

## **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) that the firm has pursued.*

1. Coca-Cola also sells several 'budget' soft drink brands (in some countries) through the major supermarkets.
2. In recent years, Coke has introduced various flavors of Coke (such as, Vanilla, Cherry).
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 '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 an ice cream, a cereal, and a breakfast bar.
6. Burger's Galore 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 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.

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### **Student Discussion Questions**

1. Start by classifying the above examples into one of the following categories:
  - Line extensions
  - Brand extensions
  - Multi-brands
  - New brands
2. Many firms use product line extensions. Provide three reasons why this approach is reasonably popular.
3. Brand extensions are less common. Highlight two benefits and two risks associated with brand extensions.
4. Why would a firm choose to run a multi-brand strategy?