

You Can't Turn Cheese Into Jelly

Everyone's heard of a company called Kraft. "Hey, those are the cheese people." Yep. For years, Kraft and cheese were one and the same. It was an example of branding with a position competitors would have been hard-pressed to wear down had company brass been content in their cheesiness. They weren't. Like many companies blessed with strong brands, Kraft began to think their brand name was invincible and that any product introduced under its banner would dominate their markets simply because of its name. So, Kraft began offering jams, jellies and mayonnaise among other things.

The numerical truth about Kraft's brand extension strategy

Ohio-based Smucker's owns 35% of the jams and jellies market. Kraft has 9%. Hellman's mayonnaise has 42% of the mayo market. Kraft has 18%. The plan for equal domination didn't quite work out as planned. Despite its dominance in the cheese market, Kraft was relegated to bit player status in these other categories. Their strategy of trying to leverage a great brand name into being all things to all people resulted in few real winning products.

People who wish to expand into other product areas need to do so by using a strong brand identity as the foundation of its marketing strategy. Either that or create new product lines that somehow relate to your old product line, such as cheese companies putting out a line of pre-made cheese and cracker snacks. What Ritz did with Mini Ritz sandwiches, Kraft could have easily done by focusing the product's marketing slant on the cheese in the cracker.

Over the long term, as your brand becomes synonymous with a specific kind of product or service, more people will turn to you for that product or service...and continue to do so because they believe they're getting quality only a specialist can provide.

A jack-of-all-trades really is master of none. So if you are a master, or wish to become one, do it. Be it. Just no to everyone.