

# How far can your brand travel?

By [Roman Cylkowski](#)

7 Nov 2007

South African FMCG brand owners need to 'gear up' on their knowledge and expertise concerning the area of brand extensions, and proactively 'get up off their assets!' That is if their loyal users are to be heard!

So says strategic marketing specialist Roman Cylkowski who embarked on Project Stretch, a survey across loyal users of some of South Africa's leading FMCG brands, in a bid to improve the understanding of how South African consumers evaluate brand extensions.

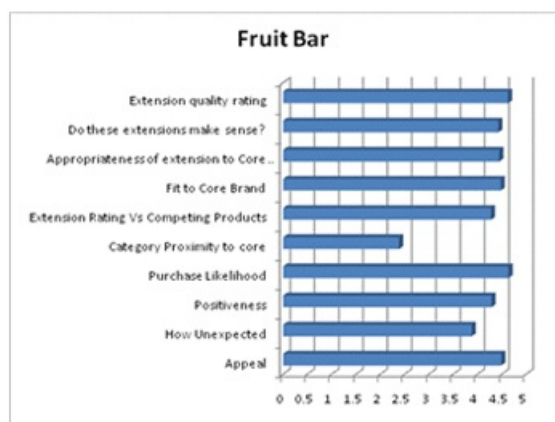
Face to face interviews were conducted amongst loyal users of the brands surveyed in LSM's 5 to 10, across Gauteng, measuring users' familiarity and attitudes towards the surveyed brands, exposing them to the range of proposed brand extension concepts.



A total of 30 brand extension concepts were evaluated across 20 product categories for five major brands, delivering some startling results.

The brands surveyed were Bakers, Appletiser, Black Cat, USN and VitaSnack.

The most positively evaluated brand extension concept was for a Vitasnack Fruit Bar with loyal Vitasnack brand users giving this concept a huge thumbs up across all the critical 'success' indicators as reflected in the table.



Another concept that received a huge thumbs up was for a Bakers Romany Creams snack bar, with 81% of the brands loyal users stating that they would purchase this extension, were it available at the store where they did their shopping.



Appletiser brand owners - your brand name is not a noose to wear around your necks, restricting your movement to within the carbonated beverage category. It is your VIP pass to excitement and innovation into categories that will support your brand image, allowing you to take your brand further than you could ever believe possible. At least that's what your loyal users believe. A Organictiser Fresh Organic Ice Cream concept would not be seen as strange within the overall Appletiser brand portfolio. In fact respondents strongly believe that this extension is appropriate for the brand, makes good sense, has significant appeal, would be of the highest quality if made by Appletiser, and would definitely be purchased.

Black Cat users were a much more discerning bunch, preventing the brand from travelling to distant categories. They gave their thumbs up to a Black Cat biscuit range, and felt that the brand could also quite comfortably succeed with a range of



What is quite evident is that those consumers who have a fixed idea of what a certain brand is about are likely to accept brand extensions into distant categories more easily for newer brands than for older established brands. The findings indicate that incongruent brand extension evaluations are moderated by how well the core brand is established in its original product class. A well established brand that has dominated its respective category for years, even decades, will find it more difficult to move too far beyond its core product category, with consumers holding it back by not evaluating incongruent brand extensions favourably. Black Cat is a good example of such a brand.

Conversely incongruent brand extensions were evaluated positively by users for newer, less established brands. As an example 3 extensions under the Vitasnack brand were evaluated as far removed from the existing core brand category, yet each one was evaluated favourably, with users recording a significantly high likelihood of purchase, at the same time believing that each of these extensions would outperform competing products in the extension product categories, being either better than or significantly superior to these.



But what happens to a brand if a brand extension fails? The original (or core) brand image is diluted by an unfavourable brand extension, and therefore extreme caution should be encouraged by companies wishing to enter new categories with an existing brand. This holds greater weight for established, older brands, who will find it difficult to move into distant and unrelated categories, without significantly diminishing the core brand image, specifically in the areas of quality, reliability and trustworthiness. A favourable core brand image is by no means a license to successfully extend the brand into unrelated categories! Brand extensions that are negatively evaluated by consumers will dilute the core brand image if they are introduced. Brand extensions inconsistent with the brand image will shift certain brand feelings and beliefs amongst a number of existing users of the core brand, resulting in a poorer overall image of the core brand. Whilst not all regular users will react in this manner, the findings are relevant for both older, established brands as well as for newer, younger brands. It was found that the more established the brand in its core category, the more likely that a greater number of regular users of that brand would perceive a dilution of the image of the core brand, were a poorly evaluated brand extension introduced. For a brand such as Bakers, this would impact significantly, with core brand image dilution experienced by up to 50% of the brands regular users. No evidence was found to support the notion that the more distant the extension category the greater the negative impact on core brand image. Appletiser Lipstick was found to be the most distant extension category by respondents, yet the negative impact on the core brand image was not nearly as severe as for Bakers Mild Cheddar Cheese, which resulted in the core Bakers brand experiencing far greater dilution effects.

Extensions into categories more similar to the original brand tend to be more readily accepted. Any brand, which is extended into similar categories, should receive high consumer evaluations. The study found that of 11 congruent extensions, each received favourable consumer evaluations. Each of the congruent brand extensions were evaluated strongly across all key measures, including those of quality; appropriateness; fit; good sense; positiveness; appeal and purchase likelihood. In addition each one of these extensions was believed to be better than or superior to existing products in each of the extension product categories.



The speed of brand building is accelerating dramatically. The product lifecycle is also shortening and as a result brands

need to be constantly reinvented within the FMCG environment in order to maintain their relevance. The new paradigm is that brands develop far beyond core functional benefits, letting brands support multiple product categories. As a result many companies should be nurturing their brands as assets that can be profitably leveraged across product segments.

The paradigm shift – brand owners need to become “Brandlords”, not manufacturers of products. Their mission is to grow brand equity, not fill latent production capacity. Too many companies focus on what can be made in their existing plants, rather than asking what it is that will boost brand equity. If they own a biscuit plant, and there is an opportunity to extend the brand into ice cream, partner up with an ice cream manufacturer. Form alliances. Be bold! Deliver value to your loyal users. After all, they want to support you!

## ABOUT ROMAN CYLKOWSKI

Roman Cylkowski is a brand strategist and product sourcing and development specialist. He was responsible for matching Sakata with NBL, and for conceptualizing and developing the Magicmaid Madam & Eve Household cleaning range. Contact him on cell +27 72 299 9546 or email [roman@blitzforce.com.au](mailto:roman@blitzforce.com.au).

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