

**INFLUENCING FACTORS ON CONSUMER ACCEPTABILITY
OF BRAND EXTENSION IN MANMUNAI NORTH DIVISIONAL
SECRETARIAL DIVISION, BATTICALOA**

JESSICA EVANGELINE SELVANAYAGAM

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**DEPARTMENT OF MANAGEMENT
FACULTY OF COMMERCE AND MANAGEMENT
EASTERN UNIVERSITY, SRI LANKA**

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ABSTRACT

This study describes of the factors influencing successful brand extension. Specifically the study analyzes the impact of similarity, brand reputation, risk free perception and consumer innovativeness on the success of brand extension of "Kist" in FMCG market. This study had been conducted in Manmunai North Divisional Secretarial, Batticaloa among 200 sample consumers who buy products from the brand 'Kist'. A set of hypotheses were developed and tested by regression analysis. It investigated the influencing level of factors such as perceived similarity, brand reputation, risk free perception and consumer innovativeness on consumer acceptability of brand extension. This study provides support for three out of the four hypotheses of Hem & Charnatony's model. Parent brand reputations, perceived similarity and consumer innovativeness, have powerful positive effect on consumers' mind-set towards the brand extension in the selected brand category. However the fourth hypothesis consumer innovativeness in preparing the extension with customers' attitude regarding brand extension has not a significant effect on success of brand extension comparatively. The result of this study suggests a number of implications for brand extensions in our country. Implications have been discussed for the organization of consumer information and effect across brand extension in FMCG market.

Keywords: Brand Extensions, Similarity, Reputation, Risk free perception, Innovativeness.

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