Brand Extension and Organizational Sustainability of Nigeria Breweries Plc. Enugu State

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Abstract
The study evaluates brand extension as a veritable tool for organizational sustainability. Cannibalism of sales will have greater probability to increase organizations risks when extensions are inconsistent with the brand image or that fall with regard to negative effects can occur when the extensions similarity to the corporate brand is extremely small. The populations of the management of Nigeria Breweries staff are known (142). The study used simple random sampling to ensure representatives of the sample. The researcher used questionnaire in gathering information from the respondents. In testing the operation hypothesis, Pearson Correlation was used for hypothesis one, while hypotheses two and three were tested using simple linear regression respectively. The study observed that there is significant relationship between horizontal brand extension and organizational sustainability; horizontal and vertical brand extensions have significant effects on the organizational sustainability and the vertical brand extension has significant effect on the organizational sustainability. The study recommends that firms should provide more money on brand extension programme and the staff should be trained on the way to implement brand extension strategies.

Keywords; *Brand Extension, Organizational Sustainability, horizontal brand extension, vertical brand extensions*

1.0 Introduction

The twenty first century has seen the emergence of many brands amidst numerous brands in the global scene. Increasing competitive forces in the global market are forcing companies to differentiate themselves from competitors in order to survive and take current opportunities of growth. One way to differentiate from competitors is the establishment of strong brands that allow companies to increase the efficiency of their marketing expenses (Keller, 1993). Branding has become so strong that today hardly that anything goes unbranded. Even water is packed in distinctive manufacturers containers. The success of a product depends upon its positioning which in turn is related to its brand name. A brand name may be defined as a name, term, sign, symbol or design, or a combination of these, that identifies the manufacturer or seller of a product or services (Kotler and Amstrong, 2002).

Today, the branding of product is necessary in highly competitive market to ensure customer recognition of the product. A greater position for the brand and an increasing influence on organizational sustainability has made extensions a popular strategy to launch new products within a current product class or outside a product-class, with or without the corporate brand of the company (Chen and Lin, 2004).

Marketers with multiple and diverse product lines has the opportunity to use extension as an expanding strategy. When expanding, there is according to Tauber (1981) different expansion methods where two methods are extension strategies, brand extension and line extension. Line extension is a minor addition within the same product category and within the corporate brand, such as introducing a new taste for a beer product. Instead, brand extension aids in enhancing organizational sustainability by connecting the new product with a known brand or company name, but it also risk diluting the corporative brand image by reducing or harming the equity which has been built up within the corporate brand name (Aaker, 1990). By investing on the reputation of the established brands, companies can save high cost of launching new extensions instead of new brands (Xie, 2008). Aaker and Keller (1990) states that the chance of success for an extension is increased because an extension has an established brand positioning to use. In view of this, the relevance of brand extension as a veritable tool for organizational sustainability, hence this research works.

Any inconsistency in the attitude of information about a new brand extension will result in the modification of the corresponding belief about the corporate brand. According to Martinez and Pina, (2003), the greatest risk with brand extension is cannibalism of sales and deterioration of the corporate brand. They argued that it will have greater probability to increase these risks when extensions are inconsistent with the brand image or that fall with regard to negative effects can occur when the extensions similarity to the corporate brand is extremely small. According to Martinez and Pina (2003), there are risks of losing credibility when using too many product lines for the same corporate brand. A large number of studies and research have been done in the field of extensions e.g (Kim et al, 2001, Martinez and Pina, 2003). Vertical and horizontal extensions are a tool for organizational sustainability, however, in the study area little or no study have shown scientific/empirical evidence on how organizations sustainability is enhanced by brand extension, hence, this study is carried out to fill the identified gap.

Objectives of the Study

The main objective of this study is to evaluate the significance relationship between brand extension and organizational sustainability in Nigerian breweries. In specific terms, the study seeks:

i. To examine the significant relationship between horizontal brand extension and organizational sustainability in Nigerian breweries Plc

ii. To investigate the significant relationship between vertical brand extension and organization's sustainability in Nigerian breweries Plc
iii. To ascertain the relationship between horizontal brand extension and vertical brand extensions on organization's sustainability in Nigerian breweries Plc
iv. To make recommendations based on the findings of the study.

Statement of Hypotheses

$H0_1$: There is no significant relationship between horizontal brand extension and organizational sustainability

$H0_2$: Horizontal brand extension and vertical brand extension have no significant effect on organizational sustainability.

$H0_3$: Vertical extension will not significantly affect organizational sustainability.

2.0 Review of Related Literature

Conceptual Review

Brand Extension

Brand extension draws support from existing strong brand and can be seen as using a successful brand name to launch a new or modified product in a new product category (Kotler and Armstrong, 2002). It is a marketing strategy in which a firm marketing a product with a well developed image uses the same brand name in a different product category. Brand extension means that a successful brand image is used for a new product in other categories (Arselem and Altuna, 2010). Brand extension is defined as using an existing brand name to launch a product in a different category (Verma, 2002). Brand extension has been described as the situation where a brand owner launches a new product – the extended product under an existing brand name. (Dahlberg et al, 2004). The initial product becomes the parent product or flagship product of the extended brand (Akar, 2001). An existing brand that gave rise to a brand extension is referred to as parent brand while the new product is called a spin-off. Alluding to this, (Kapferer, 2001), further stated that brand extension is one of the most discussed topics in brand management given the fact that it is the most radical of the innovations offered by new style brand management when it comes to the planning on how to capitalize on the value around one single name for creating a mega brand. Extending a brand is now an indispensable part of a brand's life as it represents growth, expansion of scope and market adaptability (Kapferer, 2001).

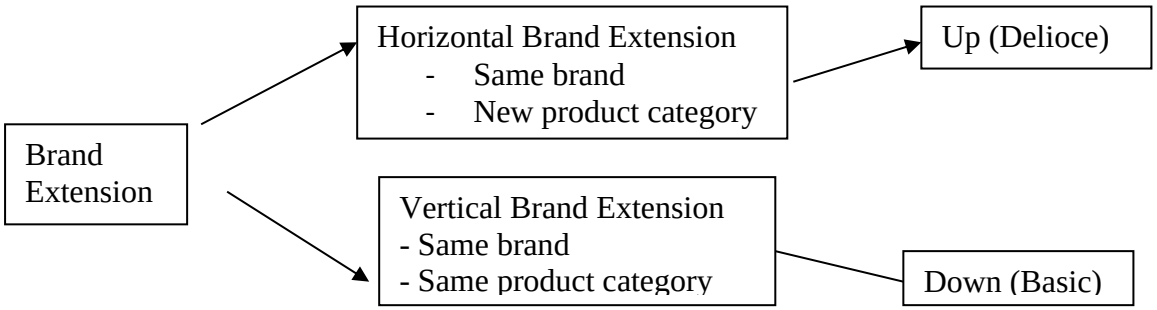
A well known brand name helps the company enter new product categories more easily (Grime et al, 2002). Brand extension strategy gives a new product instant recognition and faster acceptance in the market. There is positive relationship between product category similarity and product performance. Trust and acceptance of an extended brand is the key to organizations performance (Aaker and Keller,1990). Previous scholars have also argued that brand extension can be launched as a result of a consumer trend or need that may be discovered by conducting a market research (Grime et al (2002). A typical example is that of Nigerian Breweries which has maintained existing market and penetrated new markets with new products using global brand names like "star".

Today, it is common for consumers of star beer to patronize new beer with extended brand name of star such as, star light, star Tripple extra, star Raddler etc. within the star family. According to Kapferer (2001, growth is the principal reason for extending a brand after all other options involving the core product have been explored. A brand extension is usually aimed at another segment of the general market for the overall brand. (AMA, 2008). Brand extension depends on the fitness of parent brand and extended brand. If new brand is close to

the existing brand, then there is a lot of chances of the new product's success and survival if new product is at a distance with the parent brand then the chance of failure are increased (Broniarczyk and Alba 1994).

Types of Brand Extension

Different companies use different methods for the extension of brand. Either they go for vertical extension of brand or for horizontal extension.



Source: Adapted from Kim and Lavack, 2001; Martinez and Pina, 2003; Xie, 2008; Pitta and Katsanis 1995

1. **Horizontal Brand Extension**

Horizontal brand extension can be defined as extending a parent brand to a new product in the same product class or to a product which is completely new for a company (Pitta and Katsanis, 1995). The definition given by Pitta and Katsanis (1995) include two aspects; one is a new product within the same product class and the other one is a new product which belongs to different category for the company. Horizontal extension is further divided into two categories. First is line extension and the second is franchise extension (Aaker and Keller, 1990). Using an existing brand name and same product class for entering a new market segment falls in the same category of line extension for example: Pepsi and pepsi light, Coke and Diet Coke; Star and Star Radler; Star and Star Light etc. This line extension strategy was normally successful in the same category for extension as the core product. Franchise extension is a strategy of using current brand name for entering a product category that is new to the company (Tauber 1981).

2. **Vertical Brand Extension**

Vertical brand extension is defined as introducing a similar brand to the same product category while being different in prices and quality (Keller and Aaker, 1992). Vertical brand extension can be divided into upscale and downscale, according to Xie (2008). Upscale brand extension is when a firm creates a new product line with a higher price and quality. Meanwhile downscale brand extension is when a company creates a product with lower quality and price than the product lines that already exist. Xie (2008) claim that a "step-up" or "step-down" in quality and/or price cannot just influence the way the product is launched and marketed, but also how the awareness and reputation influence the core brand.

Organizational Sustainability, Meaning and Definitions

Colbert and Kurucz (2007) identify the colloquial definition of sustainability as being to "keep the business going", whilst another frequently used term in this context refers to the "future proofing" of organizations. Boudreau and Ramstad (2005), refers to it as "achieving success today without compromising the needs of the future". According to the Chartered Institute of Personnel and Development (CIPD, 2012), the essence of sustainability in an organizational context is "the principle of enhancing the societal, environmental and economic systems within which a business operates". This introduces the concept of a three way focus for organizations striving for sustainability. This is reflected also by Colbert and Kurucz (2007), who state that sustainability "implies a simultaneous focus on economic, social and environmental performance". In the last decade, the issue of sustainability has become a critical issue for the world and for business. (Prahalad & Hammond, 2002).

Brand extension is always seen as a way for companies to seek growth, while introducing a new product (Caroline, 2007). The advantages are outlined below:

Economic benefit: In the world of cash, one of the greatest profits everybody wants to seek is economic benefit. According to Tauber (1998), the economic as well as the business world is now a cost controlled and cost based world. Brand extension can reduce the cost of launching a new product (Jean-noel, 1993). One of the most popular and effective but costly way of branding is advertising. Brand extension can achieve the efficiency of advertising (Smith and Park, 1992).

Risk Reduction: Brand extension reduces the risk of the new brand while entering the market (Lain, 2002). It is considered that the parent brand is famous if brand extension is applied, because the new product can earn market share and customers more easily with the help of the reputation of parent brand the risk and chance of failure for the new product can be reduced (David Taylor, 2004). Brand Extension is popular because it is less risky and cheaper compared to the creation of a new brand (David Taylor 2004).

Consumer Knowledge: The remaining strong brand used to "promote a new product" makes it less critical to create awareness and imagery. The association with the main brand is already done and the main task is communicating the specific benefits of the new innovation (Taylor 2004).

Consumer Trust: The existing well known-strong brand represents a promise of quality, useful features etc for the consumer. The extension will benefit from this fame and this good opinion about the brand to create "a compelling value proposition in a new segment or market" (Taylor, 2004). According to a brand gym survey in 2003, "58% of UK consumers will be more likely to try a new product from a brand they knew, versus only 3% for a new brand" (Taylor 2004).

Defensive Strategy: An extension can prevent competitors from gaining or exploiting a foothold in the market and can be "worthwhile even though it might struggle" according to Aaker (2004). Microsoft for instance has decided to operate in different areas with the aim of limiting the ability of competitors to encroach on core business areas.

Components of Organizational Sustainability

Organizational sustainability refers to a company's activities, voluntary by definition, demonstrating the inclusion of social and environmental concern in business operations and in interactions with stakeholders (Marreqijik, 2003). Each individual organization should choose its own particular goals and approaches as they pertain to corporate sustainability, making and aligning with the organization's strategy as an appropriate response to the conditions in which it functions. According to Hauser, (2008), the components of organizational sustainability are:

Organizational Identity: Every organization needs to distinguish and market its organizational identity. The organization's identity is made up of its vision, mission and values. It tells the story of the organization and why it exists. It can be distinguished by the branding and message. An organization is often identified with its leadership.
A Long Range Strategic Plan: For an organization to be sustainable, it must have a strategic plan that speaks to the mission, vision, goals and niche of the organization. The organization uses this strategic plan to create an annual operational plan.
Annual Operational Plan: This identifies the work the organization will undertake in the coming year. An annual plan is a particular one-year plan of action that includes objectives, activities and timelines. To create an operational plan starts by identifying any work to which the organization is already obliged to conduct based on its current grants and contracts.
Financial and other System Administration: The annual financial plan is the organization's fiscal plan of action. It includes the creation of an organizational budget as well as the conduct of a number of processors to monitor the financial health and well being of the organization.
Long Range Fund Raising Plan: Every organization needs a long range fund raising plan to maintain its sustainability. The long range fund raising plan helps the staff and board to ensure that the organization will have the funding necessary to conduct its annual operational plan and fulfill its long range strategic plan.
Board Development Plan: A strong and sustainable organization has a board of directors that is engaged in the organization's strategic vision and whose members are willing to help the organization need its programme and fund raising goals. The creation of an annual board development plan can help the organization keep its current board members engaged while cultivating new board member to fit the ever changing needs of the organization.
Staff Development and Organizational Culture**:** An organization's staff is its bread and butter. If the staff is competent and well respected in the field, then the organization is more likely to be sustainable. Staff development is an ongoing process of investing in the individuals that make up the organization and ensuring that each individual has the skill and confidence necessary to excel at his/her work. Sustainable organizations invest in their employees reward initiatives and competence, provide transparency and flexibility.

Theoretical Review

Agenda Setting Theory

Agenda setting theory stipulates the mass media as exerting a very powerful influence on the society; by telling us what issues are important. Walter Lippman propounded this theory in 1922, when he stated that the media put "pictures in our heads" (Ndolo, 2006).
According to Baran and Davis, Lippman did not specifically use the term agenda settings; Bernard Cohen is generally credited with refining his ideas into the theory of agenda setting. In 1963, Cohen asserts that the mass media are significantly more than a purveyor of information and opinion. It may not be successful much of the time in telling people what to think, but it is successful; in telling us what to think about. The agenda setting theory equally proposes that the facts which people know about public issues tend to be those which the mass media present to them. Also, the significance which they ascribe to the same issues tends to be proportionate to the amount of attention given to the same issues in the media.
Advertisers realizing this power of the mass media in projecting issues to stand out for people, they capitalize on this power and usually pay the mass media to use their power to project brand advertisement regularly, so, to remain in people consciousness.
The relationship between this theory and this work is that, the mass media have power to make Nigeria Breweries Plc (NB) product advertisements stand out. The people attach importance to

media messages that come regular and usually repeated. Advertisers equally use this avenue to influence the mass media to make their brand adverts come regular and often repeated, this make it registered to the consciousness of consumers.

Empirical Review

Pina Jose, Iversen Nina and Martinez Eva, (2010) addressed the "feedback effects of brand extensions on the brand image of global brands: a comparison between Spain and Norway". The sample tested in this study consists of 200 Spaniard respondents and 266 Norwegian. They revealed that Brand familiarity has a direct positive effect on attitude towards the extension and increasing familiarity with the parent brand has a direct positive effect on the adaptation of the parent brand image and the higher the degree of perceived image fit, the more favourable the attitude towards the extension and the effect of perceived image fit on extension attitude is weaker/stronger when consumer innovativeness is high/low.

Lee, Ching and Chen, (2011) investigated the relationship between the variance of two brand images and dimensions of brand equity after M & A (Merge and acquisition), which found out the variance with the greatest value across both brand images was brand association and acquiring a brand with superior image can create better brand associations than acquiring one with an average image. Meanwhile, acquiring a brand with a better image creates the same effect on brand loyalty as it does on brand association.

Boisvert and Burton, (2011) tested the effect of parent brand salience, branding strategy and extension innovativeness positioning on the extent of transfer of associations from the parent brand to a brand extension in Taiwan. The results showed that the branding strategy, the innovativeness of the extension and the salience of parent brand associations influence the extent of transfer of brand associations.

Chen and Gu, (2012) analyzed the challenges and opportunities a company faces when implementing brand extension strategy. For factors (Brand loyalty, brand awareness and perceived quality and brand association) in Aaker's brand equity are used to compare two brand extension cases. The survey was conducted in UK and Japan. The results indicated that challenges always exist in brand extensions no matter how successful the parent brand is. When stretching the brand to a new category, the company should be aware of consumer's 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 brand extension Tung, Cheng & others (2010), concluded that the more successful brand strategies that company has, the higher brand equity will be recognized by the consumers, that is, the brand strategies has a positive effect on the brand equity by investigating 450 consumers in Taiwan health food market via questionnaires.

3.0. Methodology

Nwaizugbo, (2007) research design is an outline of a statement of the essential elements of a study those that provide the basic guidelines for the details of the project. It comprises a series of prior decisions that taken together provide a master plan for executing a research project. The research design used for this study was appropriate because it involves descriptive research design with the help of survey method which is gathering of opinions and information from respondents. According to Akuezuilo and Agu, (2003), and Osuala, (1990) in a survey research, the researcher uses a sample drawn from the population to have an insight to the problem under investigation and uses the research findings to make generalization.

The population of study is comprised of all the management staff of Nigeria Breweries Plc. (NB). The population size of member of the staff of Nigeria Breweries Plc (NB) is 142, this include both the senior and junior member of the staff of Nigeria Breweries Plc (NB).
In this research, Taro Yamani formula was used for a finite population to determine the sample size of management staff of Nigeria Breweries Plc (NB).
The formula of Taro Yamani is as follows:

$$n = \frac{N}{1+N(e)^2}$$

Where:
n = sample size
N = Total population size
e = Error margin
1 = constant
Where N = 142, e = 0.05
Thus:

$$n = \frac{142}{1 + 142\,(0.05)^2}$$

$$n = \frac{142}{1 + 0.355}$$

n = 104.797
n = 105
This study is based upon data analyzed from both primary and secondary sources of information. Essentially, the gathering of relevant data is the bedrock upon which any good study rest. In selecting the respondent a simple random sampling procedure was adopted to ensure representatives of the sample.
To find out the reliability of research instrument, a total of 20 respondents from Nigerian Breweries Enugu State were given a copy of the questionnaire each respectively to answer the predetermined identified number given to them before completing the tests. This enables the researcher to distinguish one questionnaire from the other. The complete test was collected and kept aside. The same set of survey was given to the same set of respondents after two weeks which was collected by the researcher. With the aid of predetermined identification numbers on the tests, the researcher compared the responses given by each participant. The two results collected were correlated using Pearson product moment correlation coefficient. The result gave reliability index of 0.96 indicating a high degree of consistency.
The data collected were group and presented with the aid of tables and simple percentage. In testing the operational hypotheses, Pearson Correlation was used for hypotheses one, while hypotheses two and three were tested using Simple Linear Regression (SLR) respectively. These hypotheses were tested with the aid of statistical package for social sciences (SPSS) version 23.0

4.0 Data Presentation and Analysis

Data Presentation

Table 1: Questionnaire Distribution

Opinion	Frequency	Percentage %
Validated	72	68.57
Not validated	33	31.43

Total	105	100

Source: field Data, 2024

The above table indicates that out of 105 questionnaires distributed to the staff of Nigeria Breweries Plc (NB), 72 representing 68.57% were duly completed and returned while 33 representing 31.43% were not returned.

Data Analysis

Demographic Characteristics of the Respondents

Table 2: Sex Distribution

Option	Response	Percentage (%)
Male	44	61.11
Female	28	38.89
Total	72	100

Source: Field Data, 2024

The table above shows that 44 representing 61.11% of the respondents are male while 38.89% are female.

Table 3: Marital Distribution

Option	Response	Percentage (%)
Single	42	58.33
Married	28	38.89
Divorced	2	2.78
Total	72	100

Source: Field Data, 2024

The table above shows that 42 representing 58.33% of the respondents are single, 28 representing 38.89% are married, and 2 representing 2.78% are divorced.

Table 4: Educational Distribution

Option	Response	Percentage (%)
FSLC	16	22.22
WASSCE	10	13.89
NCE/OND	16	22.22
HND/B.Sc	19	26.39
Post Graduate	7	9.72
Others	4	5.56
Total	72	100

Source: Field Data, 2024

The table above indicates that 16 representing 22% of respondents are FSLC holders, 10 representing 14 % are WASSCE holders, 16 representing 22% are OND/NCE holders, 19 representing 26% are HND/B.Sc holders, 7 representing 10% are Postgraduate holders while 4 representing 6% have other qualifications.

Table 5: Distribution of Participation Level

Option	Response	Percentage (%)
Top Level	13	18.06
Middle Level	18	25
Lower Level	41	57.94
Total	72	100

Source: Field Data, 2024

This shows that majority of the respondents that participate much in the questionnaire are lower level staff.

Table 6: Usefulness of Brand Extension as a Brand Strategy Decision

Option	Response	Percentage (%)
Strongly Agree	17	23.61
Agree	16	22.22
Undecided	10	13.88
Disagree	14	19.44
Strongly Disagree	15	20.83
Total	72	100

Source: Field Data, 2024

The table above indicates that 17 representing 23.61% of respondents strongly agreed that brand extension is a veritable tool for brand strategy decision, 16 representing 22.22% agree, 10 representing 13.88% wired undecided, 14 representing 19.44% of the respondents disagreed while 15 representing20.83% strongly disagreed with the assertion.

Table 7: Support of Brand Extension in the Sales of Star Radler

Option	Response	Percentage (%)
Strongly Agree	29	40.28
Agree	17	23.61
Undecided	-	-
Disagree	12	16.67
Strongly Disagree	14	19.44
Total	72	100

Source: Field Data, 2024

The table above indicates that 29 representing 40.28% of respondents strongly agreed that brand extension supports the efforts of salesmen in the sale Radler, 17 representing 23.61% agreed, 12 representing 16.67% disagreed and 14 representing 19.44% strongly disagreed.

Table 8: Whether Vertical Brand Extensions lead to Stronger Organizational Sustainability

Option	Response	Percentage (%)
Strongly Agree	20	27.78
Agree	13	18.05
Undecided	11	15.28
Disagree	10	13.89
Strongly Disagree	18	25
Total	72	100

Source: Field Data, 2024

The table above shows that 27.78% of respondents strongly agreed that vertical brand extension leads to stronger Organizational Sustainability, 18.05% agreed, 15.28% were undecided, 13.89% disagreed while 25% of respondents strong disagree with the assertion. This indicates that vertical brand extension may not necessary lead to a stronger Organizational Sustainability.

Table 9: Whether Horizontal Brand Extensions leads to Stronger Organizational Sustainability

Option	Response	Percentage (%)
Strongly Agree	27	37.5
Agree	10	13.89
Undecided	12	16.66
Disagree	13	18.05
Strongly Disagree	10	13.88
Total	72	100

Source: Field Data, 2024

The table above shows that 37.5% of respondents strongly agreed that horizontal brand extension leads to stronger Organization sustainability,13.89% agreed, 16.66% were undecided, 18.05% disagreed while 13.88 strongly disagreed with the assertion.

Table 10: Improvement on the Strategy used in Brand Extension of Star Radler

Option	Response	Percentage (%)
Strongly Agree	31	43.05
Agree	16	22.22
Undecided	-	-
Disagree	13	18.05
Strongly Disagree	12	16.66
Total	72	100

Source: Field Data, 2024

The table above indicates that 43.05% of respondents strongly agreed that strategy used in brand extension of Star Radler needs to be improved upon, 22.22% agreed, 18.05% disagreed while 16.66% strongly disagreed respectively with the assertion.

Table 11: Preference for Star Radler than other Lower Alcoholic Beer

Option	Response	Percentage (%)
Strongly Agree	25	34.72
Agree	22	30.55
Undecided	12	16.66
Disagree	7	9.72
Strongly Disagree	6	8.33
Total	72	100

Source: Field Data, 2024

The table below indicates that 34.72% of respondents strongly agreed that they buy other lower alcoholic beer if Star Radler is not available, 30.55% agreed, 16.66% were undecided, 9.72% disagreed while 8.33% strongly disagreed with the assertion.

Table 12: Patronage of Star Radler than other Lower alcoholic beer

Option	Response	Percentage (%)
Strongly Agree	21	29.17
Agree	27	37.5
Undecided	8	11.11
Disagree	11	16.66
Strongly Disagree	4	5.55
Total	72	100

Source: Field Data, 2024

The table below shows that 29.17% of respondents strongly agreed that Star Radler is better than other lower alcoholic beer, 37.5% agreed, 11.11% were undecided, 16.66% disagreed while 5.55% were strongly disagreed with the assertion.

Table 13: Frequency of the Purchase of Star Radler

Option	Response	Percentage (%)
Very Often	15	20.83
Often	6	8.33
Rarely Often	25	34.72
Undecided	19	19.44
Not at all	17	16.66
Total	72	100

Source: Field Data, 2024

The table above shows that 20.83% of respondents purchase Star Radler very often, 8.33% bought it often, 34.72% rarely bought it, 19.44% were undecided while 16.66% did not buy it at all.

Table 14: Whether Star Radler is an Extension of Star Larger Beer

Option	Response	Percentage (%)
Strongly Agree	28	38.88
Agree	18	25
Undecided	9	12.5
Disagree	7	9.72
Strongly Disagree	10	13.88
Total	72	100

Source: Field Data, 2024

The table above indicates that 38.88% of respondents strongly agreed that star Radler is an extension of Star lager Beer, 25% agreed, 12.5% were undecided, 9.72% disagreed while 13.88% strongly disagreed with the assertion.

Testing of Hypotheses

Hypothesis One

H_0: There is no significant relationship between horizontal brand extension and Organizational Sustainability

H_1: There is a significant relationship between horizontal brand extension and Organizational Sustainability.

This hypothesis was tested using tables 4.2.8 and 4.2.11 as independent and dependent variables respectively.

Table 4.3.1 Analysis of Hypothesis One

Horizontal Brand Extension (x)	Organizational Sustainability (y)
27	21
10	27
12	8
13	11
10	4

Source: Field Data, 2024

Identification of Test Statistic

r = Correlation coefficient

N = Total number of cases

Level of significance is 0.01
Degree of freedom = N – 2
Thus, r = 1.2675
df = 24 – 2 = 22

Decision Rule

If the calculated t-value is greater than the critical value of 2.074 i.e 0.01, 29 (see t- distribution table). The degree of relationship is significant. Otherwise, the degree of relationship is not significant.

Computation of t-Value

	HORBRNDEX	CUSPATRANGE
Pearson correlation	1	0.845**
Sig. (2-tailed)		.000
N	24	36
Pearson correlation	0.845**	1
Sig. (2-tailed)	.000	
N	24	72

Source: Statistical Package for Social Sciences (SPSS)
****correlation is significant at the level of 0.01 level (2-tailed)**

$$t = r\sqrt{\frac{N-2}{1-r^2}}$$

r = 0.845 (see appendix)
t = 0.845
N-2 = 24-2
$1 - r^2 = 1 - (0.845)^2$

$$t = \frac{0.845}{1 - 0.714025}$$

$$t = \frac{0.845}{22}$$

0.285975
0.845
V78.92980
0.845(8.770)
7.41146
t = 7.4115

Statistical Decision:

Since our calculated t-value of 7.4115 is greater than the table-value of 2.074, we reject the null hypothesis and accept the alternative.

Administrative Decision

Since we rejected the null hypothesis, we therefore conclude that there is significant relationship between horizontal brand extension and organizational sustainability of Nigeria Breweries Plc (NB).

Hypothesis Two

This hypothesis was tested using tables 4.2.7 and 4.2.8 as independent variables, and table 4.2.11 as dependent variables respectively.

Table 9 Analysis of Hypothesis Two

Vertical Brand Extension (X_1)	Horizontal Brand Extension (X_2)	Organizational Sustainability (y)
20	27	21
13	10	27
11	12	8
20	13	11
18	10	4

Source: Field Data, 2024

Statement of Hypotheses

H_0: Horizontal brand extension and vertical brand extension do not have significant effect on organizational sustainability

H_1: Horizontal brand extension and vertical brand extension have significant effect on organizational sustainability.

Level of significance is 0.01

Decision Rule

If the computed F-value is greater than equal to the table value of 5.78 i.e 0.01 (see F – distribution table) we reject the null hypothesis.

Formula:

y – a + bi + 02X2 + e

y = dependent variable (organizational sustainability)

a = constant

b_1 = coefficient for independent variable 1

b_2 = coefficient for independent variable 2

x^1 = independent variable 1 (vertical brand extension)

x^2 = independent variable 2 (horizontal brand extension)

e = error margin.

Correlation

Model	R	R square	Adjusted R square	Std error for the estimate
1	.854[a]	.730	.704	.27686

Predictors: (Constant) HORBRNDEY, VRTBRNDEX

Dependent variable CUSPATRNAGE

ANOVA[b]-

Model	Sum of squares	df	Mean square	F	Sig.
1. Regression	4.349	2	2.174	28.365	.000*
Residual	1.610	21	.077		
Total	5.958	23			

Source: Statistical Package for Social Sciences (SPSS 23).

a. Predictors: (Constant) HORBRNDEY, VRTBRNDEX
b. Dependent variable CUSPATRNAGE

Statistical Decision

Since the calculated f-value of 28.365 is greater than 5.78 the table value, we reject the null hypothesis and accept the alternative hypothesis.

Administrative Decision

Since the null hypothesis is rejected, the alternate hypothesis is accepted we therefore conclude that horizontal and vertical brand extensions have significant effects on the Organizational Sustainability of Nigeria Breweries Plc (NB).

4.4.2 Hypothesis Three

The hypothesis was tested using tables 4.2.7 and 4.2.11 as independent and dependent variables respectively.

Table 8 Analysis of Hypothesis Three

Vertical Brand Extension (X)	Organizational Sustainability (y)
20	21
13	27
11	8
20	11
18	4

Source: Field Data, 2024

Statement of Hypotheses

H_0: Vertical Brand Extension will not significantly affect Organizational Sustainability

H_1: Vertical Brand Extension will significantly affect Organizational Sustainability

Decision Rule:

If the computed f-value is greater than or equal to 7.95 i.e 0.01,1,22 (see f-distribution table), we reject the null hypothesis. Otherwise, we do not reject the null hypothesis,

a. Formula y = a + bx + e

Where:
y = dependent variable (organizational sustainability)
a = constant
b = coefficient
x = independent variable (vertical brand extension)
e = error margin.

Correlation

Model	R	R square	Adjusted R square	Std error for the estimate
1	.730	.533	.512.	.35550

a. Predictors: (Constant) VRTBRNDEX
b. Dependent variable CUSPATRAGE

ANOVA[b]-

Model	Sum of squares	df	Mean square	F	Sig.
1. Regression	3.178	1	3.178	25.146	.000[a]
Residual	2.78-	22	.126		
Total	5.958	23			

Source: Statistical Package for Social Sciences (SPSS 17).

a. Predictors: (Constant) VRTBRNDEX, VRTBRNDEX
b. Dependent variable CUSPATRNAGE

Statistical Decision

Since the calculated F-value of 25.146 (see appendix) is greater than the table value of 7.95, we reject the null hypothesis and accept the alternative hypothesis.

Administrative Decision

Since the null hypothesis is rejected, we therefore conclude that vertical brand extension will significantly affect the organizational sustainability.

5.0 Summary of Findings, Conclusion and Recommendations

Summary of Finding

1. There is significant relationship between horizontal brand extension and organizational sustainability. The calculated t-value is 7.4115 greater than the table value of 2.074.

2. Horizontal and vertical brand extensions have significant effects on the organizational sustainability. The calculated f-value of 28.365 is greater than 5.78 the table value.

3. The vertical brand extension will significantly affect the organizational sustainability. The calculated f-value of 25.146 sand 7.95 is greater than 5.78 the table value.

Conclusion

Brand extension is very relevant to the growth of Nigeria Breweries Plc (NB). Brand extension as a brand decision strategy helps in the sale of Star Radler by increasing the sales of Nigeria Breweries Plc (NB). The present strategy used in brand extension of Star Radler needs tremendous improvement. It is on this premise we infer that brand extension strategy improvement leads to a greater organizational sustainability. The vertical and horizontal brand extension strategies have significant effect on the organizations profit in sales of Star Radler and that vertical brand extension may not necessarily leads to a greater profit that will sustain the organization. More so, horizontal brand extension has more significant effects on the organization.

Recommendations

The recommendations on this study are based on data analysis and hypotheses tested. This is an earnest attempt to determine the influence of brand extension as a tool to increase organizational sustainability.

The recommendations are as follows:

1. Firms should provide more money on brand extension programme and the people should be trained on the way to implement brand extension strategies

2. Firms should embark on an intensive distribution of Star Radler and do more of sales promotion for proper awareness of the product

3. Firms should embark on an aggressive and intensive implementation of horizontal brand extension strategy since this strategy is more applicable in the Nigeria Breweries Plc (NB).

Suggestions for Further Study.

The current study focused on Brand Extension, further study could focus on Line Extension. The study used Pearson Correlation, Coefficient and Simple Linear Regression. Further study may use other analytical tool to analyze the study. Finally, the study was carried out on Nigerian Breweries. It can be extended to other companies in further study.

Contribution to Knowledge

The study contributed immensely on the existing discussions on the topic. The methodology used is one of the contributions. The findings which state that Horizontal, Vertical Brand Extension has significant relationship with organizational sustainability will help the company to expand.

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Appendix
Correlations
/VARIABLES = HORBRNDEX CUSPATRNAGE
/PRINT = TWOTALL NOIG
/STATISTICS DESCRIPTIVE
/MISSING = PAIRWISE
Correlations
[data set 0]
Descriptive Statistics

	Mean	Std Deviation	N
CUSPATRNAGE	4.2083	77903	21
	3.2917	1.33621	48

Correlations

		Horbrndex	Cuspatrnage
HORBRNDEX	Pearson Correlation Sig. (2 –tailed) N	1 24	845 000 24
CUSPATRNAGE	Pearson Correlation Sig. (2 –tailed) N	845000 24	1 48

Correlation is significant at the 0.01 level (2 –tailed).

REGRESSION
/DESCRIPTIVE MEAN STDDEV CORR SIG N
/MISSING LISTWISE
/STATISTICS COEEF OUTS R ANOVA CHANGE
/CRITERIA = PIN (0.5) POUT (.10)
/DEPENDENT CUSPARRANGE
/METHOD = ENTER VRTBRNDEX HORBRNDEX
/RESIDUAL NORM (ZRESID)
REGRESSION
[DATA SET 0]

Descriptive Statistics

	Mean	Std Deviation	N
CUSPATRANGE Vrtbrndex HORBRNDEX	4.4583 2.0417 4.2083	.50898 .99909 .77903	24 24 24
	3.2917	1.33621	48

Correlations

		Cupartrnag	Vrtbrnde	Horbrnde
Pearson correlation	CUSPATRANGE VRTBRNDEX HORBRNDEX	1.000 .730 .845	730 1.000 .770	854 .770 1.000

Sig. (1 tailed)	CUSPATRANGE VRTBRNDEX HORBRNDEX	 .000 .000	.000 .000	.000 .000
N	CUSPATRANGE VRTBRNDEX HORBRNDEX	24 24 24	24 24 24	24 24 24

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	HORBRNDEX VRTRBRANDEX		Enter

a. All requested variables entered

Model Summary [b]

Model				
	R	RSquare	Adjusted R square	Std. Error of the Estimate
1	854[a]	.730	.704	.27686

a. Predictors: (Constant), HORBRNDEX VRTBRADEX
b. Dependent Variables: CUSPATRANGE

Model Summary [b]

Model					
	R square change	F Change	Df1	Df2	Sig. F change
1	.730	28.365	2	21	.000

a. Dependent Variables: CUSPATRANGE