Discuss why brand extensions are an important brand growth strategy

Business, Marketing

Brand Extensions Brand Extensions Brand extensions have faced both criticism as well as approval from the experts. Those against brand extensions believe that due to brand extensions, consumers experience confusion and the manufacturers might lose their focus on their main brand. Today, several products that are homogeneous in nature are overwhelming the consumers and brand extensions can be a great way in helping the consumers in making their choices in an easier manner. Brand extensions are fruitful for organizations because these extensions gain quick acceptance from the retailers and these extensions even provide customers with the confidence they have in the brand of an extension that already exists (Kotler, 2012, p. 286). On the other hand if a new brand is launched, it faces difficult in obtaining shelf space and customers may not have the trust on new products. Another benefit of brand extension to a company is that a company which is already operating in a market and has a steady production, distribution as well as marketing side which will help the company in attaining economies of scale while going forward with the option of a brand extension (Kapferer, 2008, p. 296). Brand extension can be a great way to attract new consumers who have not yet explored the existing products of the brand and it can even help in attracting old consumers who had stopped using existing products being offered by a brand. Finally, a brand extension can be a great way of increasing shelf space as well as increasing the revenue and the sales base of a particular organization.

References

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