

Making it fit

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Abstract

Brands are often extended through multiple extensions into several different product categories to achieve long-term growth. The key to achieving long-term success is managing perceived fit – the basis of similarity between parent brand and brand extension. We propose that fit should be considered a managerially implementable variable, and further that growth opportunities can be created through the careful selection and sequencing of extension categories. Results show that brand extensions can be used to shape fit and achieve growth in desirable directions. We also find that brand benefit associations provide the optimal basis of fit for multiple sequential extensions, and that selecting extension categories that can be subsequently subsumed into more abstract categories reduces the risk of brand dilution.

Keywords: *brand; extensions; growth*

Track: Product and Brand Management