

# Effectiveness of brand extension in personal care product: a case study on dove o...

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Brand is perceived to be an important intangible asset for a company which gives the company a cutting edge in the product market through positioning in the consumer mind. To leverage on the success of a brand, companies go for brand extension which is offering different new products in the same brand name.

Such a brand strategy is intended to be pursued to save the cost of launching a new brand, to minimize the risk of brand failure and to leverage on the success of an existing brand. Organizations who are in the personal care product business often go for such brand extension treating the brand as their assets where they try to leverage on their brand equity by launching new products under already established brand names (Vanitha et al, 2001). There are many factors that define the effectiveness and success of brand extension in personal care products.

Perceived Quality of Parent Brand, the relative importance of fit of brand with consumer characteristics and mission of brand are important variables which determine brand success (Park, et al, 1991). Beyond those factors, in the case of personal care brand extension, media planning, brand development and brand management and public relations to communicate the brand are considered to be influential in evaluating the success of brand extension.

This research work is pursued to evaluate the effectiveness of brand extension strategy in personal care products in general and brand extension strategy of Dove brand of Unilever. The report will elaborate whether brand extension strategy of Dove was successful one considering the variables mentioned above.

The report is prepared based on customers' responses collected through survey and observations of branding expert to assess such effectiveness. The turnover from products launched under brand extension strategy will be dependent variable that will be evaluated against Brand Campaign, Media Planning, Brand Development and Brand Management, and Public Relation Strategy of brand. The study will be based on Dove brand of Unilever which will outline how company changes branding strategy with evolution of Dove brand.

### **Background of the Organization**

Unilever's journey as business organization started at 1872 as margarine business. In 1890, the company was named as Lever Brothers Limited. In 1930 Margarine Unie (Netherland) and Lever Brothers Limited (UK) merged and renamed as Unilever Limited. Serving 2 billion customers worldwide, the company is achieving annual turnover of €51 billion in 2012 (Unilever, 2013). The company sells its products across 190 countries where emerging market now counts for 55% of the business. The company have portfolio of 14 cash cow brand that are generating € 1 billion sales worldwide. The company employs around 173, 000 people around the globe (Unilever PLC. 2013a).

The portfolio of categories shows that around 35% of revenue comes from Suvoury, Dressing and spread, followed by Personal Care which is about 28%, Home Care which is 18% and food and beverage segment covers 19%. Unilever has a portfolio of 400 brands among which some are world largest in terms of generating ideas. With an asset base of €46. 16 billion, the company has operating profit of about €7 billion (Unilever PLC. 2013b).

Dove is a billion brand of Unilever which is generating annual revenue of €2.5 billion a year in 80 countries. Dove Brand was launched in 1957 as alternative to soap to care of dry skin. Since 1980 many product is launched under Dove brand ranging from body-wash, deodorants, body lotions, facial cleansers, to shampoos and conditioners through brand extension (Unilever PLC, 2013). Unilever terms Dove as a brand with a purpose.

### **Rational of the Study**

Brand is perceived to be very important factor to position product in consumers' mind. A brand image has become a salient resource and critical success factors of competition which gives firm competitive advantage in product market. To leverage on such competitive edge firms at times takes strategy of brand extension to leverage the success of existing brand to optimize and rationalized investment in brand. But such brand extension produced mixed result in terms of effectiveness or return on brand extension due to brand fit with product launched, functionality of brand and consumer attitude to accept new product (Kim and Deborah, 2008).

To change consumer perception on the ground of functional benefit of brand, organization has to reshuffle its brandingcommunication to reposition brand in consumer mind which communicate a broader view of brand rather than functional benefits. The effectiveness of such brand extension depends on how firm develop brand, build brand and plan media to communicate the brand and maintain public relation to engage stakeholders (Bottomley and Stephen, 2001). Innovation of Branding campaign is another important parameter in this regard. The study will evaluate the brand extension

strategy of Dove through examining through different factors mentioned just above to justify brand extension strategy in Personal care product category.

### **Business Research Questions**

The following research question will be designed to conduct the study. what is the brand extension strategy of FMCG company in personal care products What are the factors that affect brand extension strategy of an established brand in case of personal care products How brand campaign, media planning, customer attitude, brand development and management, public relation reshuffle brand extension strategy in case of Dove brand of Unilever What is the statistical observations of effect of components of brand extension in positioning product in consumer brand

### **Research objective**

Every research is conducted with fulfillment of some objectives in mind. Those objectives persuade the researcher to pursue research in this field of study to enrich the researcher intellectual observation. The following are the research objective of the study which motivates the researcher to pursue this research. To review brand extension strategy in personal care product

To trace out the reasons that plays key role in developing brand extensions strategy in personal care products To explore the critically success factors that determines the effectiveness of brand extension strategy in personal care products To extract out how brand campaign, media planning, customer attitude, brand development and management, public relation played role in affecting success of brand extension of Dove brand of Unilever To evaluate the outcome of the study through statistical test to validate the findings of the study on rand extension strategy of Dove To suggest appropriate and

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specific recommendations and to provide conclusion along with mentioning the scope of future scope of study.

## **Literature Review**

Literature review is very important part of any credible research and it provides the research an opportunity to review similar and related previous research to take knowledgeable insight to design his or her study. The second chapter of the research will cover the literature review related to title of the research. The following sections will be covered by this chapter.

### **Brand**

Brand can be defined as name, tern, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of other sellers (AMA, 2011).

### **Brand Extension and Types of Brand Extension**

Brand extension is strategy of launching and selling new product under an established brand name of other existing products to persuade customer's perception with success of existing products (Monga and Deborah, 2007). Extension can be described as strategy to sell new products without establishing a new brand of the company (Chen and Liu, 2004).

There are two types of brand extension mostly used in branding strategy. The following graph is elucidating such types of brand extension.

### **The Reasons of Brand Extension**

There are logics why organization goes with brand extension instead of launching new brand for every new product. The most influential arguments

are reducing risk and cost of launching new products, increasing sales and profit of the company and being able to ask a premium price (Alokparna and Zeynep, 2012). The other reason includes increase brand awareness and perceived brand value of the company (Smith and Park, 1992).

### **Brand Extension in Personal Care products**

Brand extension in personal care product is more prevalent than other types of product due to homogeneity in product nature and communication of common perception to the consumers. From Unilever to P&G everyone does follow brand extension strategy more or less in their personal product portfolio (Xie, 2008).

### **Factors that Determines the success of Brand Extension strategy**

Various factors brand extension strategy of personal care products. The given case outlined the following factors that were considered influential in affecting brand extension strategy to Dove from soap to other personal care products

### **Branding Campaign**

Branding campaign is very important parameter to change customer perception from a narrower point of view to broader point of view. Earlier Dove is considered a cleansing cream or moisturizing cream (Tom et al, 2012). Whenever Unilever intended to communicate Dove as Masterbrand, it reshuffles its campaigning strategy to communicate Dove brand campaign as “ Campaign for Real Beauty” (Deighton, 2008). The case produced the following discussion.

**Branding to Change Customer Attitude**

Successful brand extension strategy change customer attitude to the favor of new product launched under established product category. In Dove case, the branding campaign redefines the notion of beauty to the women of the world by saying that every woman possesses real beauty, which is merely not defined by size, skin or age.

The brand defines beauty as function of self-esteem, feeling superiority about oneself. Such bold step to change women attitude toward beauty invites discussion and debate, which ultimately gave the familiarity of new product under Dove brand (Deighton, 2008a). The following comments are from Marketing Director of Dove.

**Media Planning**

Media planning is very important to communicate brand extension to new launched products. The effectiveness of media planning largely defines how effectively and efficiently message can be communicated to the target customers (Jack and Roger, 2002).

Uniqueness and cost consideration are most influential ingredients in media planning where company favors to choose unusual media to attract easily customers' attention and least cost media to save marketing cost of the organization (Clarke, 1997). Dove posted a filming featuring dove in YouTube for which Unilever did not spend a penny literally.



### **Brand Development and Brand Management**

Brand development is successful predictor of brand future. If an innovative and compelling brand is developed, it is mostly assured that brand will emerge as successful. Whenever a brand is successfully positioned in one product category, it is very easy to extend it to new product (Kumar, 2005). Successful brand development requires innovative brand development team, alignment of branding communication with characteristic of products so that they best fits each other (Monga and Deborah, 2007). In case of Dove Brand, extension brand development was separated from brand management in specific market.

### **Public Relation and Brand Extension**

Public relation or PR is emerging as very effective tool in communicating messages of new brand or brand extension to customers. The recent observation is that impact of advertisement is falling and that of PR is rising. PR is more effective when it comes to matter of communicating credibility of brand, saving of cost and clutter (Völckner and Henrik, 2006).

Moreover, Brand friendliness with PR can formulate a compelling communication strategy of brand extension with low cost (Tom et al, 2012a). Public relation of Dove was compelling covering both positive and criticism comments from leading press and marketing commentators which gave the firm great publicity (Deighton, 2008). New York Times mentioned about PR success of Dove as below

## **Research Methodology**

Research methodology will be third chapter of the research, which is mainly a roadmap of the research to the outcome, which will be employed with different type of methodology to extract out the insight from the incumbent research (Hunter and Leahey, 2008). The research methodology section will employ the following techniques.

### **Design of Research**

The most important element in research methodology is research design which will be cornerstone for further research steps to extract out relevant information from collected data. The research design consist of planning of research, dissecting and collecting raw data and observations from the key stakeholders to build a harmonious research that will fulfill social objectives (Brymanand and Bell, 2003). The research design is launched with researchphilosophy.

### **Philosophy of Research**

The research philosophy is very important ingredient of research design where philosophy concentrates on reasoning of rationality and scientific approaches, law of generalization to develop and establish knowledge. This research is based on positivism philosophy where transparency of research will be ensured through usage of true sense to make reproduction of information (Hussey and Hussey, 2007).

This philosophy of research mainly employs scientific tools and techniques to reason knowledge of imagination extracted from observed behavior (Saunders et al, 2009). The research philosophy that stands against this research philosophy is anti-positivism philosophy which prefers people

judgment on research issues. Positivism philosophy uses statistical tools which is not used by anti-positivism philosophy (Remeniya et al, 2008).

### **Justification of Positivism Philosophy**

The justification for selecting positivism philosophy is that in this philosophy research is carried out on through objective manner to explore the cause effect relationship between exogenous and indigenous variables (Irving, 2006).

### **Research Approach**

There are mainly two broad type of research is used by the researcher for conducting research. These approaches are induction and deduction approach. This research will be based on deduction approach, which is a top down research approach concentrating to relate research outcome with reasoning rather than a subjective general statement. This approach is very much relevant to bring a concrete conclusion. Deductive approach depends on earlier conceptual and theoretical structure, which is supported by quantitative data (Steinar, 2007).

### **Justification of Deduction Approach**

The strongest argument of using deduction approach is that this approach is based on scientific principles, which leads to highly structured and organized ground for the development of research hypothesis. This approach is also relevant for collection of research data to elucidate the relation and dependency among the variables to prove the hypothesis (Kumar, 2008).

## **Methods of Research**

Quantitative and qualitative two research methods will be used in this research through application of different qualitative and quantitative research technique.

### **Quantitative Methods**

This method will be used for collecting primary data collection. Different statistical parameters will be used under this method. The graphical presentation will be employed as instrument of quantitative method along with charts to display information more visibly (Churchill and Iacobucci, 2005).

### **Qualitative Research**

In case of subjective measurement qualitative technique will be employed. Brand extension and product categories have many dimensions that are qualitative in nature which need subjective evaluation. This method will be used mostly in case of data which are nonnumeric in nature and more concerned with behavioral aspect of the respondents.

This research has applied a mixed approach of research by incorporating qualitative and quantitative variable. Quantitative one has been applied to find the Effectiveness of Brand extension in case of Personal care products. On the other hand, to measure impact of public relation, media planning and brand management qualitative approach will be used.

### **Data Sources**

Data will be collected from mainly two types of sources, primary sources and secondary sources. For primary data, population will be female customers of

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Unilever in London. Beyond customers, brand manager of Dove at Unilever UK will be asked for an interview, which is also another source of primary data. Total 100 customers will be surveyed and three managers will be interviewed.

The primary data will be concerned with collection of data through a questionnaire that will ask about demographic profile of customers and research topic related questions where respondent will be asked on predetermined questions (Agresti and Finlay, 2009). The questionnaire will provide some statements and give respondent to put score based on their opinion. The secondary source of data will be relevant articles, books, website and annual report of Unilever. Appropriate referencing will be provided to authenticate the sources of secondary data.

### **Sampling, Design and Size**

#### **Target Population**

The target population of the research is all the potential respondents relevant to research study within some specific parameters (Churchill and Iacobucci, 2005). For the purpose of this study, the population included female users of Dove brand of Unilever UK in London. The demography of the respondent is developed in such a way that customers from different age, ethnicity and income level is selected.

#### **Sampling**

Sampling is a technique to filter respondent from population to conduct the study as deal with whole population is literally impossible. the influential

sampling method is probability sampling where equal chance of each candidate from population might be selected. There are other sampling technique that could be employed in this research study which are random sampling, systematic sampling, stratified random sampling etc (Foss, 2007). Having considered time and resource constraint, convenience sampling technique is best suited with this study

### **Design of Sample**

Design of sample refers to the process of selection of sample units. A self-administered survey will be conducted among the targeted sample and the in person with female users of Dove brand in London.

### **Sample size**

A sample size of 100 is expected to be collected for this study. Beyond them 3 managers will be asked for interview. Enough time will be given to each participant to reduce the error. The questionnaire is designed in simple English to reduce risk of ambiguity. Respondents

Number

Female users of Dove brand

100

Executives managing Dove Brand

3

Total

103

### **Data Analysis Tools and Techniques**

Graph, table and different diagram will be used to display data that will be collected through questionnaire. These will be done in primary data analysis. The core part of the questionnaire will be based on 5-point Likert Scale. The questionnaire provided to female users of Dove will consist of close-ended questions and interview questionnaire provided to the managers of Unilever will be open-ended questions. To assess the responses C-alpha test will be employed. The following techniques will also be used in this study.

### **Usage of Statistical Tools for Analysis**

To examine, filter and transform the collected data with research objective statistical tools will be used for reaching conclusion and approving decision making (Panneerselvam, 2004). Data will be analyzed through application of most up to date statistical tools used in business research.

Two distinct questionnaires were used in this research to analyze effectiveness of brand extension strategy of Dove brand. The following statistical tools have been used in this research. Graphical Technique: the graph will be produced in spreadsheet software of Microsoft Office Excel. In addition to generation of graphs, excel will be used in most quantitative analysis of the study.

Pearson Correlation Matrix: Correlation matrix is in fact a technique to develop relation between dependent and independent variables. It mainly observed how variables are dependent of each other. Scaling Technique: Scaling technique will be used in this study in case of subjective evaluation

of respondents. In this procedure, weight is assigned according to rank (Cooper and Schindler, 2008).

Result will be presented as percentage through rank percentage analysis. Regression Analysis: Regression analysis is used in research arena mainly to calculate the dependency of dependent variable with independent variables. It incorporates different statistical test such as P value, t-test to assess the influence of the relation in terms of statistical consideration. The regression equation of this study will be as below

Where,

Y= Dependent variable (Dove Brand Turnover)

$\alpha$  = Constant

$\beta_1$ = Coefficients of brand campaign

X1= Brand campaign

$\beta_2$ = Coefficients of customer perception toward brand

X2= Customer perception toward brand

B3= Coefficients of Brand Development and Management

X3= Brand Development and Management

B4= Coefficient of Media Planning

X4= Media Planning

B5= Coefficient of Public Relation

X5= Public Relation

e= Error term

### **Ethical Consideration**

To complete research with appropriate research guidelines research ethics is very important. Considering ethical aspect of research enough time is given <https://assignbuster.com/effectiveness-of-brand-extension-in-personal-care-product-a-case-study-on-dove-of-unilever/>



to the respondent of the study so that they can depict their true view on research questions. Primary and secondary data will be used in this study. Consent from the respondents will be taken and appropriate permission will also be ensured for usage of their given data.

Confidentiality of the responses will be maintained strictly to ensure privacy of their data. The disclosure of respondent identity will be based on their permission where if they are not willing to disclose identity, their identity will not be exhibited. Beyond that fact, usage of any secondary data from any source will be acknowledged with appropriate reference. Hence, the ethical aspect of research will be followed very strictly in this research.

### **Possible Research Outcome**

The research is pursued to find out whether brand extension strategy of personal care product is effective through analyzing the case of Dove brand of Unilever. The incumbent researcher is very much interested to explore the association of brand extension through different factors in making success of newly launched products. The research will produce how brand campaign, customer perception towards brand, brand development and management, and brand, media planning and public relation associates in making brand extension effective in case of Dove brand of Unilever.

### **Limitation**

The main limitation of the research is the period allocated for conducting the study. Another important limitation is the inability to remove the biasness of the responses due to subjective nature of the data. Another limitation is the dimension factors related in brand extension in addition to mentioned factors, which might produce incomplete conclusion.

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## Time Scale of Research

The dissertation will be produced by maintaining the following time scale

Task	to	be	Executed
Week		1	
Week		2-4	
Week		5-8	
Week		9-11	
Week		12	

Questionnaire Development and Outline of the Thesis

Survey Conduct

Data mining and Filtering

Introduction

Literature Review

Research Methodology

Data Analysis

Submitting First Draft

Submitting Second Draft

Proof Reading and Error Checking

Final Submission

## Conclusion

It is observed that brand extension strategy in personal care products is more prevalent and effective than any other products. This research study is

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intended to explore the effectiveness of brand extension strategy of Dove brand of Unilever. The researcher believes that the study will produce valuable insight in such evaluation that will be useful for both the executives and academicians. It will also create opportunity for further research in this field of the study.