A Study of The Relationship between Brand Image and Brand Extensions Performance—Using Brand Love as A Moderating Variable

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ABSTRACT
The possibility of successfully entering the market for the new products is getting lower and lower. Using brand extension as a way to enter the market, therefore, becomes an important market entrance strategy for the new products. Brand extension or brand stretching is a marketing strategy in which a firm marketing a brand new product, an improved product, or a product-line extension with a well-developed image uses the same brand name in a different product category. Most researchers believe that among factors that will influence the success of brand extensions, the fit between the product category of a parent brand and that of the extended products is the most important one. However, few studies have ever tried to investigate ways to improve the successful rate of brand extensions if the degree of fit between the product category of a parent brand and that of the extended products is low. One interesting moderating factor that may change the relationship between brand image and new product purchasing intend if the degree of fit low. The purpose of this research, therefore, is to investigate the effects of brand love as a moderating variable under the low extension fit conditions with Signaling Theory as a guiding theory to develop related hypothesis. Information will be collected by the questionnaire and regression analysis will be used to test hypothesis. Most hypothesis are accepted and the implications of these research finding are discussed.

Keywords: Brand love, Brand extension, Signal theory, Moderating effect