

## Line and Brand Extensions

*Firms are usually faced with four broad branding choices. Obviously, having good brand equity presents the opportunity to leverage this strength in the marketplace for greater profitability.*

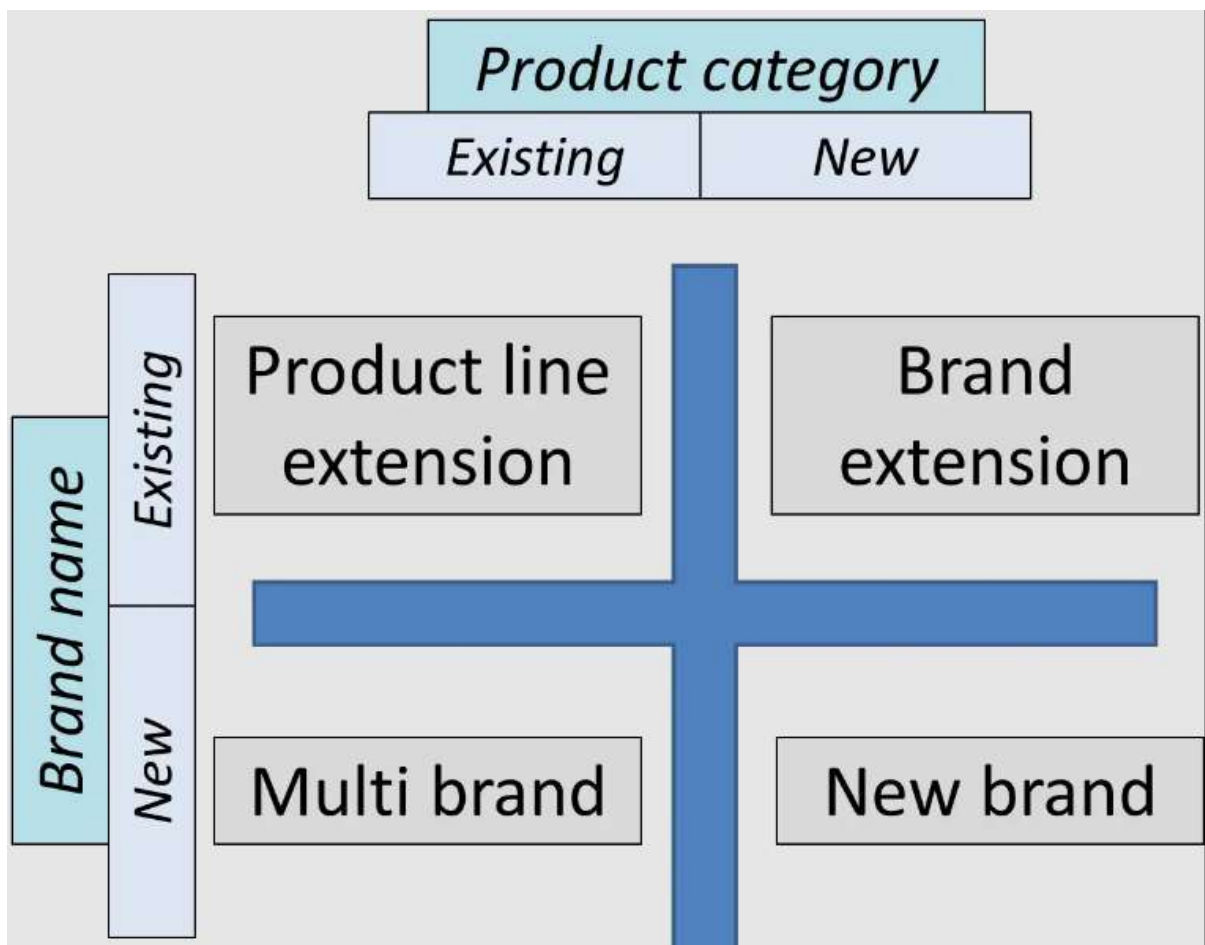
*In this activity, your task is to simply classify each example to the brand strategy choice (refer list below) that the firm has pursued.*

1. Coca-Cola also sells several 'budget' soft drink brands (in some countries) through the major supermarkets. These budget (lower-priced) products are sold under different brand names (not Coke).
2. In recent years, Coke has introduced various flavors of Coke (such as, Vanilla, Cherry). These are sold under the Coke brand name.
3. Assume that Coca-Cola is considering entering the snack food market, with a range of chips, popcorn, and pretzels to be marketed under a new brand called 'Titanic' (and using the slogan – 'really big on taste').
4. A fitness center decides to add a new 'super-advanced' aerobics class for its very fit customers.
5. Milo (a chocolate milk flavoring brand) used to be simply a powder to add to milk. But now Milo is also sold as an ice cream, a cereal, and a breakfast bar.
6. Burger's Galore (a chain of fast-food stores) is planning to open a chain of toy stores under the name of 'Toys 'n More'.
7. A successful airline starts a budget priced airline, under a different brand name, to better compete against price-based competitors.
8. A successful clothing brand, decides to start marketing shoes and various fashion accessories under its own brand.
9. Colgate, originally known for its toothpaste, now offers a range of oral care products including toothbrushes, mouthwash, dental floss, and whitening strips under the Colgate brand.
10. Apple expanded from computers and smartphones into wearable technology when it introduced the "Apple Watch".
11. PepsiCo, through its acquisition strategy, has multiple snack food brands under its umbrella, such as Lay's, Doritos, and Quaker. These snack brands would be considered which branding decision (Q1 below)?
12. Microsoft was originally just a software company, but expanded into laptops and tablets under the brand name Microsoft Surface Pro.

Here is the model to use to help guide your classification decisions. You will note that the two axes of this matrix are based around:

1. **Is the product category existing or new?** Please note that we are referring to entering a new category of products, not a new product that is similar to their existing products and lines.
2. **Is the brand name already used, or is it a new brand name?**

The intersection of these questions will classify the branding decision into one of four boxes, as shown below.



## Student Discussion Questions

<p><b>Q1 = Start by classifying the above examples into one of the following categories:</b></p> <ul style="list-style-type: none"> <li>• Product line extensions</li> <li>• Brand extensions</li> <li>• Multi-brands</li> <li>• New brands</li> </ul>		
<b>1</b>	<b>5</b>	<b>9</b>
<b>2</b>	<b>6</b>	<b>10</b>
<b>3</b>	<b>7</b>	<b>11</b>
<b>4</b>	<b>8</b>	<b>12</b>
<p><b>Q2 = Many firms use product line extensions. Provide three reasons why this approach is reasonably popular.</b></p>		
<p><b>Q3 = Brand extensions are less common than product line extensions. Highlight two benefits and two risks associated with brand extensions.</b></p>		
<p><b>Q4 = Why would a firm choose to run a multi-brand strategy?</b></p>		