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EFFECT OF PRODUCT LINE STRETCHING ON PARENT BRAND IMAGE: THE CASE OF NIGERIAN BREWERIES PLC

[1.]NTO, CHIOMA PHILIPS

[3.]AHAM ANYANWU

[3.]KALU, ALEXANDA OGBONNA UDU

[1,3.] Department of Marketing
Michael Okpara Universtiy of Agriculture Umudike,
Abia State Nigeria.

[2.]Department of Marketing
Imo State University, Owerri.

Abstract

Product line stretching in recent time have occupied marketing literature as an avenue through which product line managers improve the performance of their product line, considering the fact that it is cheaper to stretch a product line than introducing an entirely new product. A product line could be stretched either upward, downward or both ways to ensure that consumer with various characteristics are satisfied. The problem that arouse the interest for this study revolves around Nigeria breweries Plc with their famous Star larger beer brand stretched the product line in order to capture the target markets who are not heavy alcoholic consumers. They came up with Star Lite, Star Radler, Star TripleX in 2015 and this diluted the effect of the parent brand image and thus affected the sales volume of Star Larger beer and also lost significant portion of its market share to other competing beer brand. This study focuses on the effect of product line stretching on parent brand image, a study of Nigeria breweries Star beer brand. The main objective of his study was to examine the effect of product line stretching on parent brand image. Specifically, the study set out to achieve the following sub-objective which include to; determine the effect of product line stretching on original brand image, ascertain the relationship between downward line stretching and brand preference and examine the effect of upward line stretching on perceived product quality. Research questions and hypotheses were formulated in line with the study objectives. The researcher employed the use of survey design. The study will be carried out in Umuahia North metropolis and the population of the study 220,600 people (National Population Commission, 2006). This is the total population of people living in Umuahia North metropolis and this is mixed with civil servants, trader farmers and so on. The researcher adopted Purposive sampling technique, which is a form of non-probability sample. The study found that product line stretching has a significant relationship with parent brand image and it is capable diluting the parent brand image if not handled properly. Hence, the study concluded that effective and efficient product line stretching strategy is crucial for enhanced brand performance. It was recommended that product should be stretched in such a way that the perceived quality of the parent brand image will not be diluted and also customers should be given products that will

meet their expectations. The major limitation of the study revolves around the small sample size and scope that was selected for the study. Hence future studies should endeavor to increase the sample size and also expand the scope of the study.

Introduction

Over the last decade, brand extension has become one of the hottest subjects in brand management. Recent international surveys conclude that 60 to 80 percent of marketing directors favor brand extensions over new brands while about 10 to 15 percent give equal consideration to extensions and new brands and less than 5 percent prefer launching new products (Park, 2015).

Product is considered to be one of the most critical elements of the marketing mix. Distribution, promotion, and pricing strategies depend very heavily upon what the product is, its attributes, and its function (Keller, 2008). Products encompass a wide range of goods, services, ideas, and personalities. Getting the product right is the single most important activity of marketing.

A product line is a group of products that are closely related because they function in a similar manner, are sold to the same customer groups, are marketed through the same types of outlet, or fall within given price ranges (Kotler & Armstrong, 2013). Line stretching is an expanding strategy by a company where the new products are launched in the same product line but beyond the current product range with some additional or different features. Line stretching can be done down market, up market or both ways.

A company offering middle class or upper class product line to current market may offer a new product line to the lower market also (Kotler & Keller, 2008). Downward stretching occurs when a company that is located at the upper end of the market later stretches its lines downwards. The firm may have first entered the upper end to establish a quality image with the intention to roll downwards later. It may be responding to an attack on the upper end by invading the low end (Kurtz, 2008).

Nigeria Breweries Plc is the pioneer and largest brewing company in Nigeria. It serves the Nigerian market and exports to other parts of West Africa. Star lager beer is one of the famous parent brands of the company which was launched in June 1949 (Owomoyela, Ola & Oyeniyi, 2013). When the beer with bubbling foam was introduced to Nigerian market, it faced some risk as it was in competition with foreign beer brands, whiskey and palm wine (Okenyi, 2014). Star gained market ground and in 1960 was the market leader that was recognized at parties and ceremonies. From then till date, has really held a strong and larger market share in the beer market (PHB, 2013).

In recent time, entrants of new players in the industry have poised serious threat to the market position of the Star lager beer brand (Wole, 2017). Players like Guinness Breweries and SAB Miller launched similar products like Harp lager beer and Hero Lager beer to mention but a few (Olu, 2015). Hence it became imperatively important for Nigeria Breweries to continuously monitor their product lines to ensure that all the customers in the various segments are serviced and maintained.

The Star lager beer product has been stretched so as to make sure that various segment of the market are being captured and serviced (Wole, 2017). The product was stretched through the introduction of Star Lite lager on February 2014, Star Radler on July 2015 and Star TripleX on September 2015 (Olu, 2015). With these stretched product lines, it have been possible for the company to satisfy heavy, average and light consumers of alcoholic beverages. These have helped the company to maintain the position key player in beer brewing and marketing in the Nigerian competitive market, considering its portfolio of high-quality product lines. Yet on daily baises, this competitive positon enjoyed by the Star lager beer is being threatened, hence it became imperative to examine product line stretching and Star lager brand image in Umuahia North metropolis of Abia State.

Statement of the Problem

In our contemporary competitive business environment, marketers are under intense pressure to account for their activities based on financial measures which include return on marketing investment (ROMI), return on sales (ROS), return on assets (ROA), and return on equity (ROE). These elements are always tied to short-term measures which replicate more current profitability than future customer preference of the organizations.

Hence, these measures do not always reflect the real success of marketing which is to gain long-term preference of customers, generate steady cash flow and maximize returns for shareholder. Firms resort to stretching their product line to increase their market share and instead of increasing market share, market cannibalization sets in and changing the brand image of the product.

Along with benefits, there are a number of disadvantages of product line stretching. There is the potential that the line stretching could harm the equity which has been developed by the parent brand (Loken & John, 2013). In recent years, brand extension was preferred by many companies not only to reduce cost but also to minimize the risk of product failure. It increases the chances of consumer acceptance due to awareness about parent brand.

Kim and Lavack (2016), opine that sometimes brand extension creates negative perception in consumer mind, which affect the reputation of parent brands as well.

In the beverage industry, most products that are introduced perform competitively in the marketing environment until the company executive decides to stretch their product line in order to gain more market share and enhance profitability (Olu, 2015). When this is done wrongly as has always been the case in the industry, the parent brand image is diluted and the predetermined objective of increasing sales volume is most times not achieved (O'Sullivan, 2014). This alone has forced most firms out of the competitive marketing environment. There are two common problems associated with product line stretching. Firstly, there is the cost of supporting the brand and secondly the risk of the stretched product line diluting the effect of the parent brand.

Nigeria breweries Plc with its famous Star lager beer brand stretched the product line in order to appeal to less heavy alcoholic consumers. They came up with Star Lite, Star Radler, Star TripleX

in 2015 and this diluted the market share of the parent brand image and thus affected the sales volume of Star Lager beer (Ekwujuru, 2015). This may have led to changes in perceived product quality of the parent brand.

There is doubt, however, on how the stretching of Star Lager beer to various lines has affected its image and hence the need for this study.

Objectives of the study

The overall objective of this study is to examine the effect of product line stretching on parent brand image. Specifically, the study set out to achieve the following sub-objective which include to;

1. determine the effect of downward line stretching on Star lager beer.

2. ascertain the relationship between Star Radler and brand preference of Star lager beer product line.

3. examine the effect of Star Lite on perceived product quality.

Research Questions

The following research questions were explored in order to get an in-depth understanding of the subject matter and they include as follows;

1. how does downward line stretching affect Star lager beer?

2. what is the relationship between Star Radler and brand preference?

3. how does Star Lite affect perceived product quality?

Research Hypotheses

The following research hypotheses were formulated to guide the study;

Ho_1: there is no significant relationship between downward line stretching and Star lager beer.

Ho_2: there is no significant relationship between Star Radler and brand preference.

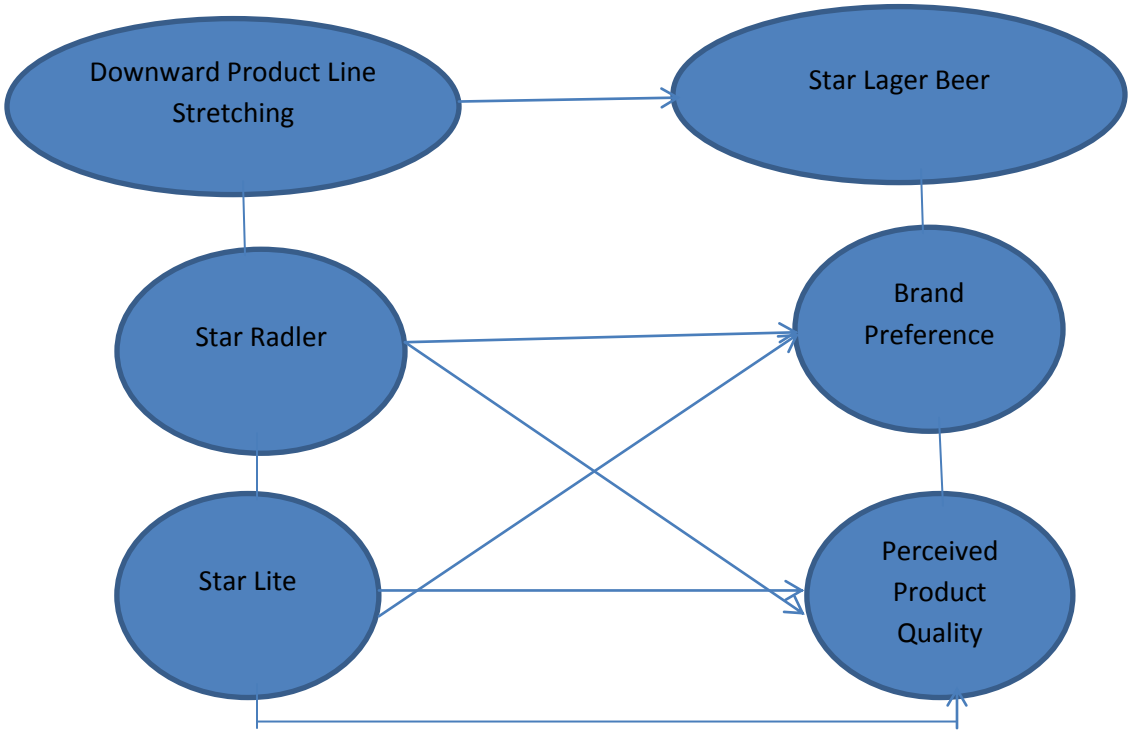
Ho_3: there is no significant relationship between Star Lite and perceived product quality.

Scope of the Study

The scope of the study is limited to product line stretching and Star lager beer with its lines which include Star Radler and Star Lite in Umuahia North metropolis in Abia State.

REVIEW OF RELATED LITERATURE

Operational Conceptual Framework



Operational Conceptual Framework for Product Line Stretching and Star Lager Brand Image.
Source: Researcher's Concept, 2018

Understanding Product Line Stretching

Groups of products that are used together, sold to the same customer group, fall within given price ranges, or marketed through the same channels are known as product lines. These groupings are typically made on the basis of product use, but can also be made on the basis of manufacturing method, size, or some other direction. One of the key jobs of the marketing manager is to select a mix of compatible products for the firm that promotes efficiency in selling, production, pricing, promotion, and distribution. A product line is a group of product that have similar functions (Kotler, Keller, Koshy & Jha, 2013). Offering multiple products to your customers is a strong marketing strategy that provides customers choice and allows you reach a broader audience. Successful companies look for methods to expand their current product line to enhance their increased profits and market share. The best product line stretching strategies

capitalizes on success of existing products and enhances the brand image of your product (Agrawal, 2010; Ashish, 2016).

If a company lengthens its product line beyond its current range it can be termed as line-stretching, which can take three forms, such as upward stretching, downward stretching and two-way stretching.

Upward Stretching

Upward line strategy targets the product for a higher level and higher-priced market segment. It may be in terms of higher income, more status, better quality, or some other factor that makes the repositioned product appear better than the original one. In reality, this is the most difficult, costly, and time consuming approach to repositioning, especially if the brand remains the same. It may so happen consumers are not easily or quickly convinced that a once medium or lower priced product is now a status product commanding a high price.

Downward Stretching

Trading down is targeting the product for a lower level and lower-priced market segment. It is relatively easier to accomplish, although not necessarily more desirable. When a product is traded down, the item is repositioned to at least a slightly lower status or quality level (Kotler & Armstrong, 2013). It is relatively less difficult to do because the image of the brand and all the selling effort that went into it enhances the salability of the product. It is likely that consumers believe they are getting a more prestigious product for a price comparable to lesser status competing items.

This strategy is sometimes adopted in conjunction with product line expansion when family branding is used. As long as there is a big difference in market levels, an addition to the line can reap the benefits of an association with higher status branded products (Kotler, *et al.*, 2013). There is no doubt that the traded down product will injure the image of the higher status ones.

Two-way Stretching

Trading across is repositioning the product to appeal to the same type of buyer as in the original segment. Under this strategy, the product could simply be targeted at a different group of upper, middle, or lower class buyers. This strategy can help solve some image confusion problems. It is often used when the product has achieved a high degree of success in the original segment and the executive uses that recognition advantageously in appealing to other groups at the same level. Most times, product line stretching can lead to product cannibalization. Product cannibalization can be caused when a new product introduced by a company in the market takes sales out of an existing company product. According to McGrath (2011), cannibalization is unfavourable, particularly for market leaders, when, first the new product will contribute less to profits, secondly, the economics of the new product might be unfavorable, thirdly, the new product will require significant retooling and fourthly the new product has greater technical risks.

Overview of Parent Brand Image

An integral part of almost every product is a brand. Goods and services are given names so they can be easily identified and promoted to buyers (Kurtz, 2008). Marketers must make many product decisions associated with branding, such as brands, brand names, brand marks, trademarks and trade names.

A brand is a name, term, symbol, design, or a combination thereof, that identifies a seller's products and differentiates them from competitors' products. Branding is a centuries-old idea whose time has not yet passed. As early as the middle ages, medieval artisans organized guilds for the distribution of their products. Each guild required individuals to mark their items with a distinguishing symbol. Selection of an appropriate product brand, one which produces maximum acceptability of a product, is an important part of the product development process. The term brand is a business term. A brand name is the part of the brand which can be vocalized. Apart from being remembered, brand refers to anything which serves to distinguish one product from another.

Market control is the basic objective of branding. A brand is essential to the promotional activities of the firm. Through promotion, acceptance or preference for a product can be established among customers. If the product bears a manufacturer's brand (brands owned by manufacturers regardless of the scope of area served) and is available through many retail outlets, the goodwill of customers is directed toward the manufacturer. Retailers will find it difficult to substitute other products for the branded one that customers prefer. On the other hand, if the wholesaler or retailer places his brand on a product, the goodwill of customers attaches to the wholesaler or retailer, and the manufacturer loses much of his control over the market.

Brand Preference

Brand preference is strongly linked to brand choice that can influence the consumer decision making and activate brand purchase. Brand Preferences can be defined as the subjective, conscious and behavioral tendencies which influence consumer's predisposition toward a brand (Mohan, 2016). Understanding the brand preferences of consumers' will dictate the most suitable and successful Marketing Strategies. One of the indicators of the strength of a brand in the hearts and minds of customers, brand preference represents which brands are preferred under assumptions of equality in price and availability.

Measures of brand preference attempt to quantify the impact of marketing activities in the hearts and minds of customers and potential customers (Keller, 2012). Higher brand preference usually indicates more revenues (sales) and profit, also making it an indicator of company financial performance (Kotler & Armstrong, 2013).

Perceived Quality

Kotler and Armstrong (2013), are of the opinion that perceived quality influences brand association and its drive to financial performance, as a strategic trust and a measurement of brand "goodness". Keller (2008) noted that perceived quality is the customers' perception of the quality of products and services of a company provides. Therefore, it is necessary to create customers satisfaction and value by consistently meeting the customer's needs and preferences for quality.

Furthermore, Perceived quality has been considered as one of the dimensions of brand equity (Aaker, 1996). Perceived quality is consumer's judgment about the quality of product on an overall basis (Zeithaml, 1988; Aaker & Jacobson, 2000). Research conducted by Sethuraman and Cole (2007) concluded that perceived quality contributes a major portion of variance in consumers' willingness to pay price premium. One advantage that perceived quality generates is its applicability across different product categories.

Theoretical Review

In this section of the study, various theories by scholars that are relevant to the study has been consulted to give credence to the objective of the study and to guide the researcher gain an in-depth knowledge on the subject matter.

2.5.1 **Theory of Reasoned Action by Martin Fishbein and Icek Ajzen in 1980**

The theory of reasoned action (TRA), is one of the three classic persuasion models of psychology, and is also used in communication discourse as a theory of understanding persuasive messages. The theory of Reasoned Action was developed by Martin Fishbein and Icek Ajzen as an improvement over Information Integration theory (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975). There are two important changes. First, Reasoned Action adds another element in the process of persuasion, behavioral intention. Rather than attempt to predict attitudes, as does Information Integration theory (and several others), Reasoned Action is explicitly concerned with behavior. However, this theory also recognizes that there are situations (or factors) that limit the influence of attitude on behavior. For example, if our attitude leads us to want to go out on a date but we have no money, our lack of money will prevent our attitude from causing us to go on a date. Therefore, Reasoned Action predicts behavioral intention, a compromise between stopping at attitude predictions and actually predicting behavior. Because it separates behavioral intention from behavior, Reasoned Action also discusses the factors that limit the influence of attitudes (or behavioral intention) on behavior.

The second change from Information Integration theory is that Reasoned Action uses two elements, attitudes and norms (or the expectations of other people), to predict behavioral intent. That is, whenever our attitudes lead us to do one thing but the relevant norms suggest we should do something else, both factors influence our behavioral intent. For example, John's attitudes may encourage him to want to read a Harry Potter book, but his friends may think these series are childish. Does John do what his attitudes suggest (read the book) or what the norms of his friends suggest (not read the book)?

Specifically, Reasoned Action predicts that behavioral intent is created or caused by two factors: our attitudes and our subjective norms. As in Information Integration theory, attitudes have two components. Fishbein and Ajzen call these the evaluation and strength of a belief. The second component influencing behavioral intent, subjective norms, also has two components: normative beliefs (what I think others would want or expect me to do) and motivation to comply (how important it is with me to do what I think others expect).

This theory relates to the study in the sense that it helps marketers understand and predict behavioural intents of consumers and how they process the marketing information and offering that are being sent across to them. How these information is reasoned determines perceived quality and preference that would be attached to the product.

The Resource-Based Theory of Competitive Advantage by Robert, Jones (1991)

Recent contributions to strategic management and the theory of the firm collectively known as the "resource-based view of the firm" provide illuminating insights into the sources of profitability and the nature of competitive strategy. This article argues that internal resources rather than the market environment should provide the foundation for a firm's strategy. On the basis of an analysis of the relationships among resources, capabilities, competitive advantage, and profitability, this article advances a framework for a resource-based approach to strategy formulation (Robert, 1991).

This theory relates to the study in the sense that every firms targets at offering products that will perform competitively in the market place. Hence, targeting at building a product line that will be perceived as high quality will help the firm achieve it predetermined sales goals which transforms to high profitability.

Brand Equity Theory by Aaker, David (1991)

Keller's Brand Equity Model or theory is also known as the Customer-Based Brand Equity (CBBE) Model. Kevin Lane Keller, a marketing professor at the Tuck School of Business at Dartmouth College, developed the model and published it in his widely used textbook, "Strategic Brand Management." The concept behind the Brand Equity Model is simple: in order to build a strong brand, you must shape how customers think and feel about your product. You have to build the right type of experiences around your brand, so that customers have specific, positive thoughts, feelings, beliefs, opinions, and perceptions about it (Umer, 2014). When you have strong brand equity, your customers will buy more from you, they'll recommend you to other people, they're more loyal, and you're less likely to lose them to competitors (Keller, 2013).

Within a pyramid, the model highlights four key levels that you can work through to create a successful brand. These four levels are:

1. Brand identity.

2. Brand meaning.

3. Brand responses.

4. Brand relationships.

Within these four levels are six building blocks that further help with brand development. These six building blocks are salience, performance, imagery, judgments, feelings, and resonance (Keller, 2013).

The concept of consumer-based brand equity has become a central marketing concept due to the increasing scientific and business interest in brands, since brand image as constitute one of the most valuable intangible assets of companies is becoming increasingly widespread (Kapferer, 2008). Brands are able to stay on the market in the long term until products transform or disappear (Kapferer, 2008); that is why it is worth investing in developing brands. Owing to Aaker's publications at the beginning of the nineties (1991), there has been a growing interest in the problem of financial returns generated by valuable brands (Fehle, Fournier, Madden & Shrider, 2008). Companies of high brand equity can expect significant market share increase if they cut prices, while their share decrease would be insignificant if they increased their prices (Ailawadi, Lehman, & Neslin, 2003).

The study adopted the brand equity theory since it revolves around building a strong brand to shape how customers see your product.

Empirical Review

Hem and Iversen (2008) investigated how consumers evaluate product line stretching and how an antecedent state of consumers, such as consumer knowledge and perceived similarity, can influence the evaluation of extensions. Tested in a study amongst 760 consumers in Norway, they figured out how the different perceived similarity dimensions influence the evaluation of extensions differently depending on the nature of the parent brand. They found that Competence similarity, usage similarity and associative similarity have a positive effect on evaluations of extensions. It extends the knowledge of how perceived similarity dimensions influence the evaluation of extensions of both simple (search and experience) and complex (credence) products. The positive effect of usage similarity is stronger for extensions from complex product categories than from simpler product categories.

Chen and Gu (2012) analyzed the challenges and opportunities a company faces when implementing product line stretching strategy. Four factors (Brand loyalty, Brand awareness, perceived quality and Brand association) in Aaker's brand equity are used to compare two product line stretching cases. The survey was conducted in UK and Japan. The results indicated that Challenges always exist in product line stretching no matter how successful the parent brand is. When stretching the brand to a new category, the company should be aware of consumers' strong brand loyalty to an existing brand, Opportunities can be found accompanied by challenges at the same time. The loyalty of an existing welcomed brand can make good contribution to product line stretching.

Tang & Tan (2015), in their study, titled capacity stretching in product innovation, found that organizational boundaries moderate the negative relationship between capability stretching and product survival: Vertical integration exacerbates this negative relationship, whereas horizontal boundary mitigates this negative relationship. However, capability stretching can also be rewarding, as it renews technological capabilities and therefore facilitates adaptation to technological changes. Capability stretching is the degree to which a firm extends its technological know-how in order to develop a new product. The larger the degree of capability stretching, the larger the effective distance of knowledge (Afuah & Tucci, 2012). In other words, firms with large effective distance of knowledge have low prior knowledge and will need to stretch their technological capabilities in order to develop new products (Afuah & Tucci; Coen & Maritan, 2011).

Numerous studies have documented that firms are good at local search but poor at distant search (Afuah & Tucci, 2012; Cyert & March, 2016; Nelson & Winter, 2010), good at exploitation but poor at exploration, and good at competence-enhancing innovation but poor at competence-destroying innovation (Gatignon, Tushman, Smith, & Anderson, 2012).

Brief History of Nigeria Breweries Plc

Nigerian Breweries Plc, is the pioneer and largest brewing company in Nigeria. It serves the Nigerian market and exports to other parts of West Africa.

The Nigerian Breweries was incorporated in 1946. Its first bottle of beer, Star Lager, rolled off the bottling lines of its Lagos brewery in June 1949. The brewery commissioned other breweries including Aba Brewery in 1957, Kaduna Brewery in 1963, and Ibadan Brewery in 1982. In September 1993, the company acquired its fifth brewery in Enugu, and in October 2003, its sixth brewery, sited at Ameke in Enugu. Ama Brewery began brewing on the 22 March 2003 and at 3 million hectolitres is the largest brewery in Nigeria. Operations at Enugu brewery were discontinued in 2004, while the company acquired a malting Plant in Aba in 2008.

In October 2011, Nigerian Breweries acquired majority equity interests in Sona Systems Associates Business Management Limited, (Sona Systems) and Life Breweries Limited from Heineken N.V. This followed Heineken's acquisition of controlling interests in five breweries in Nigeria from Sona Group in January 2011. Sona Systems' two breweries in Ota and Kaduna, and Life Breweries in Onitsha have now become part of Nigerian Breweries Plc, together with the three brands: Goldberg lager, Malta Gold and Life Continental lager.

In December 31st 2014, Nigerian Breweries Plc completed the merger with Consolidated Breweries Plc which added the three breweries in Ijebu-ode, Awo-Omama and Makurdi. The brands 33 Export Lager, Williams Dark Ale, Turbo King Stout, More Lager, Breezer, Himalt and Maltex(the first Nigerian malt drink) were also added.

In November 2015, Nigerian Breweries launched the international brand Strongbow cider which makes it the first in Nigeria to produce and bottle the cider category beverage.

Nigerian Breweries Plc now has ten operational breweries from which its products are distributed to all parts of Nigeria, in addition to the malting plants in Aba and Kaduna. Nigerian Breweries also supports operations in Champion Breweries Plc, Uyo.

The company has a portfolio of high-quality brands, including

- Star Lager (launched in 1949) Pale Lager
- Gulder lager beer (1970) Pale Lager
- Legend Extra Stout (1992) 7.5% ABV Extra Stout
- Heineken Lager (June 1998) Premium Lager
- Goldberg Lager (October 2011)
- Life Continental Lager (October 2011)
- Star Lite Lager (February 2014) Pale Lager
- Ace Passion Apple Spark (December 2014)
- 33 Export Lager (January 2015)
- Williams Dark Ale (January 2015)
- Turbo King Stout (January 2015)
- More Lager (January 2015)
- Breezer (January 2015), in three varieties of fruit-flavoured bacardi drink
- Ace Roots (April 2015)
- Star Radler (July 2015)
- Ace Rhythm (September 2015)
- Star TripleX (September 2015)
- Strongbow Cider (November 2015)

Alcohol-free drinks

- Maltina (1976), in three varieties, namely Maltina Classic, Maltina Strawberry, and Maltina Pineapple; Maltina Sip-it (2005), in Tetrapak;
- Amstel Malta (1994).
- Fayrouz, in pear, pineapple and exotic flavour (2006)
- Climax Energy drink
- Malta Gold (October 2011)
- Himalt (January 2015)
- Maltex (January 2015)

Most of the products are packed in returnable bottles and all products are now available in cans. Fayrouz, Maltina and Amstel Malta are also produced in P.E.T Bottles. The company's head offices are located in Lagos (https://www.drinks.ng/history-nigerian-breweries/).

3.1 Research Design

The researcher employed the use of cross-sectional survey design. This survey method allows for generalization of findings and is also descriptive in nature which suits the purpose of this study (Anyanwu, 2000). The researcher adopted the use of structured questionnaire designed on a 5-point Likert scale to measure the responses of the respondents on the subject matter. Pearson's product moment model correlation was to test the hypotheses, while descriptive statistics was used to analyze the generated data.

3.2 Area of the Study

The study was carried out in Umuahia North metropolis and it is a local government area of Abia State, Nigeria. Its headquarters are in the city of Umuahia. It has an area of 245km2 and a population of 220,660 at the 2006 census. Umuahia North is a well-known as being an agricultural market collection center since 1961. The metropolis houses many civil servants, traders and government ministries.

3.3 Population of the Study

The population of the study was made up of a total population of 220,600 people (National Population Commission, 2006). This is the total population of people living in Umuahia North metropolis and this is mixed with civil servants, trader, farmers and so on.

3.4.1 Sampling Techniques

The researcher adopted Purposive sampling technique, which is a form of non-probability sample. It was used by the researcher because it allows for statistical evaluation of sampling errors.

3.4.2 Sample Size Determination

Ukegbu (2014) opine that purposive sampling is a technique in which researcher relies on his or her own judgment when choosing members of a population to participate in a given study. Thus, the researcher adopted purposive sampling technique the actual number of the people that uses the product in the study area is unknown. 250 respondents were drawn from the population as the sample. Hence, the sample size is 250. This was used since it is not everybody in the study area consumes the product of the company which was used for the study (Star Lager Beer).

3.5 Method of Data Collection

The study adopted the use of a well-structured multiple choice questionnaire instruments designed with 18 questions constructs that cover all the variables of interest. Three fieldworkers that conducted the interviews were selected by the researcher based on their ability to understand the concept of product line stretching and parent brand image. These assistants were screened and selected from Department of marketing of a university in the state. They were trained in various aspects of questionnaire fieldwork administration.

3.5.1 Psychometric Properties of Research Instrument

(a) To ensure the validity of the research instrument, the researcher subjected the instrument to Pre-testing on ten (12) academics in marketing in order to ensure that the questionnaire met expectations in providing accurate information and to assess whether or not respondents would understand the questions correctly. In addition, a pilot study was conducted with 20 NBL customers in Aba south. This technique was used as an indispensable aid for developing the final questionnaire.

(b) To ensure reliability of the research instrument, the researcher subjected the research instrument to Cronbach's coefficient alpha to ensure that the instrument gives internal consistency. The result obtained was .912, .931, .963, .941, .933, and .931.

3.6 Method of Data Analysis

This study employed the use of simple percentage, frequency tables and other descriptive statistical tools to present the data that generated, while Simple regression was used to analyze the data obtained from the structured questionnaire with the aid of Statistical Package for Social Sciences (SPSS) version 22.0.

Model Specification

The simple regression models used in the study give as:

Model 1: $DLS = \boldsymbol{\beta_0} + \boldsymbol{\beta_1} SLB + u$

Model 2: $SR = \boldsymbol{\beta_0} + \boldsymbol{\beta_1} BP + u$

Model 3: $SL = \boldsymbol{\beta_0} + \boldsymbol{\beta_1} PPQ + u$

Where:

DLS = Downward Line Stretching
SLB = Star Lager Beer
SR = Star Radler
SL = Star Lite
BP = Brand Preference
PPQ = Perceived product Quality

4.1 Data Presentation, Analysis and Discussion of findings

This section of the study revolves around the results and discussion of the findings and the simple regression results are described as analyzed.

4.1.1 **Response rate**

The study adopted primary source of data collection. The primary data collection utilized 15 item questionnaires to elicit responses from the respondents.

Table 4.1 **shows the distribution and retrieval of copies of questionnaire.**

Distribution	Retrieval	% Retrieval	Rejected	% Rejected	Valid	% Valid
250	200	80	49	24.5	151	75.5

Source: Field Survey, 2017

A total of 250 copies questionnaire were distributed within the study area. 200 copies questionnaires were retrieved, 49 copies were found to be inconsistent in their responses and thus were dropped, resulting in 151 usable copies of questionnaire for the purpose of the analysis.

Analysis of Research Questions

The variables of this study focused on product line stretching as the predictor: downward line stretching and upward line stretching and parent brand image: original brand image, brand preference and perceived product quality, as criterion.

Table 4.2: **Reliability Analysis of the Construct.**

S/N	Items	No. of Items	Cronbach's Alpha
1.	Downward line Stretch.	3	.912
2.	Star Lager Beer	3	.931
3.	Star Radler	3	.963
4.	Star Lite	3	.941
5.	Brand preference	3	.933
6.	Perceived product quality	3	.931

Source: Researcher's computation, 2017

The table 4.2 summarizes the reliability result of the basic components of downward line stretching and parent brand image. The reliability scale was examined by computing their coefficient alpha. All scales were found to exceed a minimum threshold of 0.7 recommended by Cronbach, (Nunnally, 1978).

Table 4.3: Regression results

TABLE 4.3: Regression results between Downward line stretching and Star Lager beer

Model		Unstandardized Coefficient		Standardized Coefficient	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.611	1.532		-1.704	.187
	DLS	1.281	.295	.929	4.339	.023

a.Dependent variable: SLB

R = .929
R-Square = .863
Adjusted R-Square = .853
F-Statistic (df1=1 & df2=3) = 18.823
Durbin Watson Statistic = 1.454

Source: Researcher's Computation, 2018

TABLE 4.4: Regression results between Star Radler stretching and brand preference

Model		Unstandardized Coefficient		Standardized Coefficient	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-17.827	20.899		-.853	.456
	SR	14.489	4.024	.901	3.601	.037

a.Dependent variable: BP

R = .901
R-Square = .808
Adjusted R-Square = .744
F-Statistic (df1=1 & df2=3) = 12.617
Durbin Watson Statistic = 2.268

Source: Researcher's Computation, 2018

TABLE 4.5: Regression results between upward line stretching and perceived product quality

Model	Unstandardized Coefficient		Standardized Coefficient	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.241	.221		-1.089	.356
1 ULS	1.151	.043	.899	3.552	.038

a.Dependent variable: PPQ

R = .899
R-Square = .901
Adjusted R-Square = .749
F-Statistic (df1=1 & df2=3) = 12.964
Durbin Watson Statistic = 1.522

Source: Researcher's Computation, 2018

4.2 Data Analysis

Table 4.2 shows the regression results between Downward line stretching and Star Lager Beer. The regression result showed that the estimate coefficient of the parameter have a positive sign and thus conform to our a-priori expectation. The implication of this sign is that the dependent variable Star Lager Beer (SBL) is positively affected by Downward line stretching (DLS). The coefficient of determination R-square of 0.929 implies that 92.9% of the sample variation in the dependent variable DLS is explained or caused by the explanatory variable while 7.1% is unexplained. This remaining 7.1% could be caused by factors or variables not built into the model. The high value of R-square is an indication of a very good relationship between the dependent variable and independent variable.

The value of R^2 is 0.863. This shows that the regression line which captures 86.3 percent of the total variation in Star Lager Beer (SBL) is caused by variation in the explanatory variables specified in the model with 13.7 percent accounting for the stochastic error term. The F-statistic was also used to test the overall significant of the model. The F-value of 18.823 is an indication that the model is statistically significant at 5percent level of significant at degree of freedom df1=1 and df2=3. Finally, the test of autocorrelation using DW test shows that the D.W value of 1.454 falls within the inconclusive region of DW partition curve. Hence, we can clearly say that there exists a degree of autocorrelation.

Table 4.4 shows the regression result between Star Radler (SR) and brand preference (BP). The regression results showed that the estimated coefficient of the regression parameter have a positive sign and thus conform to our a-priori expectation. The implication of this sign is that the dependent variable brand preference (BP) is positively affected by Star Radler (SR). The coefficient of determination R-square of 0.808 implied that 80.8% of the sample variation in the dependent variable brand preference (BP) is explained or caused by the explanatory variable while 19.2% is unexplained. This remaining 19.2% could be caused by other factors or variables not built into the model. The high value of R-square is an indication of very good relationship between the dependent variable and independent variable.

The value of R^2 is 0.744. This shows that the regression line which captures 74.4 percent of the total variation in brand preference (BP) is caused by variation in the explanatory variable specified in the model with 25.6 percent accounting for the stochastic error term. The F-statistic was also used to test the overall significant of the model. The F-value was also used to test the overall significance of the model. The F-value of 12.617 is an indication that the model is statistically significant at 5 percent level of significant at degree of freedom df1=1 and df2=3. Finally the test of autocorrelation using DW test shows that D.W value of 2.268 falls within the conclusive region of DW partition curve. Hence, we can clearly say that there exists no degree of autocorrelation.

Table 4.5 shows the regression result between Star Lite and perceived product quality. The regression results showed that the estimated coefficient of the regression parameter have a positive sign and thus conform to our a-priori expectation. The implication of this sign is that Star Lite (SL) is positively affected by perceived product quality (PPQ). The coefficient of determination R-square of 0.901 implied that 90.1% of the sample variation in the dependent variable perceived product quality (PPQ) is explained or caused by the explanatory variable while 9.9% is unexplained. This remaining 19.2% could be caused by other factors or variables not built into the model. The high value of R-square is an indication of very good relationship between the dependent variable and independent variable.

The value of R^2 is 0.749. This shows that the regression line which captures 74.9 percent of the total variation in perceived product quality (PPQ) is caused by variation in the explanatory variable specified in the model with 25.1 percent accounting for the stochastic error term. The F-statistic was also used to test the overall significant of the model. The F-value was also used to test the overall significance of the model. The F-value of 12.964 is an indication that the model is statistically significant at 5 percent level of significant at degree of freedom df1=1 and df2=3. Finally the test of autocorrelation using DW test shows that D.W value of 1.522 falls within the conclusive region of DW partition curve. Hence, we can clearly say that there exists no degree of autocorrelation.

4.3 Test of Hypotheses

Hypothesis one

Ho_1: there is no significant relationship between downward line stretching and Star lager beer.

With reference to table 4.3, the calculated t-statistics of 4.339 is greater than the critical value (i.e. 1.96), the null hypothesis is rejected and the alternative is accepted. This means that downward line stretching has a significant influence on star larger beer.

Hypothesis two

Ho_2: there is no significant relationship between Star Radler and brand preference.

With reference to table 4.4, the calculated t-statistics of 3.552 is greater than the critical value (i.e. 1.96), the null hypothesis is rejected and the alternative is accepted. This means that Star Radler has a significant influence on brand preference of the product line.

Hypothesis three

Ho_3: there is no significant relationship between Star Lite and perceived product quality.

With reference to table 4.5, the calculated t-statistics of 3.601 is greater than the critical value (i.e. 1.96), the null hypothesis is rejected and the alternative is accepted. This means that Star Lite has a significant influence on perceived product quality of the product line.

4.4 Discussion of findings

Based on the analysis and the empirical results, the study revealed that the estimated coefficient of the regression parameter have a positive sign and thus conform to our a-priori expectation. The implication of this sign is that the dependent variables Star Lager Beer (SLB), brand preference (BP), and perceived product quality (PPQ) are positively affected by the downward line stretching (DLS), Star Radler (SR) and Star Lite (SL). The study also reveals that there is a very high relationship between product line stretching strategy and the various dependent variables.

5.1 Summary of Findings

Simple regression techniques were employed in analyzing the data collected. Based on the results of the analysis, the following findings were made:

1. With reference to table 4.3, the calculated t-statistics of 4.339 is greater than the critical value (i.e. 1.96), the null hypothesis is rejected and the alternative is accepted. This means that downward line stretching has a significant influence on star lager beer product line.

2. With reference to table 4.4, the calculated t-statistics of 3.552 is greater than the critical value (i.e. 1.96), the null hypothesis is rejected and the alternative is accepted. This means that brand preference of the product line has a significant influence on Star Radler.

3. With reference to table 4.5, the calculated t-statistics of 3.601 is greater than the critical value (i.e. 1.96), the null hypothesis is rejected and the alternative is accepted. This means that Star Lite has a significant influence on perceived product quality of star larger beer product line.

5.2 Conclusion

Effective and efficient product line stretching strategy is crucial for enhanced brand performance. That study analyses the effect of product line stretching strategy on Star larger beer in Umuahia, Abia State.

The researcher having followed the due process of an Ex-Post Facto research to arrive at the result which are in tandem with hypotheses and objectives of the research is convinced that various components of downward line stretching strategy has a significant influence on Star Lager Beer, brand preference and perceived product quality. Firms can attain a significant level of competitive advantage through downward line stretching strategy.

It is hereby conclude that that brand preference of Star Lager beer affect Star Radler positively. Hence, most people who sort for Star Radler do so because of the brand image of the original parent brand which is Star Lager beer.

5.3 Recommendations

In the light of these findings, the research has a conviction that if these recommendations offered below are considered and implemented by the corporate organizations, it will go a long way to improve brand performance.

Business entities should do more on the area of customer satisfaction as the customers are the pillars of any business, so more should be done to stretch products in such a such that the perceived quality of the parent brand image will not be diluted and also customer should be given products that will meet their expectations.

Organizations involved Product line stretching (PLS) should ensure:

1. That their product lines are not stretched in a manner that the market for the product line would be cannibalized.

2. That their product lines are not over stretched in other not to affect the original brand image.

3. That their product lines are not too lengthy as it may confuse consumers.

4. That their products are readily available in every retail outlets because in today's buyer market, if a brand is not available, another brand will conveniently take its palce.

5. The company should strive to improve their operational efficiencies by leveraging innovative technology.

6. That they improve on their marketing communication strategies to build brand awareness and persuade consumers to patronize their product lines.

7. The market is sophisticated and highly competitive; Nigeria Breweries Plc should focus on developing core competencies to protect their customers from being fooled by competitors who are always very quick at imitating their products.

Limitation/Suggestion for Further Studies

The major limitation of the study revolves around the sample size and the scope that was selected for this study. Hence, future studies should endeavor to increase the sample size and also expand the scope of the study.

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