

# the value engineers

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value creation through brands and branding



## brand extension

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## What is it?

An activity which, depending on the approach taken, simultaneously defines the best and worst practice in modern brand management.

## Key Points:

1. Recognise that brand extension can seriously damage your wealth and that it is a common fallacy to think of it as being cheaper or lower risk than a new brand.
2. It is always better to extend from a position of strength. Weak brands get weaker, faster with ill considered additions. Strong brands can increase their momentum with agenda defining initiatives.
3. Know what your brand equity is and what permissions it gives you, but also what limitations it imposes.
4. It is always better to see extensions as part of a broader vision. The best companies and brands will have a rolling 5-year road map.
5. It is not enough for a brand to be relevant in an extension space, it must also be competitively distinctive within the new category.
6. Always take care to bring the consumer with you on the extension journey. Is the development thread transparent? Have we made our brand meaning evident? Is the new product clearly positioned in your advertising campaign?
7. Be careful when meeting competitors. Following other brands is a slippery slope that you will find very hard to climb back from. Today's consumer recognises imitators.
8. Avoid crow-barring pragmatic trading opportunities into a poorly defined brand positioning.
9. Most branding efforts are focused on creating habitual behaviour. Always be suspicious of 'special edition' novelties.
10. Note that 'Frankenstein' was once not the name of a 'monster' but the philosopher/inventor who created him!