

Brand Management
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Another example and here we are trying to understand a new concept called forward spillover. So here we are seeing example of Dettol and we will see how this forward spillover happens. In this context what we are saying is that Dettol has got extended into some products like these. So Dettol which is an original antiseptic kind of germicidal it is something that we apply when we have a bruise or when we have a cut and when we apply Dettol we feel confident that it will not catch any infection and it will heal the bruise, heal the cut. Now this was the original brand promise of Dettol. Look at various brand extensions that the company has made of the brand Dettol which enjoyed a very powerful consumer loyalty.

You can see that there is a Dettol soap, there is a Dettol shaving cream, there is a Dettol hand wash, there is Dettol deodorant and then there is a Dettol antiseptic cream. Now all of them leverage upon the original brand promise of Dettol. They are moving slightly away but not far away. So they are indeed different product categories but they are close to Dettol.

So what are they? They are category extensions, they are not line extensions because if Dettol the same Dettol liquid is being offered in sachet or if it is offered in different flavors that will be called line extension but here they are entering into, Dettol is entering into different product category extension and therefore it is a range extension or a category extension. Now let us come to this idea of forward spillover. What is this forward spillover? It says that positive impact of parent brand on extension. Now just because these soap, this deodorant, this antiseptic cream, this shaving cream just because they have the name Dettol perhaps they also carry the smell because moment we think of Dettol what comes to our mind is that smell and remember that sensory association, sensory brand association. So moment we see that this soap has a Dettol name on it, we associate it with that quality that healing quality of original Dettol liquid and we feel that this Dettol soap will also serve the same purpose and therefore we go ahead and buy.

So Dettol that way is a brand extension, Dettol soap is a category extension which leverages heavily on original Dettol liquid. So this is called forward spillover. Dettol passes on its associations, passes on its power to the brand extension and brand extensions are benefited by this power and they also start selling well just because they

are carrying the name of Dettol just because they are brand extensions of Dettol. Let us look at reciprocal spillover which is the reverse and here we have the example of Reebok. Now you see what is Reebok known for? Reebok is generally known for shoes.

The moment we say shoes we think of a few brands and specially sports shoes we will have Reebok as one of the top brands that will come to your, come to our mind. But today when we think of Reebok do we only think of shoes? No because Reebok has extended itself into many other product categories. You can see some of them shown here in this slide. Reebok has sunglasses, Reebok has sports equipments, Reebok even has wristwatches, Reebok has bags and so on so forth. Now because people buy all these products which are related to Reebok and they remain familiar with the brand what happens is that people's consumption of the brand extensions add positive value to the original product which is the Reebok shoes.

So in this case brand extensions actually are contributing to the mother brand or the core brand which is the Reebok shoes. So that is what I think we have to keep in mind that sometimes brand extensions play a very vital role in keeping the mother brand, in keeping the core brand alive and not only alive it contributes so significantly that core brand becomes even more powerful because of the brand extensions. So this whole idea is called reciprocal spillover and it is defined as positive impact of extensions on the parent brand. Let us move forward. Here you see the appropriateness of brand extensions.

Now this is what we have been talking about so far when we talk of zone of acceptance it is nothing but appropriateness. So when we are saying that Taj can actually launch a chain of boutiques that sell designer where we are evaluating whether it is an appropriate brand extension or it is not an appropriate brand extension. Again we will see some example. Here suppose we take the example of National Geographic TV channel. National Geographic now we know as TV channel it is also a magazine it used to be a magazine and it is also a TV channel.

Now suppose we want to evaluate a fit that what are the possible brand extension candidates that can be there for this brand called National Geographic. Now National Geographic you know is about nature, is about people going into the wild and doing trekking or doing some adventure sports and so on so forth. So if National Geographic has to extend itself it can perhaps extend into things like travel clothing or travel shoes or even binoculars because when you go into the wild into the forest you may need a binocular with which you look at the birds, you look at the trees or you identify say a water body and so on so forth. So these are perhaps an easy candidates these are easy candidates for National Geographic to extend itself into. But suppose you launch a

money magazine from the National Geographic brand it may not be a right fit.

So that is what we are trying to say that if you are contemplating having brand extensions of your brand you must think of that fit and you must think of concrete attributes fit. So National Geographic you can probably pen down what are the concrete attributes that the brand has and for each concrete attribute you can create a new product category. So this is how you can go about creating or deciding whether the brand extension is appropriate to your brand whether the brand extensions fall within that zone of acceptance. Let us move forward again the same concept same way to evaluate but here instead of concrete attributes fit here we are looking at abstract imagery or personality attributes fit. So suppose the brand is Park Avenue and all of us know that Park Avenue is known for formal wear.

Now if formal wear brand Park Avenue wants to extend itself what all product categories can it extend itself. Now what does Park Avenue stand for? It stands for men generally men it does not have a Park Avenue women series now I think they have launched women series also but it is largely a men's brand and because it is a men's brand and men's wear brand what does a man wear? Man wears clothes of course but man does not wear only clothes man wears formal clothes and informal clothes. So from formal they moved into informal. What else does man wear? Man wears perfume more than perfume what man wears is aftershave and Dio or eau de cologne. So that way Park Avenue got into these product categories which are related to men's consumer category.

So whether it is soap whether it is shaving cream whether it is aftershave whether it is gel hair gel etc. all the products that generally men use Park Avenue thought that it is the right fit and it fits into the abstract imagery of Park Avenue and therefore they decided that they can make these brand extensions. So this appropriateness is something that you as a brand manager must think about. We are talking the same thing again and again in different words because we have to understand how to launch a brand extension how to evaluate whether this brand extension is the right fit it does not stray too far from the original brand. So that consumers do not reject my brand they accept my brand and this way my revenues increase and my organization grows.

So this is what we have been seeing so far we will see it once again in this example. Here you see two examples one is Heineken and second is Kingfisher. Now Heineken has a very strong association with beer. Now moment you say that I will launch a Heineken airline nobody will accept it because all of us think that moment we say Heineken it means beer. So you can extend it to perhaps whiskey or wine but you cannot extend it too far away from the liquor kind of imagery.

Whereas Kingfisher, Kingfisher is also known for beer at least it started by being known for Kingfisher but because the person who was the owner of Kingfisher Vijay Mallya he had a very colorful personality and he got into many businesses. So because he had like something similar to Richard Branson or Virgin so you know Virgin Group of UK they are running railways also they are running galactic which is space travel also they are running music as well. So because Richard Branson the owner of Virgin Group has such a colorful personality diverse personality he can launch many products under the same brand name. Something similar happened to Kingfisher also which also has a strong association with beer but because of the personality trait or personality associations of Mr. Vijay Mallya they were able to launch many unrelated products one of them was Kingfisher Airlines.

Let us move forward and look at the theory or the factors that are associated with evaluating brand extension opportunities. So first is define actual and desired consumer knowledge about the brand. So when you are trying to understand whether to extend or not to extend first thing you should look at is how much does the consumer know about your brand and how much do you want the consumer to know about your brand and is there a gap and if there is a gap what are you doing to fill the gap or can that gap be used as an opportunity to insert a brand extension in that gap. So that is first thing that you must think about when you are evaluating brand extension opportunity. Second is identify possible extension candidates.

So when you are thinking of launching a brand extension you must have a list of possibilities that I can do this, I can do this as well and have 4-5 possibilities which you are considering and then evaluate the potential of each one of those candidates. So when I say evaluate the potential it means evaluate the size of the market that extended brand will target it you can imagine the likelihood of consumers accepting your brand extension you can also imagine not only the size and the acceptability but you can also evaluate the future which means what are the competitors and how will it stand against various competitors, what are the pros and cons, what you can perform a SWOT analysis and then decide with which extension you will go forward. Once you have made a decision that this is the extension candidate I am going forward with then you design a marketing program through which you will launch the extension and then of course you evaluate the extension success and its effects on parent brand equity. So last point is perhaps the most important point because through that you evaluate the extension that you are planning to make will it have a positive effect on the parent brand or it will have a negative effect on the parent brand and there is also an idea called vertical stretching. When we say vertical stretching which means that you are associating your extension is pulling your parent brand up or it is pulling the parent brand down.

When we say up and down it means that it is getting associated with something of higher value or something of lower value. So this is also something that you must be aware of because if you are conscious of this impact you will be able to address it in your brand communication of both parent brand and communication of your extended brand. The final slide advantages and disadvantages of brand extension. Now brand extension what does it do? It facilitates new product acceptance. So suppose a chain of boutiques is coming from Taj immediately people will accept because it is coming from a known brand.

So it improves the brand image. It reduces risk perceived by the customers. So when someone walks into a boutique chain of Taj they feel that it is offered by Taj so it will be okay it will not be bad it in fact it will be of good quality. It increases the probability of gaining distribution and trial. So suppose you decide that this boutique chain will not remain only inside Taj hotel but it will go outside also you will start displaying it in various other shops as well.

So because it is coming from Taj because it is a brand extension of Taj everybody will be willing to accept it and display because they know that people will come and buy it. Similarly it will increase efficiency of promotional expenditure it will reduce cost of introductory and follow up marketing programs. You will avoid the cost of developing a new brand. So these are several benefits that will accrue to you because you have chosen to make a brand extension rather than create a new brand. So this is another thing advantages continue.

What will happen is a brand extension will clarify brand meaning which means that suppose you launch a boutique chain under Taj brand so the Taj brand itself will become slightly more clearer. Similarly it will enhance the parent brand image it will contribute to the parent brand which we saw in the reciprocal spillover and it will bring new customers into the brand franchisee network. It will reach out to new customers serve new needs it will increase market coverage it will revitalize the brand so your parent brand will gain new energy and it will prepare you to make new subsequent extension like we have seen it has happened with Titan. So Titan became Tanishq, Tanishq became Titan Eyewear, Tanishq became Tanera and so on. So it will allow you to make newer and newer extensions in future.

These advantages are also quite a few it can confuse or frustrate consumers. So I am coming to a Taj hotel but I see a Taj boutique so I can get irritated or angry. It can encounter retailer resistance so say Tanera brand of dresses. Shoppers stop will say why should I stop Tanera dresses because I have my own. So there will be a resistance towards that it can fail and hurt parent brand image that is quite possible because

suppose Titan Eyewear people start buying glasses and they don't buy watches.

So it is hurting the Titan brand image also it can succeed but cannibalize sales of parent brand same thing people will buy extension but people will not buy the parent brand so that is also possible. It can succeed but diminish identification with any one category. So today when we think of Titan we do not think of only watches we think of two three things. So that strong identification with Titan watches is lost and it stands. So today we are not very sure Titan means what does it mean sunglasses does it mean watches or does it mean something more.

So that gets diluted the brand meaning also in the process gets diluted and it also is an opportunity lost. So instead of calling Titan Eyewear Titan could have developed a completely new brand for Eyewear. So they have foregone that opportunity and they have used an existing brand to launch Eyewear. So what I am trying to say is that any opportunity to extend your brand is fraught with many consequences large number of consequences are advantageous consequences there are some disadvantages also of brand extension you as a brand manager must be aware of both possibilities and then make a decision whether you want to launch an extension and in what form.

Thank you very much. I hope you enjoyed the class. Thank you very much. Thank you.