale behind this is that the usage of a brand across more products lowers the communication investments per sales unit. The responsiveness of awareness to media spending is higher for brand extensions due to the consumers' familiarity with the already existing name. Furthermore, it is undeniable that a well-managed brand extension generates revenues by selling more products or services, hence is a great motivator for companies to increase net profit (Nilson, 1998).

Considering the economic advantage as rationales behind brand extension, Kapferer (2001) further argues that the reason to increase profitability should not be confused with reducing costs. Some markets are more profitable than others, either because of the cost of production, distribution or communication or differences in levels of price competition through the existence of distributor own-brands. The money to be made varies with the market, and all products are not equally profitable. It is desirable to extend a brand if there is that hope that by allowing it to penetrate other markets with a more advantageous profit and cost structure the brand will be recognized. But if not, then reverse will naturally be true. Companies with strong brands can also seize the advantage to charge a premium price of about 17 per cent on products, which can be applicable to new products derived from brand extensions (Buday, 1989).

Furthermore, another rationale for extending the brand is to lower the costs to achieve larger trial levels. The trial rate of a new product with a familiar brand name is higher than for a new brand to the extent that the parent name provides consumer reassurance over and above the merits of the product itself (Ambler and Styles, 1997), This is in agreement with the reasoning of Pitta and Katsanis (1995) and Aaker and Keller (1990), that the familiarity of an established brand name reduces the risk and costs with a new product and enhances initial consumer reaction, and trial (Dahlberg, *et al*., 2004). According to Pitta and Katsanis (1995), a great benefit of brand extensions is the instant communication of salient image. In addition, brand extensions is said to have the capability of providing positive customer based equity for the core brand and its original products, in terms of enhanced brand image. The increased value and image of a brand result in making the whole brand stronger (Pitta and Katsanis, 1995). The creation of a mega-brand also increases the bargaining power with distributors and generates greater interest from investors. Furthermore, the brand positioning can be strengthened with an increased value of the brand. (Ambler and Styles, 1997) Also advertising battles based on product specifications can be avoided by competing on the basis of perceived quality and value of the brand, as the profile of the whole brand is lifted (Pitta and Katsanis, 1995). Another rationale for companies to pursue a brand extension is, according to Kapferer (2001), to maintain or increase the value of the brand in a constantly changing environment both within the company as well as outside the company. Extension is particularly necessary for revitalizing long-standing brands or aging local brands to keep up with the market. A brand recaptures its market relevance, interest, up-to-date image and widens its appeal by launching new products with the same brand name. In some cases, changes in the company's top management may be a reason for implementing an extension policy. A new team can be the source of a different vision that contradicts the old view of the brand marked by the history and origin of the brand that are ever-present in the collective imagination (Kapferer, 2001).

Figure 1: Conceptual Model of the Relationship between Brand Extension Strategy and Marketing Performance.

Marketing Performance

The use of the term performance in this sense, according to some scholars is not uniform. This is based on the fact that some authors use productivity and performance interchangeably. Others suggest a number of criteria for evaluation Mentzer (1991). For instance, Kearney suggests that the evaluation of marketing functions may be divided into three areas: productivity, utilization, and performance, where productivity is the ratio of real output to real input, utilization is the ratio of capacity used to available capacity, and performance is the ratio of actual output to standard output. In essence, performance measurement is an analysis of both effectiveness and efficiency in accomplishing a given task that promotes the marketing performance of firms in terms of sales volume, sales growth, and profitability (Konrad, 1991). All evaluation is in relation to how well a goal is met, A goal is composed of both future attainments and allocation of currently generated efforts. Establishing and accomplishing marketing goals is a basic function of marketing management as well as other functional elements of the firm. Also, overall goals of a company must be reconciled with the sub-goals of the individual departments (Konrad, 1991).

Alluding to the views of these researchers, are the notion that there is no clear consensus on an appropriate definition of output (Triplett 1990, as quoted by Oster and Antioch, 1995). For instance, the concept of productivity is also used interchangeably with performance when comparing logistics performance which in our view is a subset of marketing performance of the banking sector as a whole as well as using effectiveness and efficiency while measuring firm's distribution performance but for this study will be centering on sales volume, sales growth, customer loyalty and profit (Lopez, 2002; and Seligman,1998). The researchers also advanced the opinion that there is input efficiency and output efficiency, with input efficiency focusing on the degree of efficiency with which firms combine their inputs to produce a given level of output at minimum, and output efficiency focusing on efficiency in pricing and achieving levels of output measurable in terms of sales volume, sales growth and profit. As an insight to the achievement of firm's marketing objective, Zeller (1998) opined that Firms should expand marketing strategy to include the seller's development in the course of optimizing performance. This was suggested as yielding positive impact on firms' performance. It was also revealed in the study that when firms expand their market study to include identification and meeting the needs of consumers, following up with consistent executive business plans might gives the firm superior advantage in terms of sales volume, growth and profit will move in the upward direction.

Performance behaviour is evaluated based on the contributions it is capable of bringing about in the realization of organization's goals (Asiegbu et al, 2011, Johnson and marshal, 2003, Dalrymple et al., 2004). Marketing performance is a measure of contribution of an organization's marketing functions to its corporate goals and objectives (Jackson et al., 2004). The appropriate way of measuring marketing performance has for long remained a matter of controversy in the literature, and as such, scholars were of the view that performance measurement ought to be evaluated based on its relevance to the achievement of corporate objectives in direct proportion to firm's expressed strategy (Asiegbu et al., 2011, Maskell (1994). In view of the divergent opinions of many researchers, which points to the fact that there are several marketing scales of measurements/variables that could be used to measure, performance, we base our choice of measuring tools on the statements of Spegel, (2004), that specific variables that could be applied as measurement instruments for variables should be relevant in measuring what it suppose to measure.

On this basis, marketing performance measuring tools need to be determined based on the formulated framework for the study, as well as the direction of the research. Since we are at liberty due to availability of choices to select some marketing performance measuring instruments, we therefore select three among marketing performance variables to test the extent of relationship between our predictor variable which is Brand Extension Strategy against our criterion variable which is Marketing Performance. The selected variable for marketing performance are; sales volume, sales growth and profitability. While the predictor variables indicators are brand image similarity and brand image similarity. This section examines how brand extension strategy affects marketing performance. We therefore, mathematically represent the independent and dependent variable in a theoretical framework.

The existing literature therefore suggests some potential performance benefits that might accrue to firms where consumers perceive the firms brand as being of high quality and transferring sufficient fit perception to the extended brand (Keller, 1998) however, achieving significant result through higher sales volume, sales growth and profit is said to be difficult for most firms considering the fact that consumers often use price as quality cue. This makes it difficult to achieve perception of both high quality and low price that have direct bearing with volume of sales, growth in sales and profit (Karmani and Rao, 2000). In addition, achieving strong quality perception among consumers is often expensive because, it may involve using higher quality raw materials or better trained service operatives, superior manufacturing or operations technologies and greater marketing communication expenditure in deriving organizations objectives (Keiningham *et al*, 1995) such additional cost can make it very difficult to also sell the firm's extended brands at prices that consumers may perceive as low cost (Morgan and Rego 1994).

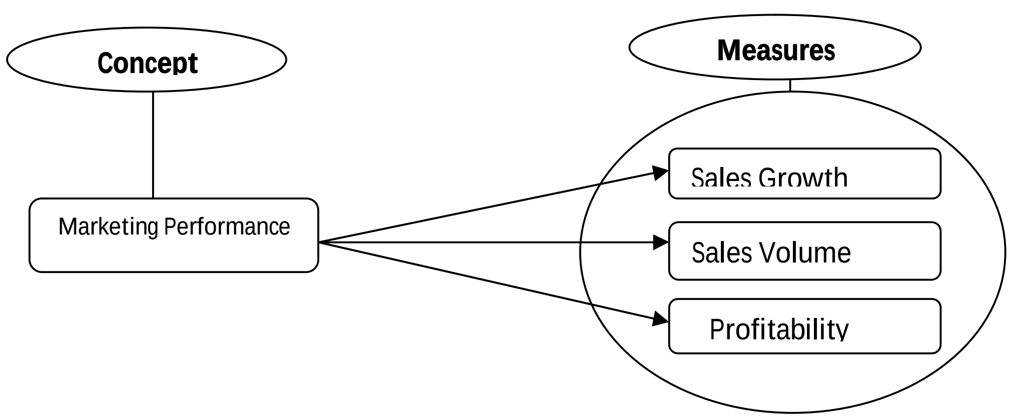

Figure 2: Marketing Performance Measures

Source: Author's Desk Research (2012)

Brand Image Similarity and Marketing Performance

There is a common believe noticeable in previous studies which shows that satisfaction and trust are the crucial antecedents of consumer patronage/loyalty to any given extended brand. However, the relationship between satisfaction, trust and acceptance of a given extended brand may not be as simple as expected. Studies carry out by Bolton *et al*, (2004); Keiningham *et al,* (2003); Li *et al,* (2005); Ngobo, (2004); Verhoef, (2003); Verhoef and Donkers, (2005); Verhoef *et al,* (2001) on the effects of satisfaction and trust on cross-buying show mixed results.

Thus, this study aims to examine the separate moderating effect of category similarity and category complexity in relation to marketing performance of firms in the soft drink producing and bottling business in the Niger Delta region of Nigeria. The study aims to examine the joint moderating effects of category similarity and category complexity on the relationship so as to ascertain their influence on performance. Also for the purpose of determining if in general, category similarity will facilitate the transfer of attributes from the core categories to the extension categories thereby enhancing performance, studies were carried out by Aaker and Keller, (1990) as well as Lei *et al*, (2004) showed positive relationship between brand image similarity and marketing performance in the area of price differentiation concerning vertical aspect of brand extension more especially when the moderating factors are given attention in the cause of launching and marketing the extended brand in the market place.

On the other hand, prior studies examining the effects of trust and satisfaction on cross-buying or share of wallet (similar to the concept of cross-buying in this study) have drawn mixed results. For example, Crosby *et al*, (1990) found that relationship quality (satisfaction and trust) has no effect on sales effectiveness (one of the sales effectiveness scale items is a cross-selling index). Verhoef *et al*, (2002) found that satisfaction and trust do not affect cross-buying. On the other hand, Selnes, (1998) and Bendapudi and Berry, (1997) found that trust has an effect on relationship enhancement (e.g. buying additional services). In this study, we expect that those mixed results may result from ignoring the moderating effects of category similarity and complexity. Prior research reveals that the association of a service provider and a given category depends on the clients' perceived similarity between a service provider and a product category (Inman *et al*, 2004). We expect that category similarity and complexity affect clients' cross-buying evaluation process between the core brand and the brands that extend from it. Therefore, the effects of satisfaction and trust on cross-buying are moderated by category similarity and performance. To cross-sell varying levels of similar and complex product categories, firms in the soft drinks bottling business need to adopt appropriate strategies to increase the willingness of existing and potential consumers to patronize specific extensions of given brands. we therefore argue that brand extension strategy does influence marketing performance through brand image similarity implementation and perception of fit.

From the theoretical framework, we developed the following three working hypotheses as guide to the study.

$H0_1$: Brand Image similarity (BI_S) is significantly related with sales volume.
H_{02}: Brand Image similarity (BI_S) is significantly related with sales growth.
H_{03}: Brand Image similarity (BI_S) is significantly related with profitability.

Research Methodology

A study of this nature might opt for sociological position, objectivism and society of order and regulation (Asiegbu, *et al.*, 2011) therefore, a total of 98 subjects made up of Commercial Managers, sales managers, marketing managers and area sales leads in the order of 4 respondents each were surveyed through questionnaire administration. This sample size was drawn from the randomly selected 12 out of 20 firms registered and operating in the Niger Delta region as at July, 2010 when the survey commenced. The choice of this sampling unit was deliberate to optimize resources and to get reliable information on the subject matter. The questionnaire embodied structured and unstructured questions which were hand-delivered with a cover letter to elicit ample response. Further, the questionnaire was divided into three; first contained six questions relating to respondents' profile; second focused on five questions relating to brand image similarity; and third consisted of fifteen questions relating to marketing performance. These were pre-tested for comprehension, relevance, completeness and extension of validity on ten area sales leads from industrial and domestic products firms as well as three scholars in the field of brand management.

These pilot survey participants were asked to identify any problems they encountered with the content of the questionnaire and their feedbacks formed bases for improving upon the final copies. Analysis was based on impressive response rate of 92.8% representing 78 usable copies of questionnaire that returned.

The instrument for data collection was a (twenty five) 25 – item questionnaire used to elicit information for the study. It contains (two) 2 sections. Section A, contains the demographic variables while section B, contains information on the dependent and independent variables of the study. Items 1 – 5 elicited data on brand image similarity, item 6 – 10 elicited for brand image similarity, items 11 – 15 elicited data on sales growth, items 16 – 20 elicited data on profitability and items 21 – 25 elicited data on sales volume.

Validity and Reliability

The validity of the variables measured was already confirmed in previous studies to marketing performance (Asiegbu, *et al*., 2011; Vision Edge, 2007; Rogers, 2003; Srivastava and Reibstein, 2005; Miller and Cioffi, 2004; 0'Sullivan, and Abela, 2007) and brand image similarity (Dahlberg, *et al*., 2004; Grime, *et al*., 2002; Ambler and Styles, 1997). Nevertheless, we reconfirmed the applicability of the measures in the present study, hence the pilot study. Cronbach Alpha was applied to measure the reliability of the concepts of the study variables. Coefficient Alpha is said to be one of the most widely used measures of internal consistency reliability in social sciences (Asiegbu, *et al*., 2011, Hatcher, 1994). The table below shows the reliability assessment of our indicator variables using Cronbach Alpha. The Cronbach coefficients of the items in the instrument are above the recommended 0. 70 (Hatcher, 1994) and therefore the items are internally related to the factors they intend to measure.

Table 1: Reliability Coefficients of Variables Measured

S/N	Dimensions/Measures of the Study Variables	Number of Items	Number of Cases	Cronbach's Alpha
1	Brand Image Similarity	5	78	0.713
2	Marketing Performance	5	78	0.832
3	Sales Growth	5	78	0.861
4	Sales Volume	5	78	0.827
5	Profitability	5	78	0.830

Source: SPSS Output

Analysis and Discussion

This paper applied descriptive statistics as well as specific statistical models to ascertain the correlation between BE_S and marketing performance variables. The individual effects of BE_S on the control variables- sales growth (SA_G), sales volume (SA_V), and profitability (PF_T) were also measured. The hypotheses were analyzed using Pearson Correlation Coefficient of the SPSS. Below are the outcomes of the analysis:

Research question one: the relationship between brand image similarity (BI_S) and sales volume (SA_V) in the brand extension marketing performance of soft drinks bottling firms in the Niger Delta region of Nigeria.

Table 2: Pearson Product Moment Correlation on the Relationship between Brand Image Similarity (BI_S) and Sales Volume (SA_V)

Variables	N	ΣB_{isx} ΣS_{avy}	$N\Sigma B_{isx}^2$ $N\Sigma S_{avy}^2$	$N\Sigma B_{isx} S_{avy}$	r_p	Result
B_{isx}. vs. S_{avy}	78	1497 1487	2270658 2251314	2245152	0.55	Moderate relationship

Table 4.2 shows that there is a positive and moderate relationship (r_p=0.55) between brand image similarity(BI_S) and sales volume(SA_V) in the brand extension marketing performance of soft drinks bottling firms in the Niger Delta region of Nigeria

Research question two: the relationship between brand image similarity (BI_S) and sales growth (SA_G) in the brand extension marketing performance of soft drinks bottling firms in the Niger Delta region of Nigeria.

Table 4.2: Pearson Product Moment Correlation on the Relationship between Brand Image Similarity (BI_S) and Sales Growth (SA_G)

Variables	N	ΣB_{isx} / ΣS_{agy}	$N\Sigma B_{isx}^2$ / $N\Sigma S_{agy}^2$	$N\Sigma B_{isx} S_{agy}$	r_p	Result
B_{isx}. vs. S_{agy}	78	1497 / 1489	2270658 / 2248974	2246166	0.56	Moderate relationship

Table 4.2 shows that there is a positive and moderate relationship(r_p =0.56) between Brand Image Similarity (BI_S) and Sales Growth (SA_G) in the brand extension marketing performance of soft drinks bottling firms in the Niger Delta region of Nigeria

Research question six: the relationship between brand image similarity (BI_S) and profitability (PF_T) in the brand extension marketing performance of soft drinks bottling firms in the Niger Delta region of Nigeria.

Table 4.3: Pearson Product Moment Correlation on the Relationship between Brand Image Similarity (BI_S) and Profitability (PF_T)

Variables	N	ΣB_{isx} / ΣP_{fty}	$N\Sigma B_{isx}^2$ / $N\Sigma P_{csx}^2$	$N\Sigma B_{isx} P_{fty}$	r_p	Result
B_{isx}. vs. P_{fty}	78	1497 / 1501	2270658 / 2284230	2261532	0.48	Low relationship

table 4.3 shows that there is positive and low relationship(r_p=0.48) between brand image similarity (BI_S) and profitability (PF_T) in the brand extension marketing performance of soft drinks bottling firms in the Niger Delta region of Nigeria.

Hypothesis four: there is no significant relationship between brand image similarity (BI_S) and sales volume (SA_V) in the brand extension marketing performance of soft drinks bottling firms in the Niger Delta region of Nigeria.

Table 4.12: Z-Test on the Relationship between Brand Image Similarity (BI_S) and Sales Volume (SA_V)

Variables	N	r_p	df	Zr-cal	Z-crit	Result
B_{isx}. vs. S_{avy}	78	0.55	76	4.86	1.99	S

p<.05 S= Significant

Table 4.12 shows that there is significant relationship between brand image similarity(BI_S) and sales volume(SA_V) in the brand extension marketing performance of soft drinks bottling firms in the Niger Delta region of Nigeria ($Zr_{(76, 0.025)}$= 4.86, p<.05 for a two-tailed test).

Hypothesis five: there is no significant relationship between brand image similarity (BI_S) and sales growth (SA_G) in the brand extension marketing performance of soft drinks bottling firms in the Niger Delta region of Nigeria.

Table 4.13: Z-Test on the Relationship between Brand Image Similarity (BI_S) and Sales Growth (SA_G)

Variables	N	r_p	df	Zr-cal	Z-crit	Result
B_{isx}. vs. S_{agy}	78	0.56	76	4.89	1.99	S

p<.05 S= Significant

Table 4.13 shows that there is significant relationship between brand image similarity(BI_S) and sales growth(SA_G) in the brand extension marketing performance of soft drinks bottling firms in the Niger Delta region of Nigeria ($Zr_{(76,\ 0.025)}= 4.89$, $p<.05$ for a two-tailed test).

Hypothesis six: there is no significant relationship between brand image similarity (BI_S) and profitability (PF_T) in the brand extension marketing performance of soft drinks bottling firms in the Niger Delta region of Nigeria.

Table 4.14: Z-Test on the Relationship between Brand Image Similarity (BI_S) and Profitability (PF_T)

Variables	N	r_p	df	Zr-cal	Z-crit	Result
B_{isx}. vs. S_{agy}	78	**0.48**	76	4.19	1.99	S

p<.05 S= Significant

Table 4.14 shows that there is significant relationship between brand image similarity (BI_S) and profitability (PF_T) in the brand extension marketing performance of soft drinks bottling firms in the Niger Delta region of Nigeria. ($Zr_{(76,\ 0.025)}= 4.19$, $p<.05$ for a two-tailed test).

Conclusions and Managerial Implications

The organization's target to continue maintaining all segments of the market with variety of similar product brands has remained the motivating force behind firm's extension of core brands that have served various classes of consumers over the years. Thus, this paper focused on investigating the relationship between brand extension strategy firms adopt and marketing performance in the soft drinks bottling industry in the Niger Delta region of Nigeria. The results of the qualitative analysis therefore reveal that there is concrete evidence which show that BE_S as adopted by firms in the soft drinks industry provides leverage in the marketing performance of firms of the soft drinks bottling industry in terms of perception of fit through brand image similarity implementation as shown in the positive results on the tested Ho_1, Ho_2 and Ho_3. This was seen as clear indication that when firms properly apply the efficacy of brand extension strategy in their marketing efforts geared towards accommodating all categories of consumers through the extension of the parent brand, firms volume of sales will likely continue to soar higher, growth rate of sales will equally be positive, thereby enabling firms to continue increasing profit through volume of products sold. Based on the findings of this study, we hold the view that when brand image similarity framework is inculcated in the extended product planning, development and implementation stages, the result may be a desirable output that meets consumers' taste appeal, thereby leading to better marketing performance.

The implications of our findings are as follows. That brand extension can positively impact on firm's business performance in terms of translating to better sales if principles guiding application of fit perception is duly observed when firms consider brand image similarity as an option for actualization of brand extension benefits. That if soft drinks bottling firms maintain the policy of aligning their extended products in terms of brand image similarity, it is likely that it may boost the profit volume of firms. For instance, if firms lay emphasis on building fit perception the part of the extended brand while shielding the product from brand dilution, the success can stimulate more consumers' taste appeal, thus creating higher patronage. The study therefore concluded that the components of brand extension strategy such as brand image similarity, does significantly influence marketing performance soft drinks firms.

Research Limitations and Suggestion for further Studies

The extent to which application of our findings is to be generalized depends largely on the suitability of situations in which the cases are similar among firms and industries. The fact that the test was conducted in a single industry makes it logical to affirm that generalization of findings may prove inapplicable, given that every industry has some unique elements that stand different from others. Therefore, Shiau et al, (2009), were of the view that one of the sure means of building external validity is to conduct similar survey, perhaps in a repeated manner, in other industries. It is obvious that there are various measures of ascertaining marketing performance, such as customer loyalty, market share, etc, as found in literature, however, the effect of BE_S on any of the above were not measured. Therefore, scholars are challenged to carry out study toward that direction to ensure that additional knowledge in that regard enhances the combined performance of firms in the soft drinks industry.

As well as examining the extent to which different organizational business investments respond to the application of brand extension strategy chosen by firms as a way of offering insight through literature as to which marketing effort is likely to deplete or succeed when deciding to extend or not to extend firms' brands.

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