

# FOUR BRAND STRATEGIES

Product Category

Existing

New

Existing

**Line Extension**

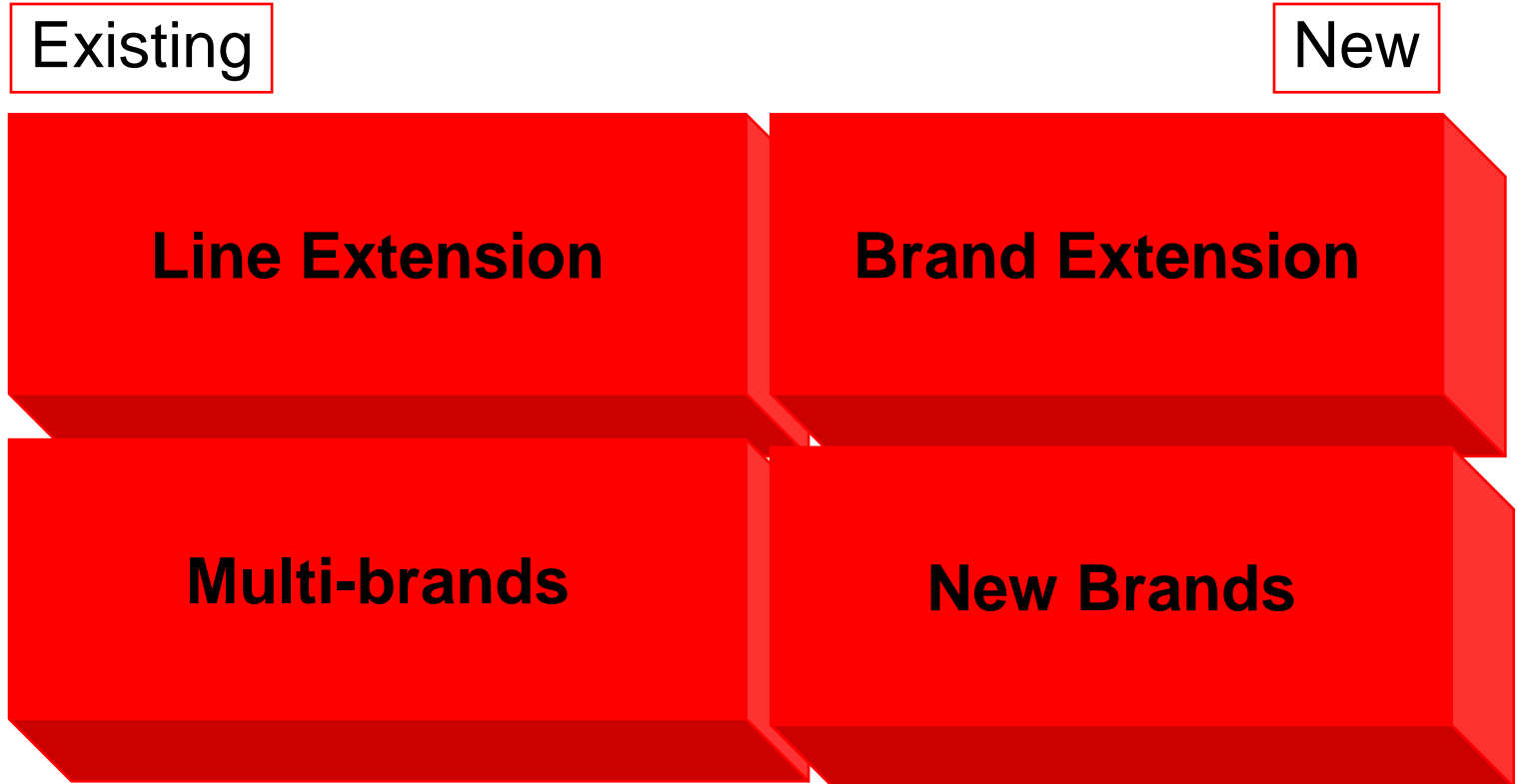
**Brand Extension**

**Brand Name**

**Multi-brands**

**New Brands**

New



# BRAND STRATEGY

## Brand Extension

Existing brand names extended to new or modified product categories

## Line Extension

Existing brand names extended to new forms, sizes, and flavors of an existing product category

## Multibrands

New brand names introduced in the same product category

## New Brands

New brand names in new product categories

# BRAND EXTENSION

Brand extension

Strategy by which existing brand name is applied to a new product / s in different category / ies



**Ayush Soap**



**Ayush Hairoil**



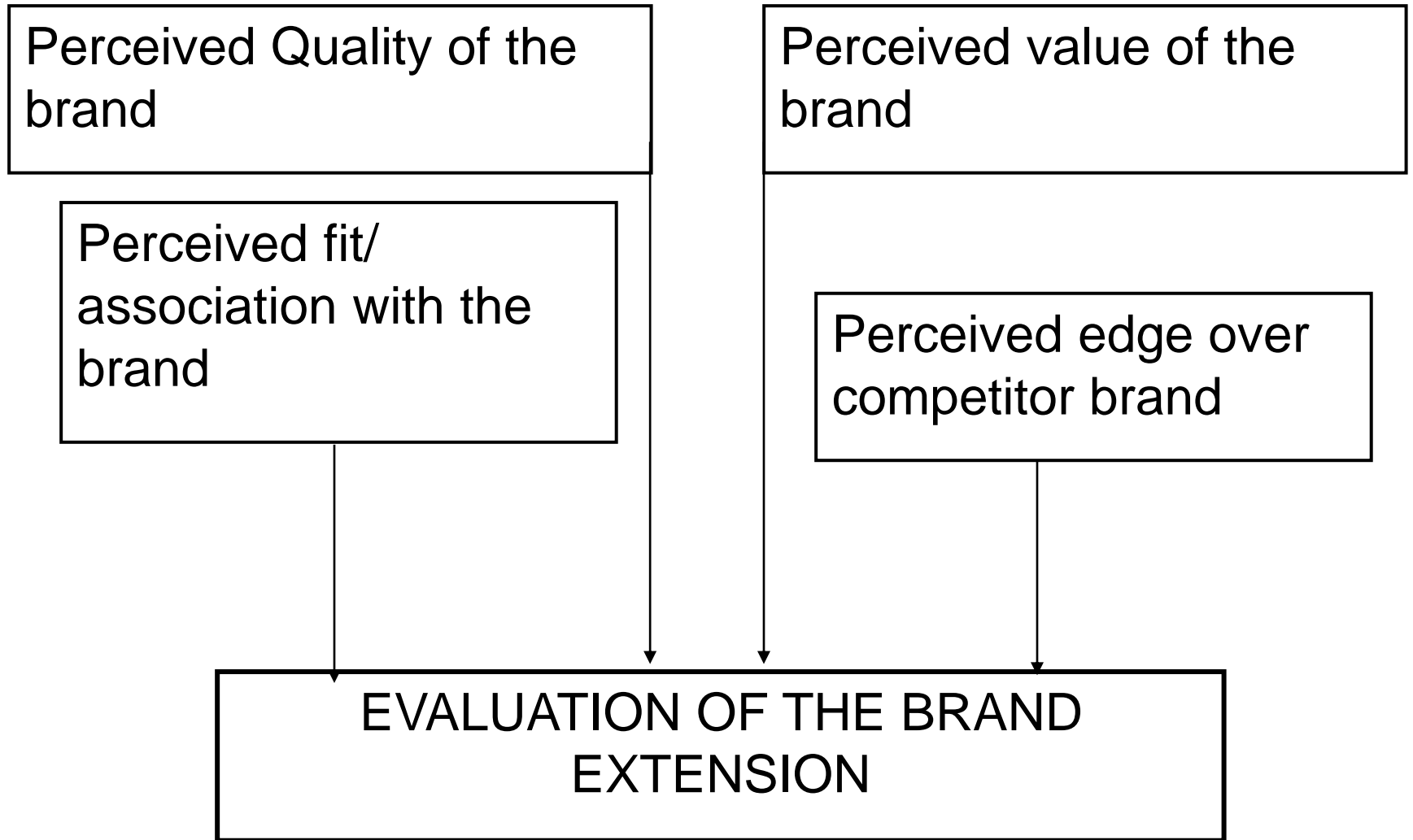
**Ayush  
Shampoo**

# REASONS FOR BRAND EXTENSION

## Benefits of Brand Extension

- Enables a company to enter new product categories easily
- Quick customer acceptance and instant recognition
- Saves cost and time in creating a new brand name identity and image
- Transfers existing brand name, goodwill & quality perception
- Creates edge over competition
- ↑ inducing customer trials, ↓ risk of new product failures

# CRITERIA FOR BRAND EXTENSION



# CRITERIA FOR BRAND EXTENSION

1. Perceived Quality of the brand:

where the brand extension represents similar quality as the original brand

2. Perceived value of the brand:

where the value perception of the brand is similar as the original brand

3. Perceived fit / association of the brand:

where the category chosen for brand extension is compatible or can be associated with the original brand

## **CRITERIA FOR BRAND EXTENSION**

4. Perceived edge over competitor brand  
where the brand extension selected will give an edge  
over competitor brand

# SITUATIONS FOR BRAND EXTENSION

Brand extensions can be applied in the following situations

- When original product is extended with a different form:  
Cadbury Dairy Milk chocolate bar extended to CDM  
Eclairs
- Brand name extended to new product:  
Colgate plus toothbrush
- A different product for the same target market:  
Visa Traveler's Cheques for Visa Credit Card holders



# SITUATIONS FOR BRAND EXTENSION

- Expertise conveyed to new product: Canon photocopy machine
- Benefit/ attribute conveyed to new product: Pears Face Wash (mildness, glycerin)
- Image/ status conveyed to new product

# BRAND EQUITY

Brand Equity

Set of dimensions such as

- Brand awareness
- Brand loyalty
- Perceived quality of the brand
- Brand associations

which add value to the products and services of a company and to its customers

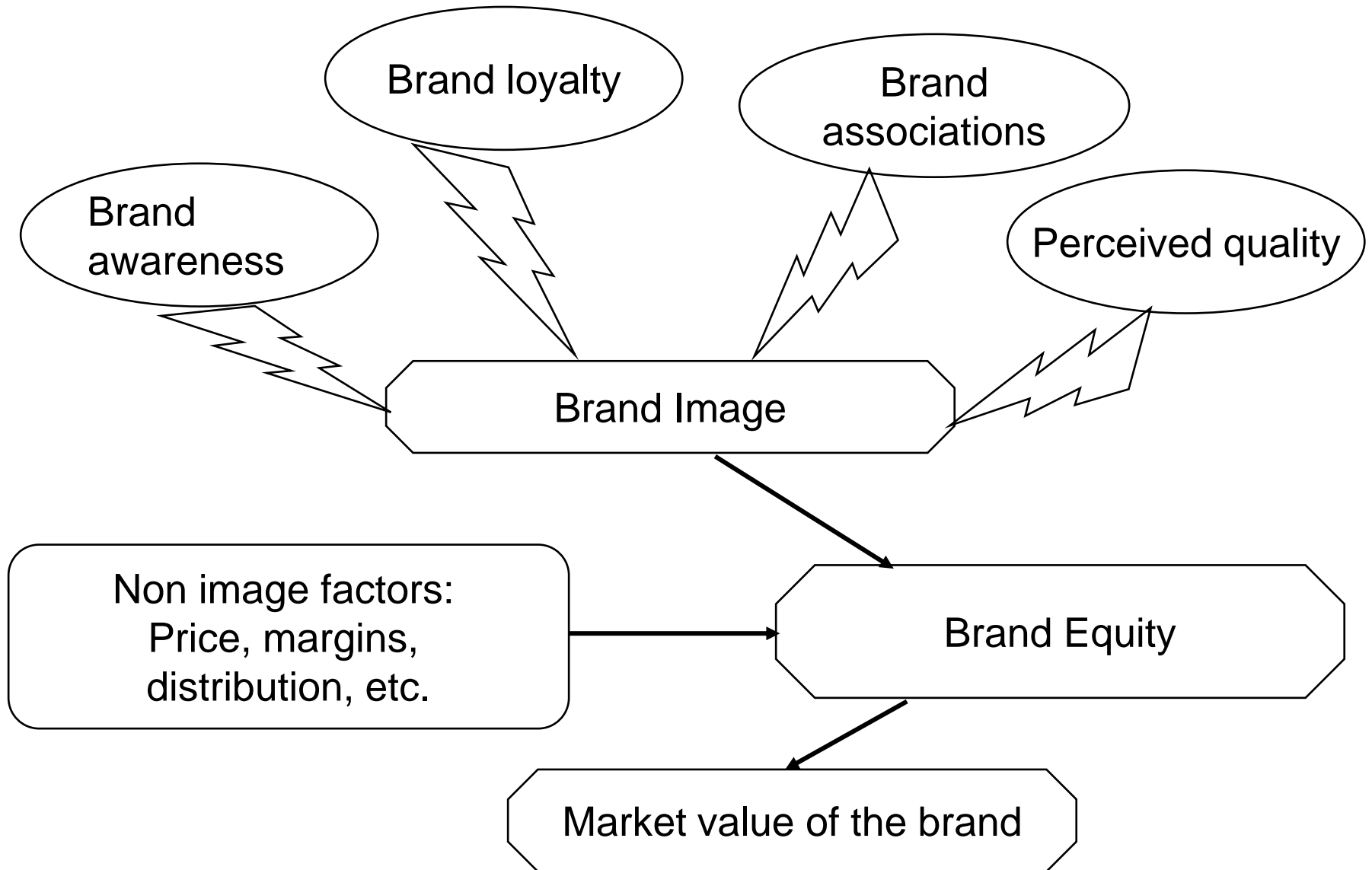
# BRAND EQUITY

Simply put, it is the goodwill that a brand commands in the market

This value comprises the financial valuation of these assets as well as the identity of the brand in the minds of the market

The aim of all branding strategies and overall marketing strategies is to build and maintain the equity of a brand

# BRAND EQUITY AND BRAND VALUE



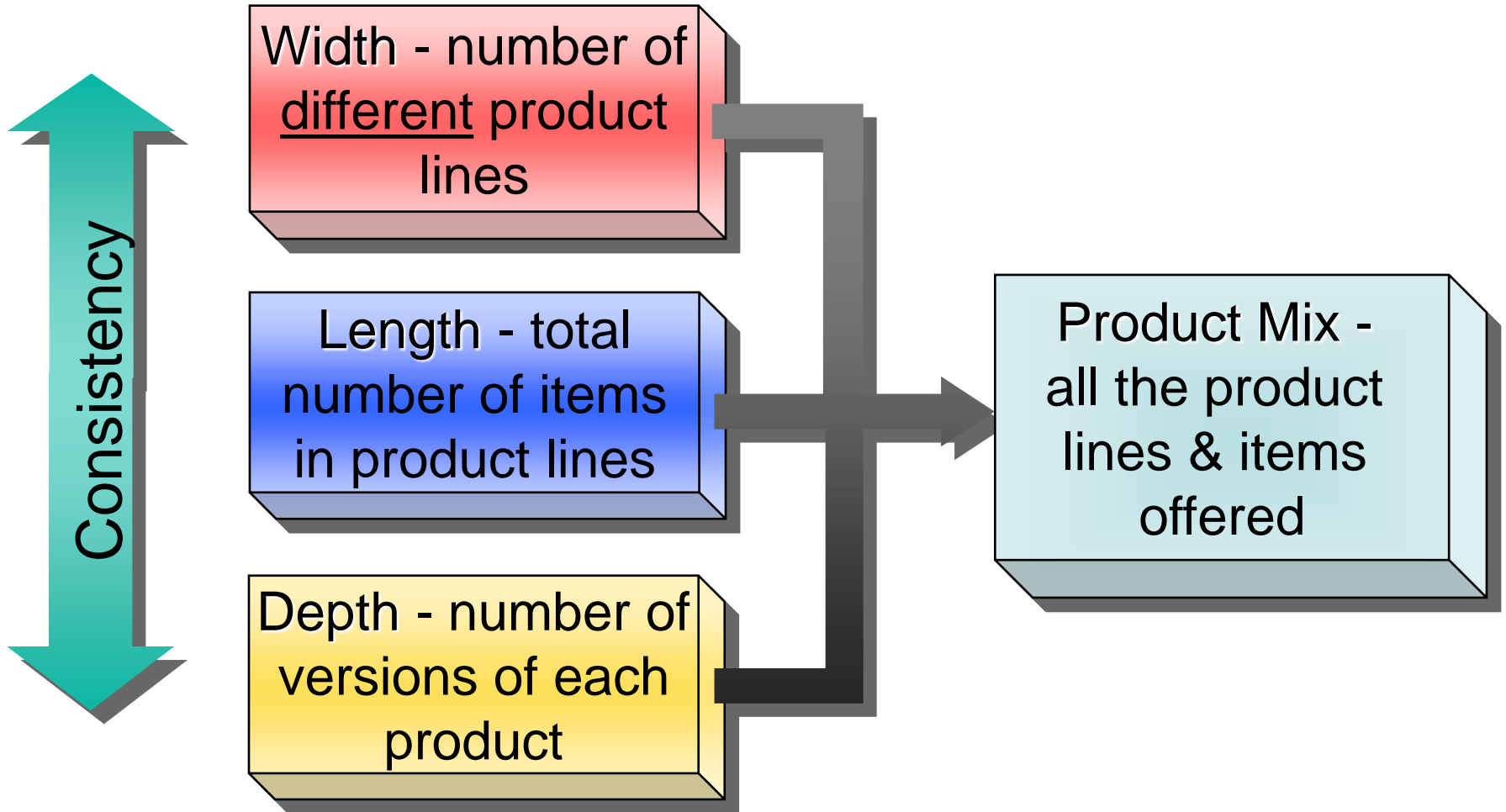
# PRODUCT LINE

A group of product items that are closely related in terms of

- function in a similar manner
- are intended for similar uses
- mostly sold to similar customer groups
- are marketed through the same channel
- fall within a given price range

Ex.: Hindustan Lever - soap, shampoo, toothpaste, detergent powder ... constitute different Product Lines

# PRODUCT MIX DECISIONS



# PRODUCT MIX DECISIONS

Product mix is the complete assortment of products offered by a company for sale

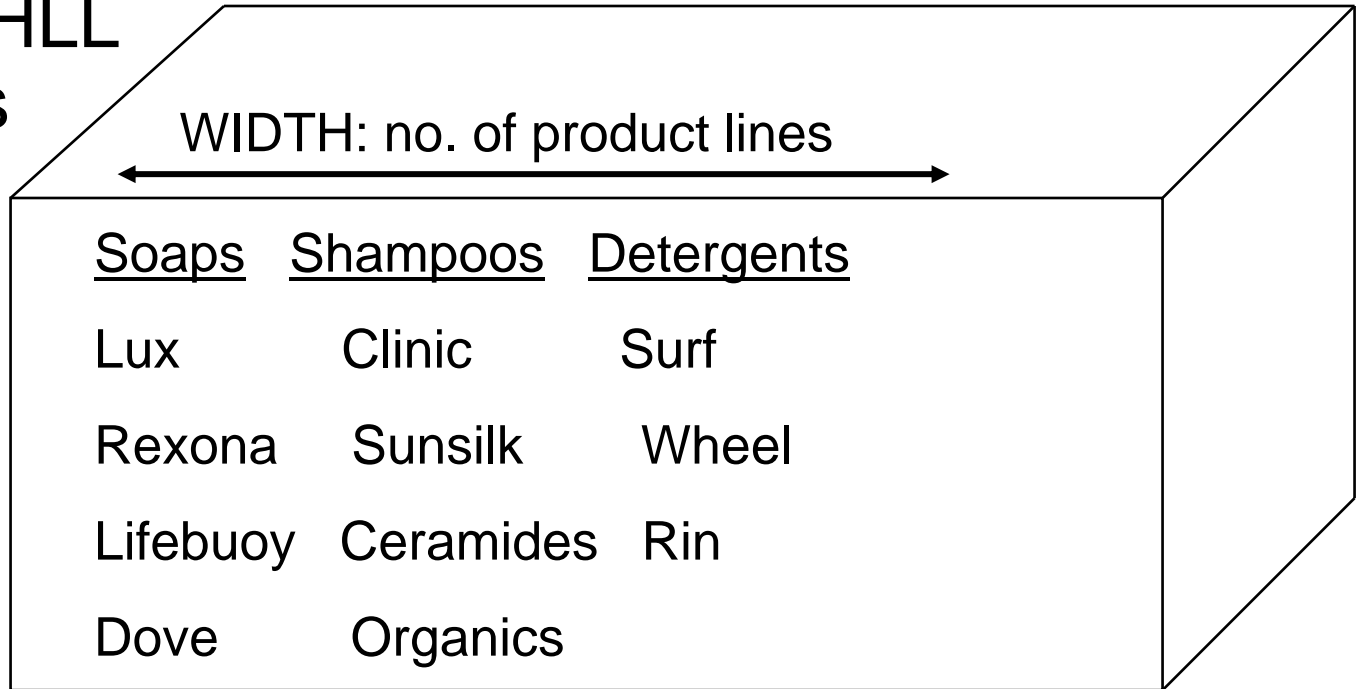
Product mix comprises of the following:

- Width: refers to the number of product lines
- Depth: refers to the number of items within each product line
- Length: refers to the total number of items in all the product lines
- Consistency: refers to how closely related are the product lines in terms of users, usage, product category, production, distribution etc.

# PRODUCT MIX DECISIONS

Example: HLL  
products

DEPTH: Total items  
in a product line



LENGTH: Sum total of all items: variants,  
packsizes etc in all product lines



# PRODUCT LINE

Some Product Lines of HLL:

## Soaps

Rexona (Sndlwd)

Rexona Pln

Liril Lime

Liril Cologne

Lux Intl

Lux Beauty soap

Lifebuoy plus

Lifebuoy gold

Lifebuoy liquid

Lifebuoy plain

Dove

Le Sancy

## Shampoos

Clinic Plus

Clinic Active

Sunsilk pln

Sunsilkceramides

Organics

Lux

## Detergents

Surf Ultramatic

Surf Easywash

Surf Ultra

Surf exel

Wheel Powder

Wheel cake

## Toothpaste

Close up blue

Close Up red

Close Up green

Pepsodent

Mentadent G

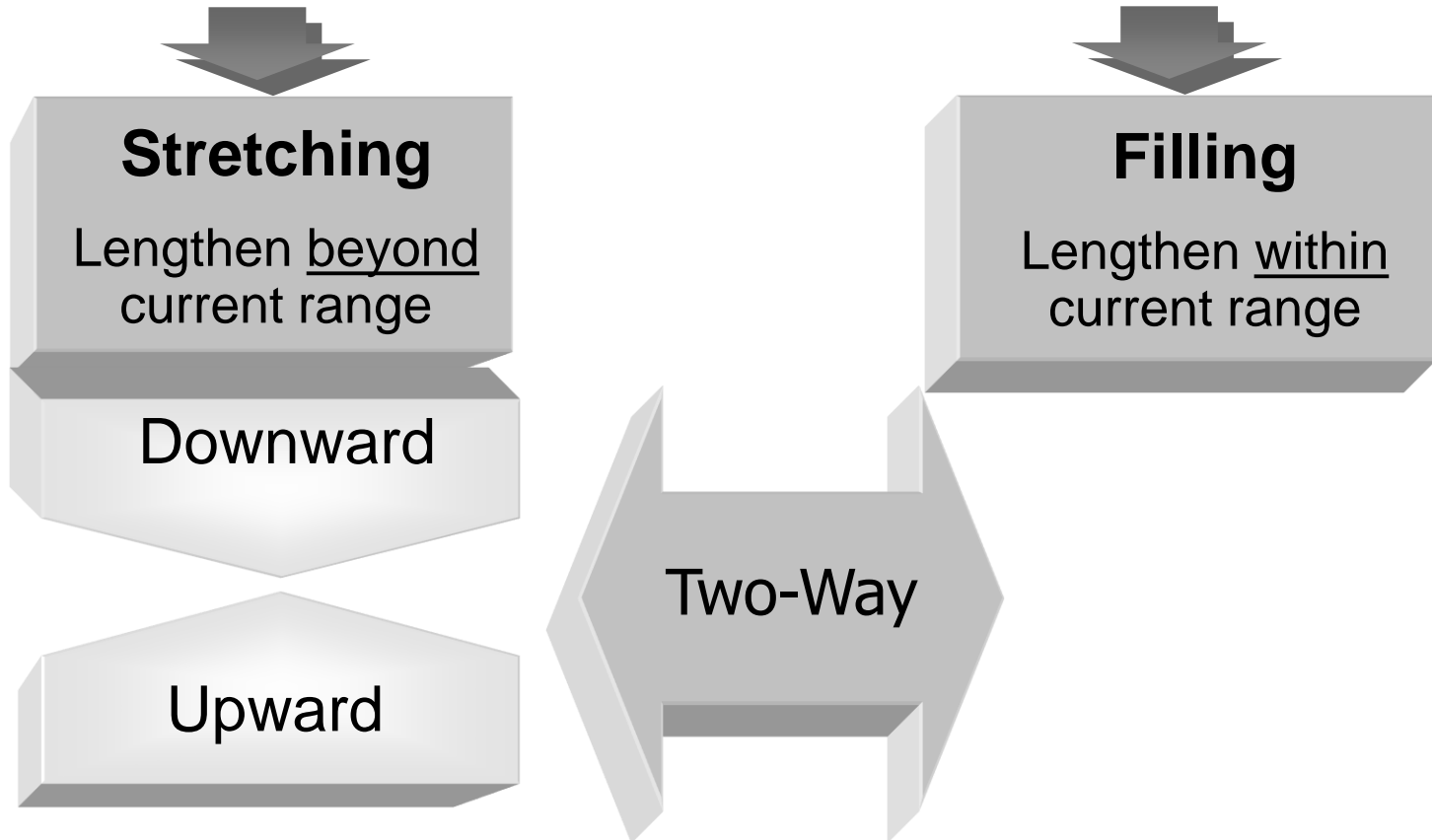
# MANAGING THE PRODUCT LINE

To manage the product line, a company can choose from the following strategies

- Managing product line length strategies
- Line Modernization strategy
- Line Pruning strategy

# PRODUCT LINE LENGTH

**Product Line / Length  
Number of Items in the  
Product Line**



# LINE STRETCHING

## Line Stretching

When a company adds to its product line, beyond the current range

Line stretch can be upwards, downwards or both ways and helps in adding new customer segments

e.g.: HLL: Wheel - downward stretch

Surf Ultra - upward stretch

# LINE STRETCHING

Reasons:

- To plug a gap in the product line and ward off competitor's entry
- To increase customer base by targeting a different segments
- For higher growth rates and increasing market share

# LINE FILLING

## Line Filling

Accomplished by adding more variants/items within the present range

e.g.: Lifebuoy plus, Lifebuoy Gold, Lifebuoy liquid

## Reasons:

- For increasing sales
- For flanking the products from competitor assault
- Utilising excess production capacities
- Providing trade members a full range of products

# LINE PRUNING STRATEGY

## Line Pruning

A strategy when a product is eliminated from product line

### Reasons:

- To weed out low profit products
- To deliberately discontinue an obsolete product
- To utilise the limited production resources for higher profit generating products only

# LINE MODERNISING STRATEGY

Line modernisation strategy is:

When a product needs to be modernized or upgraded to incorporate any changes in technology or changing customer needs

e.g. Pentium modernized or upgraded with MMX / Dual Core technology

Reasons:

- To keep up with the changes in the market
- To continuously improve on the product to gain more customers
- To upgrade the customers to a new/ latest model



# PRODUCT MIX MANAGEMENT

To manage the overall product mix, companies consider the following options:

## 1. Product Mix Expansion

Existing product mix is expanded by

- Increasing depth of the product line
- Increasing number of product lines
- diversifying into new categories / segments

This strategy helps in expanding customer base, increasing sales and blocking competition assaults

# PRODUCT MIX MANAGEMENT

## 2. Product Mix Alteration

Items in existing product mix continuously improved to expand the market and upgrade users

Alteration could be done in any component of product (packaging, features, style, size or enhancing performance etc)

## 3. Product Mix Contraction

Reducing or thinning out of product mix i.e., eliminating product lines or items in a product line

Done by discontinuing low profit making or Maturity stage products