

SCIENTIFIC ADVISOR'S REFERENCE

Program:	Corporate Finance
Student:	Mestnikova Kyunney
Title of thesis:	Brand extension as a real option: case of fast – moving consumer goods companies

Justification of the topic choice. Accuracy in defining the aim and objectives of the thesis. Justification of the topic choice; accuracy in defining the aim and tasks of the thesis; originality of the topic and the extent to which it was covered; alignment of the thesis' topic, aim and objectives.

Kyunney Mestnicova describes up-to-dated topic of brand extension and analysis it as a real option. Brand extensions have become an increasingly attractive growth strategy for many firms nowadays. But it is connected with the high level of uncertainty. Real options theory provides a set of analytic tools to evaluate and deal with the uncertainty that is engaged in strategic decisions, which is described in the paper.

The research aim to provide findings on brand extensions behaviors of consumer goods companies by using real option approach. The tools embedded in the analysis provide a comprehensive and objective answer to the stated problems. The objectives of the research are stated clearly.

Structure and logic of the text flow. Logic of research; full scope of the thesis; alignment of thesis' structural parts, i.e. theoretical and empirical parts.

The thesis is quite well structured. The author starts with the introduction where the topic actuality is explained and the main aims and objective are stated. Then the literature review goes. The author analyses definition of the brand and brand extension; makes analysis of real options application under uncertainty. After that there is the theoretical part where the author describes survival analysis and Cox model for multiple – failure data. The next part is empirical study which starts with a comprehensive methodology description and is followed step-by-step analysis of five consumer goods companies in terms of brand extension. Finally the conclusions goes.

Quality of analytical approach and quality of offered solution to the research objectives. Adequacy of objectives coverage; ability to formulate and convey the research problem; ability to offer options for its solution; application of the latest trends in relevant research are for the set objectives.

The objectives of the thesis are fully covered in the research. The student showed the abilities to convey the research problem and offer options for its solution. The solutions proposed by the author can be applied in practise.

Quality of data gathering and description. Quality of selecting research tools and methods; data validity adequacy; adequacy of used data for chosen research tools and methods; completeness and relevance of the list of references.

A sufficient amount of data was obtained and properly tested. The author deeply analyses the vast amount of existing researches in the theoretical part and examined 5 consumer goods companies, 34 parent brands and 121 extensions during the empirical study. The list of references is complete and relevant, consists of 54 sources.

Scientific aspect of the thesis. Independent scientific thinking in solving the set problem/objectives; the extent to which the student contributed to selecting and justifying the research model (conceptual and/or quantitative), developing methodology/approach to set objectives.

Student has demonstrated the high level of independent thinking during the research conducting and results interpretation. Research methods are quite well justified and research results correlated with the aim/objectives of the study.

Practical/applied nature of research.

The research has a very high applied importance for companies which consider brand extension as a possible variant for their development.

Quality of thesis layout. Layout fulfils the requirements of the Regulations for master thesis preparation and defence, correct layout of tables, figures, references.

The thesis' layout totally corresponds with the requirements. All the tables, figures and references are edited correctly.

The Master thesis of **Mestnikova Kyunney** meets the requirements for master thesis of MCF program thus the author of the thesis can be awarded the required degree.

Date 15.06.2013

Scientific Advisor:

Anna E. Loukianova,
Associate Professor

A handwritten signature in black ink, appearing to read 'A. Loukianova', written in a cursive style.