



Branding Decisions

- **Line Extensions**
- **Category Extensions**

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Brand Extension

- <https://www.patanjaliayurved.net/products/all>



Brand Extension

- When a firm introduces a new product, it has three choices for branding it:
 - A. It can develop a new brand, individually chosen for the product
 - B. It can apply one of its existing brand
 - C. It can use combination of a new brand and an existing brand



Brand Extension

- A **brand extension** occurs when a firm uses an established brand name to introduce a new product (approach B or C)
- An existing brand giving birth to a brand extension is called **parent brand**. (Approach C)
- If a parent brand is already associated with multiple products through brand extensions, then it may also be called a **family brand**.



Brand Extensions

A brand extension occurs when a firm uses an establish brand name to introduce new product

In the 1990s, 81% of new products used brand extension to introduce new brands and to create sales. In 2009 , 93% of food and beverage new products were brand extensions.

Brand extension is one of the new product development strategies which can reduce financial risk by using the parent brand name to enhance consumers' perception due to the core brand equity.

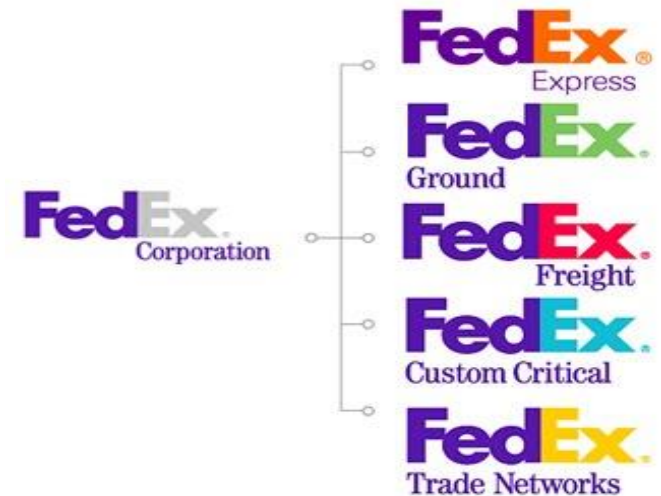
Brand Development Strategies



Brand development Strategies

Line Extension

- Marketers apply the parent brand to a new product that targets a new market segment within a product category the parent brand currently serves.
- So line extension is use of an established product's brand name for a new item in the same product category.
- Line extension occurs when a company introduces additional items in the same product category under the same brand name such as new **flavours, variants, forms added ingredients etc.**



Dove men care product line as an example of Line Extension

MEN+CARE PRODUCTS

Developed specifically for men, the complete line of products has skin care built in.



Category Extensions

- Marketers apply the parent brand **to enter a different category** from the one it currently serves.
- Eg. Amazon
<https://www.aboutamazon.com/>
- Eg. Amul product categories are:

Mithai Range
Mithai Mate
Chocolates
Lactose Free
Milk
Fresh Cream
Amul Sour
Cream
Pouch Butter
Milk

Amul Milk
Bread Spreads
Cheese
UHT Milk
Beverage Range
Amul PRO
Ice Cream
Paneer
Dahi
Ghee
Milk Powders
Amul Cattle
Feed
Recipes
Happy Treats

Advantages of extensions



- Facilitates new product acceptance
 - Improve brand image
 - Reduce risk perceived by customer
 - Increase probability of gaining distribution and trial
 - Increase efficiency of promotional expenditure
 - Reduce cost of introductory and follow-up marketing programs
 - Avoid cost of developing new brand
 - Allow for packaging and labeling efficiencies
 - Permit consumer variety seeking

Eg. Hilton Brand Extension

<https://www.youtube.com/watch?v=HqqgVaMwpSk>

Marriot Brand Extension

<https://www.youtube.com/watch?v=L-sF1rVRif4>

Case: Marriott's Brand Extension



Advantages of extension

- Provide feedback benefits to Parent Brand and company
 - Clarify brand meaning
 - Enhance the parent brand image
 - Bring new customers into brand franchise and increase market coverage
 - Revitalize the brand
 - Permit subsequent extensions
 - <https://www.loreal-finance.com/en/annual-report-2016/brands-overview>
 - (<https://www.loreal.sg/brand>)

Brand Evolution- Dettol



In India, Dettol has been the trusted protection from germs since

Antiseptic
Liquid

Soap

Plaster

Liquid
Handwash

Shaving
Cream

Hand
Sanitizer



1933

1981

1992

1994

1996

2010

And has been continuously evolving and
innovating to meet the consumer's needs

Disadvantages of Brand Extensions

- **Can confuse or frustrate consumers** eg. 16 varies of Coke and 35 variants of Crest tooth paste
- **Can encounter retailer resistance** eg. P and G pruning
- **Can fail and hurt parent brand image** eg. Failure of Cadillac Cimarron from General motors, current decline in Nano for Tata
- **Can succeed but cannibalize sales of parent brand** eg. Diet coke

Disadvantages of Brand Extensions

- **Can succeed but diminish identification with any one category** eg. Cadbury in UK became linked with smash instant potatoes, Canon for other office equipments
- Can succeed but hurt the image of parent brand
- Can dilute brand meaning
- **Can cause company to forgo chance to develop a new brand** eg. Kindle by Amazon is a huge success