



BRAND MANAGEMENT

MODULE 4

# GROWING & SUSTAINING BRAND EQUITY

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# DESIGNING & IMPLEMENTING BRANDING STRATEGIES

## Brand Architecture

### Meaning

Brand architecture is the structure of brands within an organisational entity. It is the way in which the brands within a company's portfolio are related to, and differentiated from, one another. It is how an organisation structures and names the brands within its portfolio.

There are three main types of brand architecture system:

1. Monolithic or Corporate brand: Corporate brands use the same name for all of their #od products. This kind of branding is also called umbrella or family branding. For example, Apple - Apple iPod, Apple Watch, Apple operating system, Apple iMac, and so on. No matter how diverse they may be - are identified under a single brand.

2. Endorsed brands, and sub-brands: These brands include a parent brand - which may be a corporate brand, an umbrella brand, or a family brand - as an endorsement to a sub- brand or an individual, product brand. The endorsement should add credibility to the endorsed sub-brand in the eyes of consumers. For example, Nestle Kit Kat, Cadbury Dairy Milk, Sony PlayStation or Polo by Ralph Lauren.

3. Individual product brand: The individual brands are presented to consumers, and the parent company name is given little or no prominence. These are brands that seem totally separate from each other, but are actually owned by the same company. Other stakeholders, like shareholders or partners, will know the producer by its company name. For example, Procter & Gamble's PANTENE, or Unilever's LUX

Brand architecture strategy helps marketers determine which products and services to introduce, and which brand names, logos, symbols, and so forth to apply to new and existing products. We often differentiate branding strategy by whether a firm is or should be employing an umbrella, corporate or family brand for all its products (as a "brand house"), or a collection of individual brands all with different names (as a "house of brands").

Brand architecture defines both brand boundaries and brand complexity. Which different products or services should share the same brand name? How many variations of that brand name should we employ? The role of brand architecture is two fold:

(i) To clarify brand awareness: Improve consumer understanding and communicate similarity and differences between individual products and services. (ii) To improve brand image: Maximise transfer of equity between the brand and individual products and services to improve trial and repeat purchase

Developing a brand architecture strategy requires three key steps:

- (a) Defining the potential of a brand in terms of its "market footprint,"
- (b) Identifying the product and service extensions that will allow the brand to achieve that potential,
- (c) Specifying the brand elements and positioning associated with the specific products and services for the brand.

## The Brand-Product Matrix

To characterise the brand architecture strategy of a firm, one useful tool is the brand-product matrix, a graphical representation of all the brands and products sold by the firm. The matrix (or grid) has the firm's brands as rows and the corresponding products as columns.

The rows of the brand-product matrix represent brand-product relationships and capture the brand extension strategy of the firm in terms of the number and nature of products sold under the firm's brands.

A brand line consists of all products-original as well as line and category extensions-sold under a particular brand. Thus, a brand line would be one row of the matrix. Example Dove soap, Dove Shampoo, Dove face wash, Dove lotion etc.

A potential new product extension for brand must be judged by how effectively leverages existing brand equity from the parent brand to the new product, as well as how effectively the extension, in turn, contributes to the equity of the parent brand. In other words, what is level of awareness likely to and what the expected strength, favourability and uniqueness brand associations of the particular extension product?

At the same time, how does the introduction of the brand extension affect the prevailing levels of awareness the strength, favourability, and uniqueness of brand associations overall responses (judgments and feelings) toward the parent brand as whole?

The columns of the brand-product matrix, on the other hand, represent product-brand relationships and capture the brand portfolio strategy terms of number and nature of brands to be marketed in each category. The brand portfolio is the set of all brands and brand lines that a particular firm offers for sale to buyers in a particular category. Thus, a brand portfolio would be one particular column of the matrix. Different brands may be designed and marketed to appeal to different market segments. A brand portfolio must be judged on its ability to collectively maximise brand equity. Any one brand in the portfolio should not harm or decrease the equity of other brands in the portfolio. In other words, the optimal brand portfolio is one in which each brand maximizes equity in combination with all other brands in the portfolio.

### Product Line

A product line is a group of products within a product category that are closely related because they function in a similar manner, are sold to the same customer groups, are marketed through the same type of outlets, or fall within given price ranges. A product line may include different brands, or a single family brand or individual brand that has been line extended. Maggi makes a variety of different soup products, varying in flavour, type, sizes, etc.

### Product Mix

A product mix (or product assortment) is the set of all product lines and items that a particular seller makes available to buyers. Thus, product lines represent different sets of columns in the brand-product matrix that, in total, make up the product mix. In addition to soup, Maggi sells masala, ketchup, noodles, pasta etc.

### Brand Mix

A brand mix (or brand assortment) is the set of all brand lines that a particular seller makes available to buyers. Nestle has Kit Kat, Maggi, Every day, Milkmaid and others.

### Breadth of Branding Strategy

The breadth of branding strategy describes the number and nature of different products linked to the brands sold by the firm. The firm has to make strategic decisions about how different product lines should carry (The breadth product mix) well how many variants to offer in each product line (The depth of product mix).

**Breadth of product mix:** Lehmann & Winer provide an in-depth consideration of factors affecting product category attractiveness. They note that three main sets of factors determine natural attractiveness of product category as follows:

1. Aggregate Market factors: Market sizes, Market growth, various stages of product cycle, non-cyclical and non seasonal in sales pattern and characterised by relatively high and steady profit margins are the various factors.
2. Category factors: Generally category attractive the threat of new entrants low, bargaining power of buyer is low; current category is low; few close product substitutes exist in the eyes of consumers; and the market operating at or near capacity.
3. Environmental factors: External forces unrelated to the product's customers and competitors that affect marketing strategies. A host of technological, political, economic, regulatory and social factors will affect the future prospects of category. All factors relate some way consumers, competition and the marketing environment. Marketers must assess them determine the inbuilt attractiveness of a product category or market, as well as taking into account its own core competencies and strategic objective and goals.

The actual names for the products to enter these different markets will depend on the branding strategy. For example Xerox chose to name its first computers with the Xerox name. The name Xerox is nearly synonymous to photocopying-it is not surprising that consumers draw back. Print ads announcing that "Here's a Xerox that doesn't even make a copy" may have raised questions in consumer's mind about how or even whether the computer worked. Xerox finally exited the personal computer business, though it still manufactures computer monitor.

#### 4.1(d) Depth of a Branding Strategy

The depth of a branding strategy is the number and nature of different brands marketed in the product class sold by a firm. Why might a firm have multiple brands in the same product category? The primary reason is market coverage.

## DEPTH OF PRODUCT MIX

Once marketers have made their broad decisions concerning suitable product categories and markets in which to compete, they need to choose the best product line strategy. Product line analysis requires a clear understanding of the market and the cost, interdependencies between products. This requires examining the percentage of sales and profits contributed by each item in the product line, and its ability to withstand competition and address consumer needs. From branding perspective, longer product lines may decrease the consistency of the associated brand image if all the items use the same brand.

Though multiple branding strategies were pioneered by General Motors, Procter & Gamble (P&G) is known for popularising the practice. P&G promoted multiple brands after introducing its Cheer detergent brand as an alternative to its already successful brand TIDE detergent, resulting in higher combined product category sales.

The main reason to adopt multiple brands is to pursue multiple brand segments. These market segments may be based on all types of consideration - different price segments, different channels of distribution, different geographic boundaries and so forth. For example HUL has Surf Excel, Rin and Wheel.

In many cases, multiple brands have to be introduced by a firm because any one brand is not viewed equally favourably by all the different market segments that the firm would like to target. Some other reasons for introducing multiple brands in a category - include the following:

To increase shelf presence and retailer dependence in the store

To attract consumers seeking variety who may otherwise switch to other brands

To increase internal competition within the firm

To yield economies of scale in advertising, sales, merchandising and physical distribution.

## Brand Hierarchy

### Meaning

A brand hierarchy is a means of summarising the branding strategy by displaying the number and nature of common and distinctive brand elements across the firm's products, revealing the explicit ordering of brand elements.

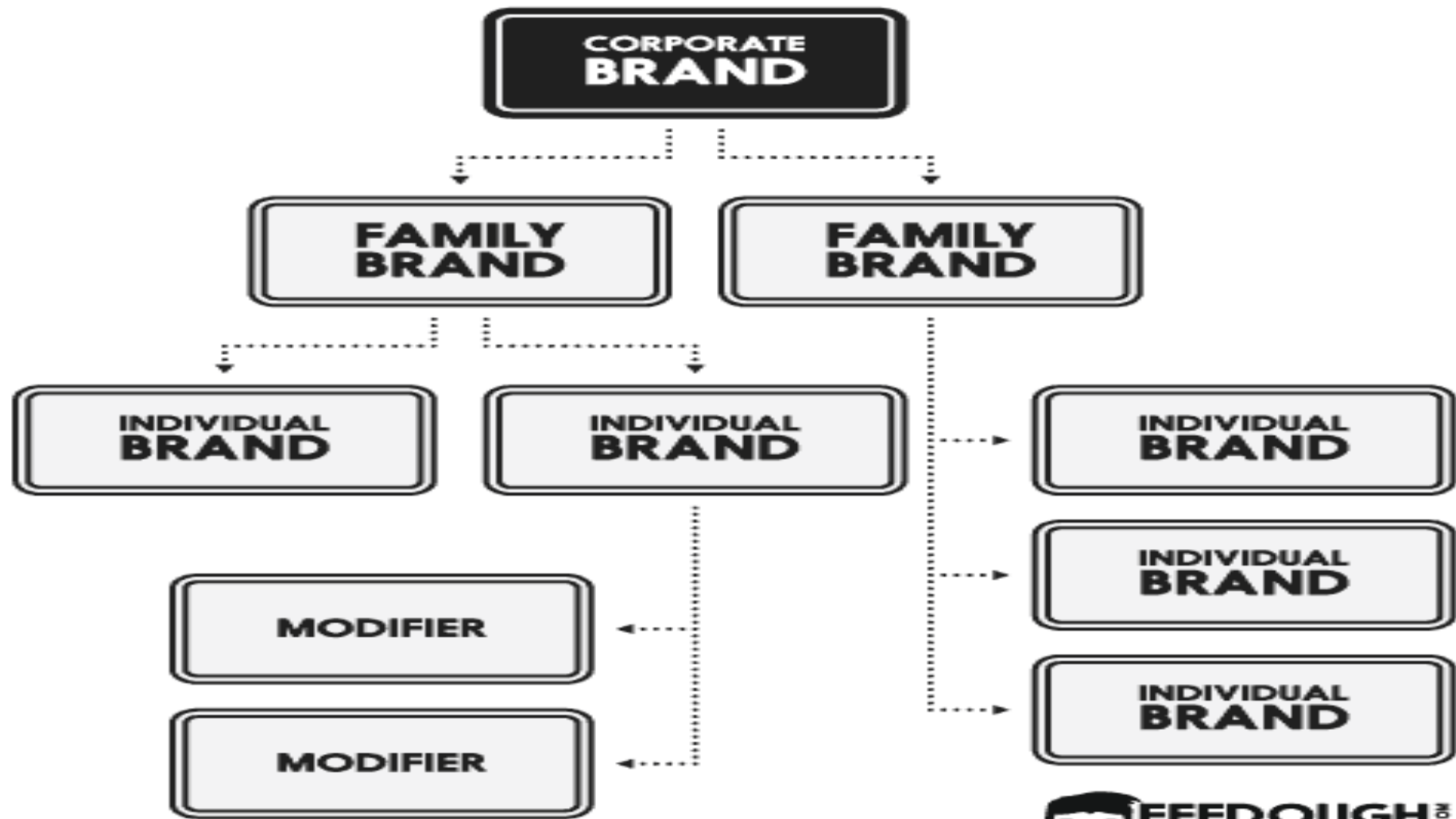
A brand hierarchy is a useful means of graphically portraying a firm's branding strategy by displaying the number and nature of common and distinctive brand elements across the firm's products, revealing their explicit ordering. It's based on the realization that we can brand a product in different ways depending on how many new and existing brand elements we use and how we combine them for any one product .

For example, a Dell Inspiron 17R notebook computer consists of three different

brand name elements, "Dell", "Inspiron", and "17R". Some of these may be shared by many products; others are limited. Dell uses its corporate name to brand many of its products but Inspiron designates a certain type of computer (portable), and 17R identifies a particular model of Inspiron (designed to maximize gaming performance and entertainment and including a 17-inch screen). We can construct a hierarchy to represent how (if at all) products are nested with other products because of their common brand elements. Figure 11-5 displays a simple characterization of ESPN's brand hierarchy. Note that ESPN is owned by Walt Disney Company and functions as a distinct family brand in that company's brand portfolio. A brand hierarchy can include multiple levels.

4.2(b) Building Equity at different hierarchy levels There are different ways to define brand elements and levels of the hierarchy. Perhaps the simplest representation of possible brand elements and thus potential levels of a brand hierarchy- from top to bottom-might be as follows:

- |                     |                    |                  |
|---------------------|--------------------|------------------|
| a) Corporate Brand  | Maruti Suzuki      | HUL              |
| b) Range Brand      | Swift              | DOVE             |
| c) Individual Brand | Swift D'zire       | Dove Shampoo     |
| d) Modifier         | Swift D'zire Regal | Hair fall rescue |

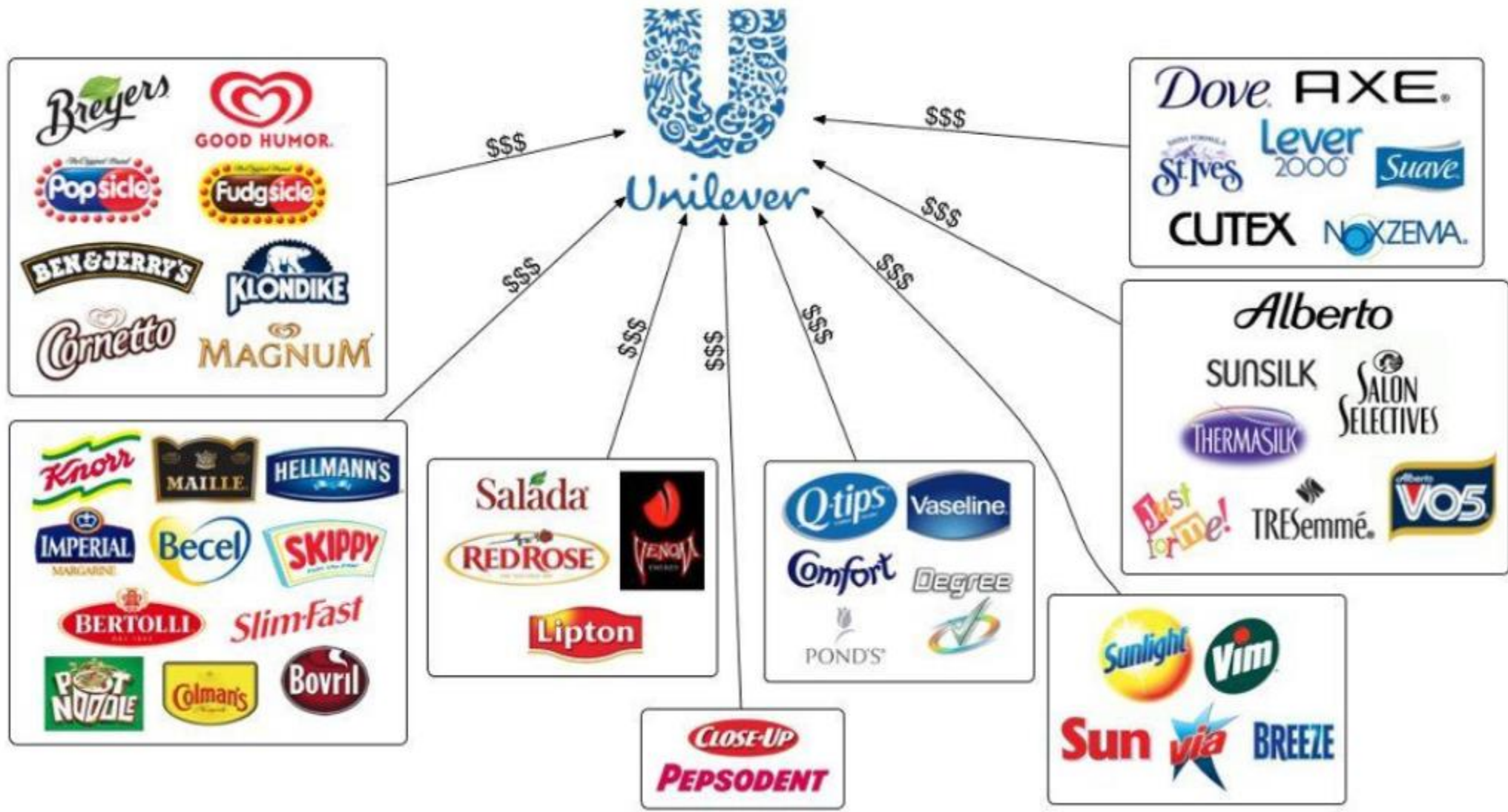


(a) **Corporate Brand:** The highest level of the hierarchy technically always involves one brand-the corporate or company brand. For legal reasons, the company or corporate brand is almost always present somewhere on the product or package, although it may be the case that the name of a company subsidiary may appear instead of the corporate name corporate branding is the practice of using a company's name as a product brand name. It is an attempt to use corporate brand equity to create product brand recognition. It is a type of family branding or umbrella brand. Disney, for example, includes the word "Disney" in the name of many of its products.

(b) **Range Brand/Family Brand:** At the next-lower level, a range/family brand is defined as a brand that is used in more than one product category but is not necessarily the name of the company or corporation itself. Brand spread across a range of product categories e.g. Dove.

(c) **Individual Brand:** Individual branding, also called individual product branding multi-branding, is the marketing strategy of giving each product in a portfolio its own unique brand name. This contrasts with family branding, corporate branding, and umbrella branding in which the products in a product line are given a single overarching brand name. The advantage of individual branding is that each product has an image and identity that is unique. This facilitates the positioning of each product, by allowing a firm to position its brands differently. Examples of individual product branding include Procter & Gamble, which markets multiple brands such as Pampers, and Unilever, which markets individual brands such as Dove.

(d) **Modifier Brand:** Regardless of whether marketers choose corporate, family, or individual brands, they must often further distinguish brands according to the different types of items or models. A modifier is a means to designate a specific item or model type or a particular version or configuration of the product e.g. Dove Shampoo Hair fall rescue. Thus, one function of modifiers is to show how one brand variation relates to others in the same brand family. Modifiers help make products more understandable and relevant to consumers or even to the trade. They can even become strong trademarks if they are able to develop a unique association with the parent brand.



## Cause Marketing to Build Brand Equity

### Meaning of Cause Marketing

Cause marketing or cause-related marketing refers to a type of marketing involving the cooperative efforts of a for-profit business and a non-profit organisation for mutual benefit.

The term is sometimes used more broadly and generally to refer to any type of marketing effort for social and other charitable causes, including in-house marketing efforts by non-profit organisations. As Varadarajan and Menon note, the distinctive feature of cause marketing is the link between the firm's contribution to a designated cause and customers' engaging in revenue-producing transactions with the firm.

The possible benefits of cause marketing for business include positive public relations, improved customer relations, additional marketing opportunities, and making more money. These benefits occur because this marketing model gives the consumer the feeling of being a philanthropist while doing something as simple as buying a pair of shoes. Over the years, Cause Related Marketing (CRM) has addressed some of these challenges such as: (P&G) - Project Drishti, 'Shiksha', Fair & Lovely Foundation-'Project Saraswati' and Horlicks - Ahaar

Abhiyan, Aircel-Save Our Tigers, Tata Tea-Jaago Re etc. Our recent 'Swachh Aadat, Swachh Bharat' is an example of how brands can play a role in societal progress, while remaining true to the core business. Swachh Bharat Abhiyan was launched in 2014 with the objective of making India clean by 2019. Lakhs of toilets are being built every day. But this activity has to be supported by educating people on right behaviour. And so, for the first time, three brands - Lifebuoy, Pure-it and Domex - have come together to propagate the adoption of "Swachh Aadat" - washing hands, using a toilet to defecate and adopting safe drinking water practices. Brought alive through the fun and engaging film 'Haath Mooh Bum, Bimari Hogi Kum', it celebrates children as agents of behaviour change, urging adults to change old practice.

# CAUSE MARKETING TRENDS

# NAVIGATE<sup>®</sup>

CUSTOMERS ARE ASKED  
TO TAKE ACTIVE ROLES  
IN THE CAMPAIGNS



Ben & Jerry's customers  
were asked to:



March in Washington



Pledge to join the  
campaign



Perform peaceful  
protests nation-wide

COMPANIES ARE  
EXPECTED TO HELP IN  
DISASTER RECOVERY



Knowing that 78% of  
consumers believe brands  
should be helpful during and  
after natural disasters,  
Dawn Dish Soap stepped up  
during the Deep Horizon oil  
spill by donating products to  
help clean the animals.

BOLD STANCES ARE  
REWARDED



Nike saw a 31% growth in  
sales immediately following  
the release of its  
advertisement detailing  
Colin Kaepernick's stand on  
racial inequality and police  
brutality.

Sources [The Balance Small Business](#), [Ben & Jerry's](#), [Marketing Week](#), [Time](#)



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## Advantages of Cause Marketing

1. **Building Brand Awareness:** Because of the nature of the brand exposure, Cause Marketing programmes can be a means of improving recognition for a brand, although not necessarily recall. Like sponsorship and other indirect forms of brand-building communications, most Cause Marketing programmes may be better suited to increasing exposure to the brand rather than to tying the brand to specific consumption or usage situations, because it can be difficult or inappropriate to include product-related information.
2. **Enhancing Brand Image:** Most Cause Marketing programmes do not include much product-related information. It allows developing a positive image of brand users to which they also may desire in terms of being kind, generous, and doing good things, and personality and values.
3. **Establishing Brand Credibility:** It could affect all three dimensions of credibility. because consumers may think of a firm willing to invest in Cause Marketing as caring more about customers and being more dependable than other firms.
4. **Evoking Brand Feelings:** Two categories of brand feelings that seem particularly applicable to Cause Marketing are social approval and self-respect. For example P&G shiksha has made vast donations towards helping students getting better education. This has been possible only due to consumer contribution by participating in Shiksha foundation by buying P&G products.
5. **Creating a sense of Brand Community:** A well-chosen cause can serve as a rallying point for brand users and a means for them to connect to or share experiences with other consumers or employees of the company itself for instance, medical concerns such as Alzheimer's disease, cancer, and autism.
6. **Eliciting Brand Engagement:** Participating in a cause-related activity as part of a Cause Marketing programme for a brand is certainly one means of eliciting active engagement. For example Ronald McDonald House Charities provides comfort and care to sick children and their families by supporting over 300 Ronald McDonald Houses and 45 Ronald McDonald Care. Mobiles in communities around the world and by making grants to other not-for-profit organisations whose programmes help children in need. Ronald McDonald Houses effectively leverage the company's Ronald McDonald character and its identification with children to concretely symbolise the firm's "do- good" efforts. This well-branded cause programme enhances McDonald's reputation as caring and concerned for customers.

## GREEN MARKETING

Green marketing is the marketing of products that are presumed to be environmentally safe. It incorporates a broad range of activities, including product modification, changes to the production process, sustainable packaging, as well as modifying advertising. In simple terms it refers to the process of selling products and/or services based on their environmental benefits. Such a product may be environmentally friendly in itself or produced and/or packaged in this way for e.g. Macdonald's have stopped packaging their hamburgers etc. in polystyrene containers and now use cardboards which comes from a renewable resource and is biodegradable or recyclable. Advantages of green marketing are as follows:

1. It ensures sustained long-term growth along with profitability.
2. It saves money in the long run, although initial cost is more.
3. It helps the companies to market their products and services keeping the environment aspects in mind. It helps in accessing the new markets and enjoying competitive advantage.
4. Most of the employees also feel proud and responsible to be working for an environmentally responsible company.
5. promotes corporate social responsibility.



## Meaning of Brand Extension:

One recipe for strategic success is to create and leverage assets. With its awareness, perceived quality, associations and customer loyalty, a brand is usually the most powerful asset that a firm owns. A strategic question, then, is how that brand can be leveraged to create larger and stronger business entities. The simplest is to create line extensions within the existing product class. For example, P&G, Pantene Anti Dandruff Shampoo, Cadbury Dairy Milk, Fruit and Nut

### Step 1: Defining Brand Potential

The first step in developing an architecture strategy is to define the brand potential by considering three important characteristics: the brand vision, the brand boundaries, and the brand positioning.

Articulating the Brand Vision: Brand vision is management's view of the brand's long term potential. A good brand vision has a foot in both the present and the future. Brand vision obviously needs to be aspirational, so the brand has room to grow and improve in the future, yet it cannot be unobtainable. The trick is to strike the right balance between what the brand is and what it could become, and to identify the right steps to get it.

Defining the Brand Boundaries: Some of the world's strongest brands such as GE, Virgin and Apple have been stretched across multiple categories. Defining brand boundaries thus means- based on the brand vision and positioning-identifying the products or services the brand should offer, the benefits it should supply, and the needs it should satisfy.

Crafting the Brand Positioning: Brand positioning puts some specificity into a brand vision. The brand mantra in particular can be very useful in establishing product boundaries or brand "guardrails". It should offer rational and emotional benefits and be sufficiently robust to permit growth, relevant enough to drive consumer and retailer interest, and differentiated enough to sustain longevity.

## Step 2: Identifying Brand Extension Opportunities

Determining the brand vision, boundaries, and positioning in Step 1 helps define the brand potential and provides a clear sense of direction for the brand. Step 2 is to identify new products and services to achieve that potential through a well-designed and implemented brand extension strategy. A brand extension is a new product introduced under an existing brand name. We differentiate between line extensions, new product introductions within existing categories ( Tide Total Care laundry detergent), and category extensions, new product introductions outside existing categories (Tide Dry Cleaners retail outlets). It is important to carefully plan the optimal sequence of brand extensions to achieve brand potential. The key is to understand equity implications of each extension in terms of points-of-parity and points-of-difference. By adhering to the brand promise and growing the brand carefully through “little steps”, marketers can ensure that brands cover a lot of ground.

## Step 3: Branding New Products and Services

The final step in developing the brand architecture is to decide on the specific brand elements to use for any particular new product or service associated with the brand. New products and services must be branded in a way to maximize the brand’s overall clarity and understanding to consumers and customers. One way we can distinguish brand architecture strategies is by looking at whether a firm is employing an umbrella corporate or family brand for all its products, known as a “branded house”, or a collection of individual brands all with different names, known as a “house of brands”.

- Firms largely employing a branded house strategy include many business-to-business industrial firms, such as Siemens, Oracle, and Goldman Sachs.
- Firms largely employing a house of brands strategy include consumer product companies, such as Protector & Gamble, Unilever and ConAgra. A good sub-branding strategy can tap associations and attitudes about the company or family brand as a whole, while also allowing for the creation of new brand beliefs to position the extent in the new category. For example, Hershey’s Kisses taps into the quality, heritage, and familiarity of the Hershey’s brand but at the same time has a much more playful and fun brand image. An iconic brand, Hershey’s Kisses ranked number one in the Harris Interactive EquiTrend brand equity study for 2010. Sub-brands play an important role by signalling to consumers to expect similarities and differences in the new product.

### Brand Portfolios

A brand portfolio includes all brands sold by a company in a product category. We judge a brand portfolio by its ability to maximize brand equity: Any one brand in the portfolio should not harm or decrease the equity of the others. Ideally, each brand maximizes equity in combination with all other brands in the portfolio.



**LINE EXTENSION**

**BRAND EXTENSION**



# Canon

**Product Extension**



**Brand Extension**



Leveraging the brand up or down in the existing product class is another option that often is strategically necessary but has significant risks. Brand extensions - that is, extending the brand into other product classes - are the ultimate way to leverage.

Extend brands and develop co-branding programmes only if the brand identity will be used and reinforced. Identify range brands and, for each, develop an identity and specify how that identity will be different in disparate product contexts. If a brand is moved up or down, take care to manage the integrity of the resulting brand identities.

#### Advantages of extensions

The high failure rate of new products is well documented. Markets analysts estimate that perhaps only 2 out of 10 products will be successful. Well planned and well implemented extensions offer a number of advantages which are as follows:

1. Improve brand image: One of the advantages of a well-known and well liked brand is that the customers can form expectations over time concerning its performance. E.g. Sony introduced personal computer VAIO with features like multimedia application.
2. Reduce risk perceived by customers: Extensions from well-known corporate brands such as GE, HP, and Motorola etc. have reduced the risk as the customers are already aware of the brand and facilitate the adoption of extension.
3. Increase the probability of gaining distribution & trial: Because of the potentially increased consumer demand resulting from introducing as an extension, it may be easier to convince retailers to stock and promote an extension.
4. Increase efficiency of promotional expenditure: The introductory campaign does not have to create awareness of both the brand and the new product but instead can concentrate on only the new product itself.
5. Reduce cost of introductory and follow-up marketing programmes: In 1998 Jaguar introduced its first substantially improved automobile model in 16 years, adopting new technology to improve reliability although still retaining the classic Jaguar look. The resulting marketing programme, which included a lavish ad campaign, increased demand for all new Jaguars. Even older Jaguars found the resale market value enhanced.
6. Avoid cost of developing a new brand: Developing new brand elements is an art and science. To conduct necessary consumer research, employing highly skilled personnel to design high quality slogan, logo, brand names etc. can be quite expensive and no assurance of success.

7. Allow for packaging and labeling efficiencies: Similar to virtual identical packages and labels for extensions can result in lower production costs and of coordinated properly more prominence in the retail store by creating a billboard effect e.g. Coca-Cola soft drink.
8. Permit consumer variety seeking: By offering customers a portfolio of brand variants within a product category, consumers who need a change due to boredom, satiation or whatever - can switch to a different product without leaving the brand family.
9. Clarify brand meaning: Extensions can help clarifying the meaning of the brand to consumers and can define the markets in which they compete. E.g. Calriol means Hair colouring.
10. Enhance the parent brand image: One desirable outcome of successful extension is that it may enhance the parent brand image by strengthening an existing brand association, improving the favourability of an existing brand association, adding a new brand association or a combination of these. E.g. Nike has expanded from running shoes to athletic shoes, athletic clothing, equipment strengthening its association to peak performance and sports in the process.
11. Bring new customer into the brand franchise and increase market coverage: Line extension can benefit the parent brand by expanding market coverage e.g. by offering a product benefit whose lack may be therefore prevented consumers from trying the brand e.g. Tide- liquid tide market share from 27% to 21%.
12. Revitalise your brand: Sometimes extension can be a means to renew interest and liking for the brand.
13. Permit subsequent extension: One benefit of a successful extension is that it serve as the basis for subsequent extension e.g. Good year's successful introduction of its Aquatred tires sub-brand led to the introduction of Eagle Aquatred for performance may vehicles with either wider wheel.

(c) Disadvantages of Brand Extension 1. Can confuse or frustrate consumers: A different variety of line extensions may confuse and perhaps even frustrate consumers about which version of the product is the "right one" for them. E.g. with 16 varieties of Coke a consumers can easily feel overwhelmed. Many retailers do not have enough shelf or display space to stock the large number of new products and brands continually being introduced even if they wanted to. So some consumers may be disappointed when they're unable to find an advertised brand extension because a retailer is unable or unwilling to stock it.

2. Can encounter retailer resistance: The number of consumer packaged-goods stock-keeping units (SKUS) outpaces the growth of retail space in year-on-year percentage growth. Own-brand or private-label goods also continue to grow as a percentage of total grocery sales.

3. Can fail and hurt parent brand image: The worst possible scenario for an extension is not only to fail, but to harm the parent brand image in the process. Unfortunately, these negative feedback effects can sometimes happen. Can succeed but cannibalise sales of parent brand:

4. Even if sales of a brand extension are high and meet targets, success may result merely from consumers switching from existing offerings of the parent brand-in effect cannibalising it. Line extensions designed to establish points-of-parity with current offerings in the parent brand category particularly may result in cannibalisation. For example, Diet Coke's point-of-parity of "good taste" and point-of-difference of "low calories" undoubtedly took some sales from regular Coke drinkers.

5. Can succeed but diminish identification with any one category: One risk of linking multiple products to a single brand is that, the brand may not be strongly identified with any one product. Thus, brand extensions may obscure the brands identification with its original categories, reducing brand awareness.

6. Can succeed but hurt the image of the parent brand: If customers see the brand extension's attribute or benefit associations as inconsistent or even conflicting with the corresponding associations for the parent brand, they may change their perceptions of the parent brand as a result.

7. Can dilute brand meaning: The potential drawbacks of a brand extension's lack of identification with any one category and a weakened image may be especially evident with high-quality or prestige brands. Consider how Gucci ran into the hazards of over expansion.

8. Can cause company to forgo the chance to develop a new brand: One easily overlooked disadvantage of brand extensions is that by introducing a new product as a brand extension, the company forgoes the chance to create a new brand, with its own unique image and equity.

### Line Extension

product category currently served by the parent brand. A line extension often involves a different The parent brand is used to brand a new product that targets a new market segment within a flavour or ingredient variety, a different form or size, or a different application for the brand (e.g Head & Shoulders Dry Scalp shampoo). Most new products are line extension - typically 80% to 90% in any one year. Most of the successful new products, as rated by various sources, are extension e.g. Microsoft, Xbox Video system, Apple iPod etc.

### Advantages of line extension

1. Expanding the user base: Brand-loyal customers may view a brand as serving their particular, unique needs a basic flavour of Gatorade, for example, may appeal to them. However, customers without these unique needs may feel that the brand is not for them. Thus a strong brand may foster loyalty, but in an exclusionary way.
2. A line extension can overcome this obstacle by expanding the brand's appeal: For example, Cheerios is seen as a health-oriented breakfast staple, but Honey Nut Kellogg's reaches out to those who prefer pre-sweetened cereals. A number of food manufacturers have introduced low-fat versions of their products, thus breaking down a use barrier that exists for many health-conscious consumers.
3. A line can also be extended by adding a functional benefit to a product: For example, a convertible version of a car, a squeeze bottle for ketchup or a conveniently located mini-version of a fast-food restaurant. With these added functional benefits, the brand is in a position to attract new customers. The result of an on-target line extension can be a new but highly loyal segment that is resistant to competitive offerings.
4. Providing variety: A line extension can also give loyal users a way to enjoy variety without switching brands. For instance, a Charcoal or clove version of Colgate gave consumers the chance to try a new toothpaste craze without buying a new brand.

5. Energising a brand: A line extension can energise a brand, making it more relevant, interesting, and visible. In doing so it can create a basis for differentiation, make communication efforts more effective, and stimulate sales. Diet Coke helped to add youth, vitality, and visibility to the Coke image. In general, line extensions-especially if they add products that appeal to consumers will create an energy that can substantially strengthen brand equity.

6. Managing true innovation: Line extensions provide an explicit channel for product innovations that can be a powerful vehicle for obtaining competitive advantage. Glade Air Fresheners began with aerosols and have since added solid forms (for continuous freshening), clip-ons (for the car), and a variety of more cosmetic packages. Without a line extension option, these innovations might not have been created.

7. Blocking or inhibiting competitors: A line extension does not have to be a financial block-buster in order to provide value for the firm. Especially for leading brands, line extensions can be strategically worthwhile even when they do not achieve high rates of return. Line extensions can preempt such competitive moves. With this in mind, the seemingly endless line extensions of Tide, Surf excel, Cadburys make more sense.

#### Moving the Brand Up

When the existing brand name is too much of a drag, the only feasible alternative is likely to be the creations of a standalone brand. ZODIAC - one of the largest shirt companies in the world which manufactures formal wear for men wanted to enter the evening wear segment for men. Instead of retaining the existing brand name they launched the club wear brand under the standalone brand called "ZOD" to give it a new and fresh look.

(a) An alternative is to use a sub-brand for an existing brand to create an upscale entry: For example, Cadbury Dairy Milk launched its sub-brand SILK which is smoother and silkier in taste and texture. The core identity of the brand is 'like silk to touch and taste,' clearly confirms the strategy of moving the brand up successfully.

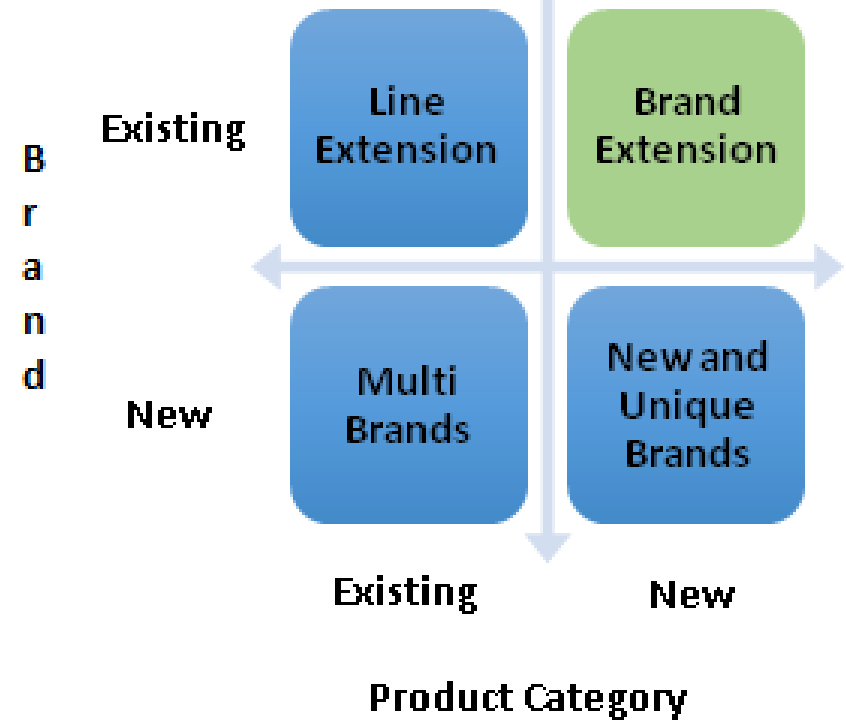
(b) Another strategy that a brand adopts for moving the brand up is by introducing 'limited edition', special edition: For example 'Montblanc pens fall in the category.

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### Product Mix E.g. Nestle

Beverages	Breakfast cereals	Chocolates & Confectionery	Milk Products	Foods	Nutrition
Nescafe Classic	Koko Crunch	Kitkat	a+ Grekvo Yoghurt	Maggi Noodles	Ceregrow
Nescafe Sunrise	Koko Crunch	Kitkat Dessert	Ready-to-drink	Maggi Nutri-licios	Nangrow
Nescafe Gold	Choco Burst	Delight	Everyday Dairy	Noodles	
Nescafe Latte	Koko Crunch	Kitkat Senses	Whitener	Maggi Fusian	
Nestea Iced Tea	Strawberry	BarOne	a+ Nourish Milk	Noodles	
	Nesplus Crunchy	BarOne Charge	a+ Nourish Dahi	Maggi Cuppa	
	Flakes	Munch	a+ Slim Milk	Bhuna Masala	
	Nesplus Crunchy	Munch Nuts	a+ Slim Dahi	Magic Cubes	
	Granola	Nestle Classic	Actiplus probiotic	Masala-ae-Magic	
		Milkybar	Dahi	Coconut Milk	
		Milkybar Choo	Bhuna Jeera Raita	Powder	
		Eclairs	Milkmaid	Sauces	
		Polo	Everyday Ghee	Pazzta	

(Source: <https://www.nestle.in/brands/>; accessed on Mar 29, 2020)



For instance its writer's edition was based on famous authors such as Charles Dickens, Oscar Wilde, Cadbury Silk Valentine pack etc. A key problem is whether a brand can be moved up. Brands whose identities are inconsistent with an upscale entry will find upward move more difficult. For example, Nestle Maggi launched a new variant Maggi Macroni in 1997 and it failed as it did not suit the taste buds of customers.

#### Moving the Brand Down.

Today's markets, from tires to clothes to computers, are becoming increasingly value centered, more and more buyers are turning from prestige and luxury to lower-cost brands that deliver acceptable quality and features. To combat this trend (or to take advantage of it, if you prefer), firms are offering lesser versions of their traditional brand product package. Perhaps the most direct approach to moving a brand down is to lower its price. However, a sharp price reduction can indicate to customers that as they may have begun to suspect the brand really is not different from any other brand, and is, therefore, of average quality.

(a) Saturation in the market: One force behind the increased sensitivity to value and price is overcapacity created by the combination of new competitors and fairly static markets. Brands are now often competitive in quality.

(b) Retail environment: Second driving force is the retail environment created by new channels that typically have a lower cost structure, engage in aggressive price competition, and freely use private-labelled goods. Direct Marketing is also responsible for all this.

(c) Technological change: Third driving force is technological change. A new market for a product can be introduced because of new technology. Examples: disposable razors and single-use 35mm cameras. For example, Nokia moved their brand down by launching Nokia ASHA for the labor/ worker class, Not very high priced, it had the potential to affect the minds of the target audience in a very positive way. Similarly TATA launched TATA Nano.

The risk to the brand is much lower when the extension is qualitatively different from the parent. For example Gillette launched Gillette good newline disposable was a premium entry in the disposable category also helped to reduce the potential damage to the perceived quality of the Gillette brand.

## AD HOC BRAND EXTENSION

When the brand is extended into unrelated categories. E.g. Extension of the Wills brand from cigarettes or extension of Kingfisher brand from beers to airlines.

## BRAND EXTENSIONS AND BRAND EQUITY

The ultimate success of an extension will depend on its ability to both achieve some of its own brand equity in the new category and contribute to the equity of the parent brand.

For the brand extension to create equity, it must have a sufficiently high level of awareness and achieve necessary and desired points-of-parity and points of difference Brand awareness will depend primarily on the marketing programme and resources devoted to spreading the word about the extension.

A positive image can be created for an extension depending on the following three factors such as:

1. How salient parent brand associations are in the minds of consumers in the extension context; that is, what information comes to mind about the parent brand when consumers think of the proposed extension, and the strength of those associations.
2. How favourable any indirect associations are in the extension context, that is, whether this information suggests the type of product or service the brand extension would be and whether consumers view these associations as good or bad in the extension context
3. How unique any secondary associations are in the extension category; that is, how these perceptions compare with those about competitors

As with any brand, successful brand extensions must achieve desired points-of-parity and points-of-difference. The more different the extension product is to the parent brand, the more likely that points-of-parity will become a positioning priority, and the more important it is to make sure that category POPs are sufficiently well established. Consumers might have a clear understanding of the extension's intended point-of-difference because it uses an existing brand name. For example, Nivea became a leader in the skin cream category by creating strong points-of-difference on the benefits of "gentle," "mild," "caring," and "protective," which consumers value in many categories. Through skillful product development and marketing, the Nivea brand was successfully expanded across a wide variety of skin care and personal care product categories. When it leveraged its brand equity into categories such as deodorants, shampoos, and cosmetics, Nivea found it necessary to establish category points-of-parity before it could promote its points-of-difference.

Contributing to Parent Brand Equity. To contribute to parent brand equity, an extension must strengthen or add favourable and unique associations to the parent brand and not diminish the strength, favourability, or uniqueness of any existing associations. The effects of an extension on consumer brand knowledge will depend on four factors:

1. How compelling the evidence is about the corresponding attribute or benefit association in the extension context-that is, how attention-getting and clear-cut or easily interpretable the information is. Strong evidence is attention-getting and definite. Weak evidence may be ignored or discounted.
2. How relevant or diagnostic the extension evidence is for the attribute or benefit for the parent brand, that is, how much consumers see evidence on product performance or imagery in one category as predictive of product performance or imagery for the brand in other categories. Evidence will affect parent brand evaluations only if consumers feel extension performance is indicative of the parent brand in some way.
3. How consistent the extension evidence is with the corresponding parent brand associations. Consistent extension evidence is less likely to change the evaluation of existing parent brand associations. Inconsistent extension evidence creates the potential for change, with the direction and extent of change depending on the relative strength and favourability of the evidence. Note, however, that consumers may discount or ignore highly inconsistent extension evidence if they don't view it as relevant.
4. How strongly existing attribute or benefit associations are held in consumer memory for the parent brand, that is, how easy an association might be to change.

Case Study: Eveready: Energising the Brand to Leverage Brand Equity When we ask any Indian about the best battery manufacturer and the first name that strikes is EVEREADY. Eveready Industries traces its Indian roots to the early days of the 20th century. It began its operations in 1905 as National Carbon Company by importing dry cell batteries, However to boost their battery cells sales they diversified into torch manufacturing in 1958. Eveready created wave in the Indian market during the early 1990 with its "Give me Red" brand campaigning, building attitude and personality for the brand that changed the way batteries were perceived. The color "RED" was highlighted in ads which became the central point of brand theme and gave it a strong association and instant recognition in the target segment. The popularity of walkman and portable music players created a new market for batteries. Eveready with its vast network of distribution covered most of the town directly with their vans.

In 2008, it entered battery based LED (light emitting diode) lanterns to prop-up D-size battery sales. The new mantra was "to light up peoples' lives" The star attraction was LED based lamps for household consumption. Soon cheap look-alikes LED based lanterns at lower prices entered market. Nevertheless, with persistent marketing activities, people realised that Eveready LED based lanterns were far superior. The extension distribution network too helped to reach out the right target audience, the semi un-electrified households.

The LED-based battery operated lamps were priced at 100-450 and a month's battery would mean spending 45 at one time cost (Cost of 48 paise per hour of light) as compared to kerosene, which is bought almost every day at a higher price. The company understands that for achieving large sales volume in India hitting the right price is very critical.

Eveready is targeting families from rural India and customers at the bottom level of pyramid. Build on the philosophy of giving better light options at a lower monthly cost than running kerosene lanterns. There were front page advertisements in regional dailies to deliver message their revenues had gone up nearly 19%. The insightful brand management has its beneficial effect on revitalising the brand and the company financials.

## REINFORCING BRANDS

Reinforcing brands involves ensuring innovation in product design, manufacturing, and Managing brands for the long run involves reinforcing brands or, if necessary, revitalising merchandising and ensuring relevance in user and usage imagery. The advantage of creating a brand with a high level of awareness and a positive brand image is that many benefits may accrue to the firm in terms of cost savings and revenue opportunities.

Marketing programmes can be designed that primarily attempt to capitalize on or perhaps even maximise these benefits for example, by reducing advertising expenses, seeking increasingly higher price premiums, or introducing numerous brand extensions. Reinforcing brand meaning may depend on the nature of brand associations involved. Several specific considerations play a particularly important role in reinforcing brand meaning in terms of product-related performance and non-product-related imagery associations, as follows:

## PRODUCT-RELATED PERFORMANCE ASSOCIATIONS

(a) For products whose core associations are product related performance attributes innovation in product design, manufacturing and merchandising is crucial to enhance brand equity.

(b) Gillette spends heavy amount on product research, innovation in products. They have offered various products like Trac II, Atra, Sensor, Mach 3, Mach 3 Turbo (for high end customers) Vector (for low end customers). Gillette is actually changing its product designs, not just face lift, because of which they enjoy market share of 40% in razor and blade market.

(c) At the same time, it is important not to change products too much, especially if the brand meaning for consumers is wrapped up in the product design or makeup. Recall the strong consumer resistance encountered by New Coke.

(d) In making product changes to a brand, marketers want to reassure loyal consumers that it is a better product, but not necessarily a different one.

(e) The timing of the announcement and the introduction of a product improvement are also important: if the brand improvement is announced too soon, consumers may stop buying existing products; if too late, competitors may already have taken advantage of the market opportunity with their own introductions.

### Non-product-related imagery associations

For brands whose core associations are primarily non-product-related attributes and symbolic or experiential benefits, relevance in user and usage imagery is especially critical. Because of their intangible nature, non-product-related associations may be easier to change, for example, through a major new advertising campaign that communicates a different type of user or usage situation. MTV is a brand that has worked hard to stay relevant with young consumers.

In categories in which advertising plays a key role in building brand equity, imagery may be an important means of differentiation. For example, in the soft drinks category, millions of dollars in advertising are spent to craft an image for a brand. Recent ad campaign of Thumps Up - Ranveer Singh.

Nevertheless, ill-conceived or too-frequent repositioning can blur the image of a brand and confuse or perhaps even alienate consumers. It is particularly dangerous to flip-flop between product-related performance and non-product-related imagery associations because of the fundamentally different marketing and advertising approaches each require.

Significant repositioning's may be dangerous for other reasons too. Consumers may choose to ignore or simply be unable to remember the new positioning when strong, but different, brand associations already exist in memory. Club Mahindra has attempted for years to transcend its image as a vacation romp for swingers to attract a broader cross section of people. Product innovation and relevance are paramount in maintaining continuity and expanding the meaning of the brand.

### REVITALISING BRANDS

The Brand Revitalisation is the marketing strategy adopted when the product reaches the maturity stage of product life cycle, and profits have fallen drastically. It is an attempt to bring the product back in the market and secure the sources of equity i.e. customers. Example: Mountain Dew, A Pepsi product, was launched in 1969 with the tagline "Yahoo Mountain Dew" that flourished in the market till 1990. After that the sales of mountain dew declined due to which it was re-positioned, its packaging was changed, and the tagline was changed to "Do the Dew". It targeted the young males showing their audacity in performing the adventurous sports. This led the Mountain Dew to the fifth position in the beverage industry.

Despite a good reinforcement strategy, a product has to be revitalised because of some uncontrollable factors such as competition, the invention of new technology, change in tastes and preferences of customers, legal requirements, etc. In order to overcome the problems the following are some ways through which Brand Revitalisation can be done:

(a) Increase of usage: The usage of a product can be increased by continuously reminding about the brand to customers through advertisements. The benefits of the frequent use of a product can be communicated to increase the consumption, e.g. the usage of Head & Shoulders on every alternate day can reduce dandruff.

(b) Untapped or new markets: The untapped market can be occupied by understanding the needs of the new market segment. The brand revitalisation can be done to cater to the needs of new customers, e.g. Johnson & Johnson is a baby product company but due to its mild product line the same can be used by ladies to have a soft skin and hair. Another example of entering new markets is Dove entering the baby product line. (c) Image change: Another way of getting the brand revitalized is through the Re-positioning. The best example of re-positioning is Tata Nano. On its launch, it was tagged as the "cheapest Car" that hurt the sentiments of customers, and the sales fell drastically. To revive the sales, the new campaign was launched "Celebrate Awesomeness" that re-positioned its image in the minds of the customer. (d) Brand augmentation: A brand can be revitalised by augmenting the product and services. The company should try to give something extra along with the product that is not expected by the customer. Some additional benefits can revive the brand in the market e.g. A plastic container comes with a surf excel 1 Kg pack that can be used for any other purpose. Brand revitalisation is an essential to the success of any product.

**Building Global Customer Based Brand Equity** In designing and implementing a global brand marketing programme, marketers want to realize the advantages while suffering as few of the disadvantages as possible. There are ten commandments of Global Branding" and they are:

1. **Understand similarities and differences in the global branding landscape:** The first-and most fundamental-guideline is to recognize that international markets can vary in terms of brand development, consumer behaviour, marketing infrastructure, competitive activity, legal restrictions, and so on. Almost every top global brand and company adjusts its marketing programme in some way across some markets but holds the parameters fixed in other markets.

2. **Don't take shortcuts in brand building:** Building a brand in new markets must be done from the bottom up. Strategically, that means concentrating on building awareness first, before the brand image. Tactically, or operationally, it means determining how to best create sources of brand equity in new markets. Distribution, communication, and pricing strategies may not be appropriate in any two markets even if the same overall brand image is desired in both. If the brand is at an earlier stage of development, rather than alter it or the advertising to conform to local tastes, marketers will try to influence local behaviour to fit the established uses of the brand. Consumer education then accompanies brand development efforts.

3. **Establish marketing infrastructure:** Companies go to great lengths to ensure consistency in product quality across markets. McDonald's gets over 90 percent of its raw materials from local suppliers and will even expend resources to create the necessary inputs if they are not locally available. Hence, investing to improve potato farms in Russia is standard practice because French fries are one of McDonald's core products and a key source of brand equity. More often, however, companies have to adapt production and distribution operations, invest in foreign partners, or both in order to succeed abroad.

4. **Embrace integrated marketing communications:** A number of top global firms have introduced extensive integrated marketing communications programmes. Overseas markets don't have the same advertising opportunities as the expansive, well-developed U.S. media market. As a result, U.S.-based marketers have had to embrace other forms of communication in those markets-such as sponsorship, promotions, public relations, merchandising activity, and so on-to a much greater extent.

5. Cultivate brand partnerships: Most global brands have marketing partners of some form in their international markets, ranging from joint venture partners, licensees or franchisees, and distributors, to ad agencies and other marketing support people. One common reason for establishing brand partnerships is to gain access to distribution.

6. Balance standardisation and customisation: One implication of similarities and differences across international markets is that marketers need to blend local and global elements in their marketing programmes. The challenge, of course, is to get the right balance-to know which elements to customize or adapt and which to standardise. Some of the factors often suggested in favor of a more standardised global marketing program include the following:

- a) Common customer needs
- b) Global customers and channels
- c) Favourable trade policies and common regulations
- d) Compatible technical standards
- e) Transferable marketing skills

7. Balance global and local control: Building brand equity in a global context must be a carefully designed and implemented process. A key decision in developing a global marketing programme is choosing the most appropriate organisational structure for managing global brands. In general, there are three main approaches to organising for a global marketing effort:

- Centralisation at home office or headquarters
- Decentralisation of decision making to local foreign markets
- Some combination of centralisation and decentralization

8. Establish operable guidelines: Brand definitions and guidelines must be established, communicated, and properly enforced so marketers in different regions have a good understanding of what they are and are not expected to do. The goal is for everyone within the organization to understand the brand's meaning and be able to translate it to satisfy local consumer preferences. Brand definition and communication often revolve around two related issues. First, some sort of document, such as a brand charter, should detail what the brand is and what it is not. Second, the product line should reflect only those products consistent with the brand definition.

9. Implement a global brand equity measurement system: Global brand equity measurement system is a set of research procedures designed to provide timely, accurate, and actionable information for marketers on brands, so they can make the best possible tactical decisions in the short run and strategic decisions in the long run in all relevant market.

10. Leverage brand elements: Proper design and implementation of brand elements can often be critical to the successful building of global brand equity. In general, nonverbal brand elements such as logos, symbols, and characters are more likely to directly transfer well- at least as long as their meaning is visually clear- than verbal brand elements that may need to be translated into another language. Nonverbal brand elements are more likely to be helpful in creating brand awareness than brand image.

**THANK YOU**