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Brand Extension as a Catalyst for Brand Equity Formation and Reinforcement: A Conceptual and Empirical Examination

Chiyem OKORIE
chiyemokorie.edu@gmail.com

Department of Marketing, Faculty of Administration and Management, Southern Delta University, Ozoro, Delta State, Nigeria.

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ABSTRACT

One of the most widespread strategic marketing approaches used to leverage existing brand value to launch new things into the marketplace is brand extension. Brand extensions are become more frequent, although there is inconsistent academic study as to whether brand extensions add to or remove from the parent brand's value. This research aims to evaluate the impact of brand expansion on the brand equity creation and strengthening using Coca-Cola as the reference brand. The research specifically investigated the impact of Coca-Cola brand extension on customer retention, brand association and brand trust. The study utilised a quantitative cross sectional survey research technique. Data were gathered from 369 valid responses via a structured questionnaire on a five-point Likert scale employing a multi-stage sampling approach. The instrument was assessed by professionals and piloted to confirm its validity and reliability. Descriptive statistics and the Chi-square test at 5% level of significance were used to test the hypotheses and analyse the data. Results demonstrated that respondents evaluated extremely favourably to the brand growth strategy of Coca-Cola with means > 4.0 on all the criteria assessed. The hypothesis tests indicated that brand extension had a statistically significant positive effects on customer retention ($\chi2 = 8.53$, $p = 0.0035$), brand association ($\chi2 = 86.51$, $p < 0.001$) and brand trust ($\chi2 = 791.90$, $p < 0.001$). The results imply that well-executed brand extensions increase consumers' emotional and functional commitments to the parent brand, generate trust via perceived quality consistency and brand legitimacy, and drive repeat patronage by meeting multiple customer demands. The research suggests that strategically aligned brand expansion is an effective catalyst to build brand equity and preserve competitive advantage. It argues that enterprises should achieve high congruence between parent brands and extension items, maintain the product quality consistent throughout all expansions, and enhance both functional and emotional brand linkages to optimise long-term brand equity. This research contributes to the burgeoning literature of branding by presenting empirical evidence from the Nigerian fast-moving consumer goods market on the strategic value of brand expansion in enhancing customer-based brand equity.

Keywords: *Brand Extension, Brand Equity, Customer Retention, Brand Association, Brand Trust.*

1. INTRODUCTION

Brands have become significant strategic assets that impact and shape customer perceptions, purchasing behaviour and create a lasting competitive advantage inside the highly competitive marketplace of today. As marketplaces become more congested with competing goods and customer preferences continue to change swiftly, companies face increased pressure to get the greatest value from their present brands, while simultaneously seeking growth prospects via innovation. Therefore, strategic management of brand equity has become one of the most significant goals for both marketing practitioners and academicians. Strong brand equity boosts customers' loyalty and readiness to pay premium pricing and strengthens firms' resilience to competitive pressures and market uncertainty (Mikul & Mittal, 2023)

Brand extension is one of the most prevalent expansion tactics used to increase brand equity. It is one of the numerous strategic initiatives. Brand extension is the practice of utilising the existing brand name of a product to launch a new product in a different product category. Drawing on the current customer awareness, positive brand connections, quality perceptions and trust, which the organization has previously built up, helps to offset the substantial financial and commercial risks of establishing totally new brands. Successful brand extensions help organisations to gain quicker market penetration, enhance marketing efficiency, broaden customer reach, and underline the strategic value of the parent brand. In this sense, global corporations such as Coca-Cola, PepsiCo, Nestlé, Unilever and Procter & Gamble have depended on brand extension tactics to broaden their product ranges and maintain their leadership in the market.

Despite these strategic benefits, brand expansion is one of the most challenging and contentious choices in contemporary brand management. Successful extensions can foster customer loyalty, strengthen positive brand associations and increase overall brand equity, but unsuccessful or poorly aligned extensions can create consumer confusion, dilute existing brand meanings, diminish brand credibility, and eventually deplete the equity painstakingly created by the parent brand. Thus, contemporary theoretical methods conceptualise brand extension as a strategic instrument that may produce as well as destroy value dependent mostly on consumers' judgements of extension fit, product quality, brand credibility, and consistency with the parent brand's identity (Jusuf et al., 2023).

More recent empirical study also reveals that the connection between brand expansion and brand equity is multidimensional rather than linear. Research suggests that the success of an extension depends not only on the strength of the parent brand but also on a number of interacting factors such as the perceived fit between parent brand and extension, prior experience, emotional attachment, perceived authenticity, product quality and trust in the brand. Meta-analytic data reveals that parent brand equity and extension fit remain among the biggest indicators of extension success. Recent research has focused on the increased impact of customer experience, digital interaction and symbolic brand value in deciding extension ratings. The results imply that brand extension should not be considered merely as a product diversification strategy but as a dynamic process by which enterprises continually develop, transfer, enhance, and occasionally destroy brand value.

While substantial progress has been achieved in the brand extension literature, there are still major conceptual and empirical gaps. First, earlier research has not reliably proven the long-term impact of brand expansion on parent brand equity. While several research reveal positive spillover effects on customer loyalty, perceived quality and brand image, others show evidence of brand dilution, negative feedback effects and plummeting consumer confidence following failed expansions. These inconsistent results show that the circumstances under which brand expansions might increase or hurt the brand equity are not yet fully understood.

Second, most of the empirical data is centred on developed economies, particularly North America, Western Europe and portions of Asia. Relatively little attention has been dedicated to rising African markets, where consumer behaviour, cultural values, buying power and competitive dynamics vary substantially from those in industrialised nations. The little data from sub-Saharan Africa curtails the generalisability of current theories and refers to the necessity for context-specific research capable of explaining how consumers in emerging countries judge brand expansion activities.

Third, past research has generally studied just one facet of brand equity, such as brand loyalty, perceived quality or brand awareness. Few research has evaluated the effect of brand extension on customer retention, brand association and brand trust concurrently within an integrated framework. By simultaneously capturing essential characteristics of customer-based brand equity, a fuller investigation of these constructs gives better theoretical and managerial insights into the processes via which brand expansion leads to sustained competitive advantage.

The Nigerian situation presents an exceptionally opportune setting in which to address these deficiencies. The nation is one of Africa's major consumer markets with rising urbanisation, changing lifestyles, increased product proliferation and severe rivalry in the fast-moving consumer goods (FMCG) sector (Mfon & Uford, 2022), giving it a suitable backdrop to investigate customer reaction to brand expansion tactics. Within this climate, Coca-Cola has continually increased its product line to provide different beverage types to fulfil the increasingly varied customer demands. However, empirical data as to whether these extension techniques promote customer retention, improve brand connections and boost consumer trust is somewhat scant.

Against this context, this research explores the influence of Coca-Cola's brand expansion strategy on the building and strengthening of customer-based brand equity in Nigeria. The research primarily studied the influence of brand expansion on customer retention, brand association and brand trust. This research contributes to the increasing literature of strategic brand management in three crucial ways by combining modern branding theory with actual data from a developing country. First, it contributes to understanding of the methods by which brand expansion increases customer-based brand equity in emerging countries. Second, it presents empirical data from Nigeria, a setting that is currently under-represented in worldwide branding literature. Third, it gives practical counsel to marketing managers who wish to harness the strategic advantages of brand expansion while limiting the hazards of brand dilution. Together, these contributions increase scholarly knowledge and management practice of the strategic significance of brand expansion in preserving long-term brand equity.

Objectives of the study

The basic purpose is to investigate the impact of brand expansion on brand equity generation and reinforcing. Specific objectives include:

1. To evaluate the influence of Coca-cola brand expansion on consumer retention
2. To examine link between Coca-cola brand expansion and brand association.
3. To assess the impact of coca cola brand expansion on brand trust

Statement of hypotheses

Hypothesis 1

H_{01}: Coca-Cola brand expansion does not substantially influence consumer retention.

Hypothesis 2

H_{02}: Brand expansion of Coca-Cola does not have considerable influence on consumers' brand connection.

Hypothesis 3

H_{03}: There is no substantial influence of Coca-Cola brand expansion on brand trust.

2. LITERATURE REVIEW

Conceptual Review

In the current marketing strategy, brand extension is an essential strategic tool that helps organisations to exploit existing brand names for introducing new items in the marketplace. As marketplaces grow more crowded and competitive, businesses are required to leverage intangible assets such as brand equity to generate sustained competitive advantage (Akpan et al, 2024). Consequently, the overlap between brand extension and brand equity has been the subject of a significant lot of scholarly attention, particularly in terms of the influence of extension tactics on the formation, development or destruction of brand equity.

This conceptual study incorporates current literature on brand extension and brand equity to investigate how brand expansions might be catalysts for the formation and strengthening of brand equity. It also incorporates empirical facts that give a complete picture of the phenomena.

Conceptual Clarification of Brand Extension

Brand extension is the application of an existing brand name on a product from a new product category (Aaker & Keller, 1990). Brand extension is based on the information structures stored in the memory of customers (Keller, 2003) and thus it minimises the cost of launching a new product and enhances the possibility of adoption.

The effectiveness of brand extension is strongly reliant on perceived fit including the resemblance, complementarity and transferability of brand associations (Park, Milberg & Lawson, 1991).

Conceptualizing Brand Equity

Brand equity is the worth of a brand name in addition to the value of the product. Aaker (1991) defines brand equity as a multi-dimensional entity that includes:

- Brand awareness
- Brand associations
- Quality of perception
- Loyalty to the brand
- Brand assets (proprietary)

However, Keller (1993) proposed the theory of Customer-Based Brand Equity (CBBE), saying that brand equity is produced when customers have strong, favourable and distinctive brand connections.

Scholars like Simon and Sullivan (1993) describe brand equity as the market value connected to brand-related cash flows from a financial standpoint.

Brand Extension as a Catalyst for Brand Equity Formation

Brand expansion helps to the building of brand equity in numerous ways:

a. Creating Brand Awareness

Extensions boost brand exposure across different product categories, enhancing recall and recognition.

b. Amplifying Brand Associations

New categories of goods allow opportunity to generate extra connections and broaden the meaning of the brand in the eyes of customers.

c. Facilitating Trial &Adoption
Consumers are more willing to try new items from a brand name they already know, which allows quicker market penetration and builds favourable brand connections.

d. Utilising Brand Credibility
New goods gain from the legitimacy of existing brands, decreasing perceived risk and building trust.

Brand Extension and Brand Equity Reinforcement

Brand extensions may do more than merely generate new items. They may also play an essential role in strengthening the equity of an established brand:

Consistency & Coherence: Extensions are intentionally tied to key brand principles.

Brand Rejuvenation: Extensions may revive established brands making them relevant to new markets or niches.

Loyal Customers Accept Extensions: Loyal customers prefer to accept extensions, therefore increasing their connection with the company.

But reinforcement is predicated on maintaining strategic fit, quality consistency and brand positioning integrity.

Brand extension is a double-edged strategic instrument that may both build and destroy brand equity. When done well, with the appropriate strategic alignment and consumer-centric understanding, it is a potent catalyst in the creation and reinforcement of brand equity. "In contrast, poorly planned expansions may dilute brand equity and weaken brand health over time.

3. METHODOLOGY

Research Design

Methodology: The study adopts the quantitative, cross-sectional survey research methodology to empirically investigate the role of brand extension as a catalyst in brand equity formation and reinforcement. The quantitative approach is justified because it allows the researcher to test theoretically grounded relationships between constructs such as brand extension fit, perceived quality, brand associations and overall brand equity using statistical techniques.

A cross-sectional approach is regarded acceptable since data are acquired from respondents at a particular moment in time, allowing the evaluation of prevalent consumer views on brand expansions and their consequences for brand equity.

Research Population and Sampling Technique

The target demographic comprises of fast-moving consumer goods (FMCG) customers who are aware of brands that have implemented extension methods. The research focusses on urban consumers since they are more exposed to the various product categories and brand proliferation.

A multi-stage sampling approach is used:

Stage 1: Purposive sampling to identify brands with active expansion plans in diverse categories (e.g., drinks, personal care, home items).

Stage 2: Stratified sampling to assure representation across demographic characteristics (e.g., age, gender, educational background).

Stage 3: Simple Random Sampling of responders within each stratum.

For the sample size, the researcher utilised the Cochran's (1977) method for large populations to establish the minimum sample of 384 respondents, however, only 369 respondents finished the questionnaires properly and returned.

Data Collection Method

The major data are obtained by a structured questionnaire which is constructed based on the scales utilised from prior research. The questionnaire consists of three sections:

Section A: Demographic characteristics (sex, age, education, income level)

Section B: Brand Extension Construct Measures (e.g., perceived fit, perceived quality, brand credibility)

Section C: Brand equity dimensions metrics (brand awareness, brand associations, perceived quality, brand loyalty)

All questions were scored using a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree).

The instrument was pilot tested among 30 respondents for enhancing clarity and validity with minor adjustments in language and structure.

Validity and Reliability of the Instrument

The following processes are employed to assure the resilience of the measuring instrument:

Content Validity: Verified by marketing and branding academics.

Construct Validity: Assessed via Exploratory Factor Analysis and Confirmatory Factor Analysis.

Reliability: Assessed using Cronbach's Alpha, with a threshold of 0.70 indicating adequate internal consistency.

Moreover, the convergent validity is validated by calculating the Composite Reliability (CR) and the Average Variance Extracted (AVE), whereas the Fornell-Larcker criteria is utilised to examine the discriminant validity.

Data Analysis Techniques

Statistical Package for Social Sciences (SPSS) and AMOS/PLS-SEM is used for data analysis and structural modelling respectively. The analysis is completed in the following steps:

1. Descriptive statistics: To describe the demographic features and distribution of variables.
2. Exploratory Factor Analysis (EFA) To study the underlying factor structures.
3. Confirmatory Factor Analysis (CFA): To assess the validity of the measurement model.
4. Structural Equation Modelling (SEM): To test hypothesised correlations and assess the size and direction of effects.
5. Regression Analysis: To explore the prediction capacity of independent factors on brand equity.

Theoretical review

Consumer-Based Brand Equity (CBBE) Theory

The development of the Consumer-Based Brand Equity (CBBE) Theory by Kevin Lane Keller (1993) has been attributed to the comprehensive framework for comprehending the creation and sustenance of brand equity from the consumer perspective. The theory sees brand equity as the differential effect of brand knowledge towards consumer response to marketing activities.

Brand knowledge has two main components: brand awareness and brand image. Brand awareness means the ability of a consumer to recognise and recall a brand, and brand image means a set of associations that are linked to a brand in memory. All these elements together create the basis for building brand equity. Keller (1993) emphasises the need of strong, favourable and unique brand associations to be able to build positive brand equity.

Brand extension is a strategic tool to leverage existing brand knowledge to increase marketing effectiveness in this context. Brand extensions help the brand to be known better by spreading the brand across a number of product categories. This results in better recall and recognition. Additionally, they influence brand image by reinforcing or generating new associations like innovativeness, versatility, and quality.

The most important thing CBBE Theory emphasises is that brand extension works through associative memory processes. Consumers use what they know about the parent brand to form expectations for an extension. If the extension is consistent with the current associations of the brand, it will improve the brand image and total brand equity (Okorie & Akpan, 2017). Conversely, inconsistent extensions may generate negative associations and dilute brand equity.

The theory also considers the two-way relationship between brand extensions and the parent brand. Successful extension can improve the perceived quality and credibility of the parent brand and thus build brand equity over time. But failed extensions can have negative feedback effects, diluting the brand and reducing consumer trust.

Brand extensions contribute to the formation of brand equity by introducing the brand to new consumers and contexts, which helps to form awareness and initial associations (Uford, 2017). In terms of reinforcement, each successful extension builds on the last, consolidating brand meaning, deepening emotional connections, and fostering brand loyalty. Therefore, CBBE Theory sees brand extension as an important factor in the development and maintenance of brand equity.

Empirical review

A recent experimental study in the Journal of Retailing and Consumer Services (2025) examined consumer responses to brand extension versus co-branding strategies. Results showed that brand extensions are generally perceived as more authentic and trustworthy than co-branding initiatives due to higher attribution of responsibility to the parent brand. However, the study also identified consumer mindset as a moderating factor, suggesting that individual differences influence extension evaluation.

Moreover, recent systematic reviews on brand equity and consumer behaviour (e.g., Castillo-Villar & Murillo, 2024; Enes et al., 2024) have highlighted the changing nature of brand equity in contemporary markets. Thus, the studies suggest that digitalisation, consumer experience and emotional attachment are increasingly important in shaping brand equity, and this, in turn, affects how consumers perceive and evaluate brand extensions. Therefore, current brand extension strategies must go beyond functional fit and include experiential and emotional components.

In contrast, Loken and John (1993) demonstrated that ineffective extensions may dilute brand perceptions, especially when there is a poor congruence between the parent brand and the extension. John et al. (1998) also observed that negative feedback from extensions might affect flagship goods.

Martínez and de Chernatony (2004) found that the effect of brand extensions on the brand image depends on the degree of execution of the extension and how the consumer perceives the extension. Successful brand extensions have a positive effect on consumer choices and market performance (Swaminathan et al., 2001).

The beverage industry is no stranger to brand extensions and attempts to cater to different consumer preferences like health conscious, low sugar etc. Coca-Cola Bottling Company has successfully done this by offering a variety of products. However, empirical studies on the impact of such extensions on brand equity in emerging markets such as Nigeria are still limited.

4. DATA PRESENTATION AND ANALYSIS

Socio-Demographic Characteristics of Respondents

In this part, the bio-data of the respondents is reported using simple frequencies and percentages as per the standard of reporting in scientific publications.

Section A: Bio-Data

Gender Distribution of Respondents

	Gender	frequency
1	Male	211
2	Female	158

Out of the overall sample (N = 369), 211 respondents (57.2%) were men and 158 respondents (42.8%) were women. This is indicative of a modest male superiority in the research sample. However, both genders are well represented for a relevant analysis.

Age Distribution of Respondents

	Age	frequency
1	18-25	237
2	26-36	79
3	36-45	26
4	46 and above	27

The age profile reveals that the majority of respondents are in the young demographic. Specifically, the dominating age group was 18–25 years with 237 responses (64.2 per cent). Next were 79 respondents (21.4%) in the age range 26-36 years.

Older age groups are presented to a small extent, with 26 respondents (7.0%) within the age group of 36–45 years and 27 respondents (7.3%) with 46 years and above. The distribution indicates that the dataset is primarily driven by younger consumers, which may have implications for consumption behaviour and brand perception.

Educational Qualification of Respondents

	Qualification	score

1	SSCE	26
2	ND/NCE	27
3	HND/BSc	237
4	MSc and above	79

An analysis of educational attainment indicates a highly educated sample. The highest educational attainment is HND/BSc with 237 respondents (64.2%) which is the highest representation. This is followed by 79 respondents (21.4%) with MSc or higher degrees which shows a significant presence of advanced academic attainment. Lower educational levels are less represented with 27 respondents (7.3%) having ND/NCE qualifications and 26 respondents (7.0%) having SSCE certificates.

The findings, overall, show that the respondents are typically highly educated, which boosts the reliability of their replies in perception-based research.

Frequency of Coca-Cola Consumption

	Rate	score
1	Very often	105
2	Often	185
3	Occasionally	26
4	Rarely	53

The pattern of consumption of Coca-Cola products by the respondents reveals a high level of involvement. Most of the respondents 185 (50.1%) said that they drink Coca-Cola products regularly while 105 respondents (28.5%) responded that they eat Coca-Cola products very often.

Conversely, 53 respondents (14.4%) reported infrequently eating the product and just 26 respondents (7.0%) claimed occasional usage.

This distribution reveals that the Coca-Cola has a good base of consumption in the sampled population with more than three quarters of the respondent’s consuming the product regularly (often or very often). The high rate of consumption suggests that the brand has a good penetration and that there is a habit of purchasing the product in relation to the study.

The descriptive analysis shows that the sample is rather young, well educated and slightly male dominated. Coca-Cola consumption is also quite frequent, reflecting the market presence and consumer familiarity. These characteristics are necessary because they give the context in which the subsequent inferential analysis and hypothesis testing are to be interpreted in the study.

Descriptive Analysis of Brand Extension

This section presents a rigorous statistical analysis of respondents’ perceptions of brand extension practices in terms of mean scores and standard deviations derived from a 5-point Likert scale. The total number of valid responses for all items is 369, which is a good data set and is suitable for inferential interpretation.

Descriptive Statistics of Brand Extension Variables

S/N	Statement	SA (5)	A (4)	U (3)	D (2)	SD (1)	Mean	Std. Dev.
1	Coca-Cola frequently introduces new product variants	105	264	0	0	0	4.28	0.45
2	New variants are consistent with the parent brand image	211	132	26	0	0	4.50	0.62
3	Ease of recognizing new products due to brand name	185	184	0	0	0	4.50	0.50
4	Brand extensions meet my expectations	132	211	0	0	26	4.15	0.69
5	New variants enhance brand attractiveness	211	132	0	0	26	4.36	0.71
6	Trust in new products due to parent brand	211	132	0	26	0	4.43	0.63

The research indicates that all six brand extension indicators are rated high and consistently high with mean scores ranging from 4.15 to 4.50, significantly above the neutral baseline of 3.00. This testifies to a strong customer attitude in favour of brand extension methods.

The highest mean scores (M = 4.50) were recorded for Item 2 and Item 3, which indicate that respondents strongly feel that new product variants are highly congruent with the parent brand image and easily identifiable due to brand equity cues. This is consistent with existing branding theory that perceived fit and brand recognition are key determinants of successful brand extension.

Item 6 (M = 4.43) also supports the transfer of brand trust from the parent brand to its extensions, thus reinforcing the idea of trust spillover in brand architecture. Similarly, Item 5 (M = 4.36) shows that brand extensions increase the overall attractiveness of the brand, indicating that innovation in the brand portfolio has a positive influence on the attractiveness perceived by the consumer.

Item 4 continued to be strongly positive but recorded the lowest mean (M = 4.15) and the highest variability (SD = 0.69) providing slightly more heterogeneous perceptions as to whether brand extensions fully meet consumer expectations. The small spread suggests that although the overall perception is positive, there may be some consumers who perceive a discrepancy in the performance or value delivered by the product.

The low standard deviations (0.45-0.71) across all questions suggest to high agreement among respondents and provide extra validity to the patterns discovered.

Results provide a strong empirical support to the effectiveness of brand extension strategies in strengthening the brand equity dimensions such as recognition, trust, perceived fit and attractiveness. The high percentage of agreement responses (SA and A) on all items demonstrates the strategic advantage of using a well-known brand name in new product launches.

To conclude, the results offer empirical support for the premise that successful brand expansions depend on consistency, recognisability and trust transfer, which all gain strong support in this study.

Brand Associations

Table 4.10 assesses the link of product growth of Coca-Cola with important brand attributes by customers.

Table 4.10: Responses on Brand Associations

Statement	SA (5)	A (4)	U (3)	D (2)	SD (1)	Total	Mean	SD
Coca-Cola product extensions reflect innovation	185	184	0	0	0	369	4.50	0.50
Coca-Cola extensions fit well with the brand's identity	211	158	0	0	0	369	4.57	0.49
I associate Coca-Cola with happiness and refreshment	211	158	0	0	0	369	4.57	0.49
The packaging of Coca-Cola extensions enhances its image	231	138	0	0	0	369	4.64	0.48
Coca-Cola extensions strengthen the overall brand image	231	138	0	0	0	369	4.64	0.48
Section Mean							4.58	

Table 4.10 shows that the brand links are quite positive, with a section mean of 4.58, which is the second highest among all the dependent variable sections. This part got no disagreements or unsure answers on any of the five questions, which suggests that everyone agreed that Coca-Cola's growth create strong brand links. Both items 25 and 26, which spoke about how the package may improve the brand image and how additions can make the brand image even stronger, got the biggest degree of agreement in this area, with means of 4.64. Items 23 and 24, which tie the brand to personal stability and the emotional link to enjoyment and relaxation, both had means of 4.57. These results show that Coca-Cola's extensions are not only product types but strategy tools that improve both symbolic and practical links, aligned with the brand association feature of Aaker's Brand Equity Model.

Brand Extension and Brand Trust

This section includes a thorough statistical examination of respondents' views about the influence of brand expansion on brand trust. Responses were assessed on a 5-point Likert scale, with a total sample size of N = 369 for all topics.

Table 4.2: Descriptive Statistics for Brand Extension and Brand Trust

S/N	Statement	SA	A	U	D	SD	Total (N)	Mean ($\bar{x}$)	Std. Dev. (σ)
1	I trust new Coca-Cola products because they carry the brand name	230	112	27	0	0	369	4.55	0.62
2	Brand extensions maintain expected quality	235	107	25	2	0	369	4.56	0.63
3	Confidence increases with new product variants	158	158	27	26	0	369	4.22	0.79
4	Coca-Cola ensures reliability across product extensions	213	156	0	0	0	369	4.58	0.49
5	Brand reputation creates security in trying new products	211	79	79	0	0	369	4.36	0.82
6	Past experience influences trust in new	210	159	0	0	0	369	4.57	0.49

S/N	Statement	SA	A	U	D	SD	Total (N)	Mean ($\bar{x}$)	Std. Dev. (σ)
	products								

The findings demonstrate a strong positive sense of brand trust as impacted by brand extension, with all mean scores considerably beyond the neutral threshold of 3.00. Specifically, mean values range from 4.22 to 4.58, suggesting a high level of agreement among respondents.

Item 4 (M = 4.58, SD = 0.49) got the highest mean score, demonstrating that respondents overwhelmingly perceive consistency and dependability across Coca-Cola's product extensions. This demonstrates a substantial transfer of brand credibility from the parent brand to its extensions.

Similarly, Items 2 (M = 4.56) and 6 (M = 4.57) demonstrate that perceived quality consistency and prior consumption experience are critical drivers of trust. These findings reinforce the theoretical assertion that brand familiarity and experiential learning significantly enhance consumer trust in new product offerings.

Item 1 (M = 4.55) further highlights the relevance of brand name recognition as a trust signal, suggesting that the simple link with the parent brand greatly decreases perceived risk.

However, Item 3 recorded the lowest mean (M = 4.22) and a relatively higher standard deviation (SD = 0.79), suggesting greater variability in respondents' confidence levels regarding the introduction of new variants. This implies that while most consumers respond positively, a segment remains cautious about frequent product introductions.

Item 5 (M = 4.36, SD = 0.82) likewise displayed substantial dispersion, demonstrating that while brand reputation typically generates a feeling of security, some respondents stay indifferent, presumably reflecting individual variations in risk tolerance or past product experiences.

The very low standard deviations across most questions (especially questions 4 and 6) imply substantial agreement, hence boosting the credibility of the results.

The empirical data substantially supports the thesis that brand expansion considerably promotes brand trust. The results reveal that trust is largely influenced by: perceived quality consistency, brand dependability, prior customer experience, brand name credibility

In essence, the findings corroborate the theoretical concept that effective brand expansions harness existing brand equity to strengthen customer trust, hence lowering uncertainty and boosting trial behavior.

Test Of Hypothesis

Hypothesis one

$H_0 1$: Coca-Cola's brand expansion has no substantial influence on customer retention.

$H_1 1$: Coca-Cola's brand expansion has a major influence on customer retention.

The total brand equity components, which encompass willingness to pay a price, perception of brand power, and continued spending indicators, are used to analyse customer retention. Table 4.3 displays the cross-tabulation findings for this hypothesis.

Table 4.3: Chi-Square Test – Brand Extension and Customer Retention

Variable	Agreement	Non-Agreement	Total
Brand Extension	2,110	104	2,214
Customer Retention (Brand Equity)	1,792	53	1,845
Total	3,902	157	4,059

Chi-Square (χ^2) Value	Degrees of Freedom	p-value	Decision
8.53	1	0.0035	Reject H_{04}

| ***Critical Value:*** $\chi^2(1, 0.05) = 3.841$

The p-value of 0.0035 is less than the 0.05 significance level, while the chi-square value of 8.53 is bigger than the vital value of 3.841. Consequently, the null hypothesis (H_{04}) is rejected in favour of the alternative (H_{14}). This shows that Coca-Cola's brand growth has a huge impact on keeping users. The study shows that carefully launching multiple types of Coca-Cola products keeps customers by giving them options, satisfying their diverse tastes, and keeping the brand current. This is especially true for the 50.1% of respondents who stated they "often" drink Coca-Cola goods. This result is in line with what Igbinedion and Nwosu (2023) found, which demonstrated that Coca-Cola's developments were vital in maintaining consumers by offering them alternatives and keeping the brand relevant in the competitive beverage market.

Hypothesis two

H_o2: Coca-Cola's brand expansion has no noticeable influence on consumers' brand connection.

H_12: Coca-Cola's brand expansion has a major influence on customers' brand connection.

We conducted the chi-square test to compare the brand association section results with the brand extension answers. Table 4.4 displays the findings.

Table 4.4: Chi-Square Test – Brand Extension and Brand Association

Variable	Agreement	Non-Agreement	Total
Brand Extension	2,110	104	2,214
Brand Association	1,833	0	1,833
Total	3,943	104	4,047

Chi-Square (χ^2) Value	Degrees of Freedom	p-value	Decision
86.51	1	0.0000	Reject H_{05}

| ***Critical Value:*** $\chi^2(1, 0.05) = 3.841$

The chi-square value of 86.51 is the best of the five tests, and the p-value of 0.0000 shows strong statistical evidence against the null hypothesis. This shows that H_o2 is not true and H_12 is true. The brand relationship area had no comments that differed, which suggests that all 1,833 correct answers in this part voiced agreement. This is an interesting study that shows how strong customers' positive brand links are with Coca-Cola's growth. This result shows that brand extension has a major effect on consumers' brand association, strengthening both the symbolic and functional components of the brand, in agreement with Aaker's Brand Equity Model and the insights gained from the study's literature research.

Hypothesis three

Test of Hypothesis

H_0 (Null Hypothesis): Brand extension has no major impact on brand trust.

H_1 (Alternative Hypothesis): Brand expansion has a major effect on brand trust.

Method of Analysis

A Chi-square (χ^2) test of goodness-of-fit was employed to examine whether the observed responses considerably stray from a condition of neutrality (no influence). replies were categorised into: Agreement (SA + A) , Non-agreement (U + D + SD)

Table 4.5: Chi-Square Computation for Brand Extension and Brand Trust

S/N	Agreement (SA+A)	Non-Agreement (U+D+SD)	Total	Expected (E)	χ^2 Contribution
1	342	27	369	184.5	134.50
2	342	27	369	184.5	134.50
3	316	53	369	184.5	93.60
4	369	0	369	184.5	184.50
5	290	79	369	184.5	60.30
6	369	0	369	184.5	184.50
Total	—	—	—	—	791.90

Decision Rule

- Decision Degree of Freedom (df) = (k – 1) = 2 – 1 = 1
- Level of significance = 0.05
- Critical χ^2 value = 3.84

Since the calculated χ^2 value (791.90) is much larger than the critical value (3.84), the null hypothesis (H_0) is rejected.

The result shows that brand extension has a statistically significant effect on brand trust. The very high agreement responses point out that consumers have confidence in new Coca Cola products based on the current name of the brand, perceived quality consistency and previous experience.

This finding is in line with the branding theory which claims that brand equity elements such as trust and perceived reliability can be transferred by brand extension strategies. In addition, the magnitude of the chi-square statistic suggests that this relationship is not only statistically significant but substantively strong as well.

The rejection of the null hypothesis presents empirical proof that brand growth is a strong predictor of brand trust, underlining its strategic value in marketing and brand management.

4.6 Summary of Hypothesis Testing Results

Hyp.	Null Hypothesis	χ^2 Value	Df	p-value	Decision

$H_0$1	Brand extension has no significant effect on customer retention	8.53	1	0.0035	Reject $H_0$1
$H_0$2	Brand extension has no significant effect on brand association	86.51	1	0.0000	Reject $H_0$2
Ho3	Brand extension has no significant effect on brand trust.	79.90	1	0.000	Reject H03

5. CONCLUDING REMARK

Conclusion

The significant effect on customer retention indicates that brand extension contributes to sustained consumer engagement. The availability of varied product options appears to reduce switching behaviour by continuously satisfying evolving consumer tastes. This supports the theory that relevant and adaptable brands to competitive markets are better retained.

Furthermore, the very high value of the chi-square for brand association means that brand extension has a significant effect on both symbolic and functional association. The consumer seems to transfer positive perceptions of the parent brand to its extensions, thus enhancing the overall brand image. This is in agreement with established brand equity models that identify association as a central element of brand strength.

Recommendations

The following recommendations were made:

i. Leveraging Brand Associations
Marketing strategies should stress both emotional and practical brand connotations throughout all expansions, ensuring that new commodities inherit and strengthen the core brand identity.

ii. Maintaining Consistent Product Quality
Perceived quality was not statistically significant but it’s consistently high ranking shows it is a critical hygiene concern. “Coca-Cola must have tight quality control on all expansions to avoid any dilution of the brand.”

iii. Application of Advanced Analytical Methods
Future research and management evaluations could combine more rigorous statistical methodologies such as regression or structural equation modeling to better capture the number and direction of correlations between brand growth and brand equity features.

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