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# BRAND INFIGHTING

**Dr. Lakshmi S, Dr.K.Prakash, Dr.A.Thandauthapani**

*Faculty of Management, SRM Institute of Science and Technology*
*Ramapuram campus, Chennai*
*Faculty of Management, SRM Institute of Science and Technology*
*Ramapuram Campus, Chennai*
*Faculty of Management, SRM Institute of Science and Technology*
*Ramapuram Campus, Chennai*

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**ABSTRACT**

Brand is a symbol and term used to identify the goods and services of one seller from those of other competitors. The actual battle in the market is not between the companies but between the brands under the same company. When one company introduce new brand in the same product line and hence try to cover each and every market segment for that product line. When two brand in the same product line, offered by same player target the same market segment and compete with each other by6 eating away the market share without adding any value to the marketer. This fact is named cannibalism. This paper outlines the way it happens, its impact and the possibility of its uses as a marketing tool.

**Key words:** Cannibalism, proliferation, market share, multi brand, acceptance level.

## 1.INTRODUCTION

Cannibalism is an important issue in marketing strategy when an organization aims to carry out brand extension. Normally, when a brand extension is carried out from sub-category to another sub-category, there is an eventuality of a part of the former's sales being taken away by the latter. However, if the strategic intent of such an extension is to capture a larger market of a different market segment notwithstanding the potential loss of sales in an existing segment, the move to launch the new product can be termed as "cannibalization strategy". There are two main reason, companies do this

- Firstly, the company wants to increase its market share and is taking a gamble that introducing the new product will harm other competitors more than the company itself.
- Secondly the company may believe that the new product will sell better than the first or will sell to different sort of buyer.

## 2. Reviews:

Mark B.Traylor (1986) states the "Although cannibalism is seldom desirable, it can be tolerated under certain conditions. This paper illustrates those conditions and shows that cannibalism may not be so bad after all".

Copulsky 1976 states the "cannibalism result from two close identification of a new product with the launching company's older products and established markets. New appeals to new market segment will avoid eating one's own market share".

## 3. Objectives of the study:

- To examine how a company should engage in cannibalism to effectively compete against itself.
- To analyses how the new product will harm other competitors.

- To find the impact of cannibalism on the different brands.

**4. Research Methodology:**

Researcher used descriptive research design in this research. Primary data were collected by using gall up questionnaire. Secondary data were obtained from journals, books and websites. The sample size for the study was 143 respondents. Convenience sampling was used in this research. Chi-square, Independent sample t-test and Paired sample t-test were the tools used for the analysis of data.

**5. Analysis and Interpretation:**

**5.1 Chi-square test:**

**Hypothesis for the study:**

Ho: There is no significant difference between the multi brand firms with the acceptance level

H1: There is a significant difference between the multi brand firms with the acceptance level

**Table.1.1**

**Case Processing Summary**

| | Cases | | | | | |
|---|---|---|---|---|---|---|
| | Valid | | Missing | | Total | |
| | N | Percent | N | Percent | N | Percent |
| companies * Acceptance level | 232 | 100.0% | 0 | .0% | 232 | 100.0% |

**Firm * Acceptance level Cross tabulation**

| Count | | | | |
|---|---|---|---|---|
| | | Acceptance level | | |
| | | accepted | Rejected | Total |
| Firm | organised | 123 | 31 | 154 |
| | unorganised | 12 | 66 | 78 |
| Total | | 135 | 97 | 232 |

**Chi-Square Tests**

| | Value | Df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) |
|---|---|---|---|---|---|
| Pearson Chi-Square | 88.496[a] | 1 | .000 | | |
| Continuity Correction[b] | 85.865 | 1 | .000 | | |
| Likelihood Ratio | 93.717 | 1 | .000 | | |
| Fisher's Exact Test | | | | .000 | .000 |
| Linear-by-Linear Association | 88.114 | 1 | .000 | | |
| N of Valid Cases[b] | 232 | | | | |

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 32.61.

b. Computed only for a 2x2 table

**Inference:**

Here the Calculated value is greater than the table value, so we reject the null hypothesis. The survey yielded that 123 respondents are accept the branded products from the organised firm because of extra features with the same price and the rest of the respondents rejected the products from the unorganized firm. Therefore there is a significant difference between the multi brand firms with the acceptance level of the customers

**5.2 Independent sample t-test:**

Impact of cannibalism with different brand, hypothesis has been set up and has been tested by using t - test.

**Null hypothesis:**

Existing brand (brand x) is not superior to New Brand (brand y) in increasing the sale value.

**Table: 1.2**

**Group Statistics**

| | product | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|---|
| sales(%) | New product | 14 | 10.8214 | 1.13692 | .30385 |
| | Existing product | 14 | 11.3571 | 1.15073 | .30755 |

**Interpretation:**

Output I gives the mean sales level with the new product (brand x) is 10.82 with a standard deviation of 1.136 (sales %) and for Existing product (Brand y), the mean level is 11.357 with a standard deviation of 1.15(sales %)

Output II gives the t – value, degrees of freedom, significance level and 95% confidence interval for the mean. The t value of -1.239 for 26 degrees of freedom is not significant as significance value (for two – tailed test) is 0.226 which is >0.05.

Therefore, we accept the Null hypothesis. Existing brand (x) is not superior to new brand (y) in increasing the sales level.

**5.3 Paired sample t-test**

**Ho: New Brand (Brand y) is not effectively increasing the satisfaction level**

**Table 1.3**

**Paired Samples Statistics**

| | | Mean | N | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|---|
| Pair 1 | Before satisfaction level | 10.6467 | 15 | .81404 | .21019 |
| | After Satisfaction level | 11.2333 | 15 | .94239 | .24332 |

**Table 1.4**

**Paired Samples Correlations**

| | | N | Correlation | Sig. |
|---|---|---|---|---|
| Pair 1 | Before satisfaction level & After Satisfaction level | 15 | .911 | .000 |

**Table No: 1.5**

**Paired Samples Test**

| | | Paired Differences | | | | | t | df |
|---|---|---|---|---|---|---|---|---|
| | | Mean | Std. Deviation | Std. Error Mean | 95% Confidence Interval of the Difference | | | |
| | | | | | Lower | Upper | | |
| Pair 1 | Before satisfaction level - After Satisfaction level | -.58667 | .39073 | .10088 | -.80304 | -.37029 | -5.815 | 14 |

**Inference**

Output 1 gives the mean sales level before the introduction of new brand as 10.64 with a standard deviation of 0.81 and 11.23 with a standard deviation of 0.94 after the introduction of new brand.

Output 2 gives the t-value, degrees of freedom, significance level and 95% confidence interval for the mean difference. The t- value of -5.815 for 14 degrees of freedom is highly significant as significant value for 2- tailed tests is 0.000

Therefore we reject the null hypothesis. Hence the introduction of new brand (brand y) is effectively increasing the level of satisfaction.

**6.CONCLUSION:**

Cannibalization is an important issue in marketing strategy when an organisation aims to carry out brand extension. Normally when a brand extension is carried out from one sub-category to another sub-category. The company wants to increase its market share by gamble that introducing the new product. Create and launch of new products is critical to companies who want to stand out next to their markets and need to survive over time. A lot of new products launched each year, coupled with the fact that most are line extensions already worked by companies, so we assume that the occurrence of cannibalism is common, or that a significant amount of resources designed to prevent or dilute it. There is a high probability of transfer of results obtained by established products to new products, since similarity between them.

A new product should, wherever possible, be carefully designed to avoid cannibalizing older products, unless this process carefully planned.

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