▶ Brands: brand stretching

After a brand is well-established and has positive associations and values – such as quality, innovation or passion – in the minds of consumers, it is normal for a company to wish to capitalise on the brand image and make money by extending an existing brand into new product categories. With their high brand awareness and brand loyalty, many luxury labels for example have successfully extended their product lines from clothes to accessories, then stretched them further to perfume, make-up and even to furniture and hotels. However, not all attempts at brand stretching are successful and the risk of damage to the image and credibility of the original brand needs to be evaluated. Issues like cost-effective production, distribution and economies of scale all need to be taken into consideration too.

When a company decides it wants to enter in a new area it is vital to correctly identify the most appropriate product categories. There should be a benefit to the parent brand and the parent brand also needs to give some kind of benefit to the new product. It is also essential to understand what kind of new products consumers will find acceptable. There needs to be a functional fit between the existing brand and the new category of products. This means that consumers can easily relate to the new product and can transfer the values and qualities of the original brand to it. An example is Gillette which moved successfully from razors to deodorants and similar products because it already had the credibility in the field of male grooming. Something totally inappropriate would be where consumers can see no connection or correspondence whatsoever between the original brand and the new product, such as a fast-food company launching a skincare product or a petrochemical company making ice cream. Having that said however, research shows that consumers would be willing for some brands to stretch into categories with no functional fit. It depends on the perception of the brand's personality: the warmer and more attractive a brand is, the more elastic it seems to be. In these cases, consumers would more easily accept brand stretching into new, unrelated categories.

Source: www.millwardbrown.com

ACTIVITIES

READING COMPREHENSION

1 **BEC** **Read the article and decide if these sentences are true (T) or false (F). If there is not enough information, choose 'doesn't say' (DS).**

		T	F	DS
1	Brand stretching is a way for a company to make more money.	☐	☐	☐
2	Luxury designers have been successful in stretching their brands.	☐	☐	☐
3	Brand stretching cannot harm the image of the original brand.	☐	☐	☐
4	There should be reciprocal benefits for the original brand and new product.	☐	☐	☐
5	Consumers should be consulted before making a decision on brand stretching.	☐	☐	☐
6	For brand stretching to be effective, there should be a connection between the original brand and new product.	☐	☐	☐
7	Fast-food companies cannot successfully stretch their brands.	☐	☐	☐
8	Consumers would never accept a brand if it stretched into an unconnected category.	☐	☐	☐

VOCABULARY

2 Match these terms with the correct definition.

1 brand awareness
2 brand loyalty
3 brand stretching
4 brand recall

a ☐ using an established brand name in a different product category
b ☐ the extent to which the existence of a brand is recognised by potential consumers
c ☐ the ability of a consumer to remember a particular brand when the product is mentioned
d ☐ how consistently a consumer purchases the same brand within a product category

SPEAKING

3 In pairs, choose a well-known brand and discuss how it could successfully or unsuccessfully extend into different product categories. Think of examples of products that would work well with the original brand and examples that would not work, giving reasons for your choices. Then present your ideas to the class.