

# Brand Extensions

By TippingSprung

## TippingSprung Fields Second Annual Brand-Extension Survey

*Survey, in collaboration with Brandweek magazine, names best and worst brand extensions in eight popular categories*

Results from TippingSprung's second annual survey of brand extensions, produced in collaboration with marketing newsweekly Brandweek, revealed which extensions are most effective, which have potential to dilute the brand, and what makes some brands more extendible than others. Major trends in brand extensions were also uncovered.

"More and more marketers are looking at brand extensions as a way of leveraging the value of their core brand assets," said Robert Schwartz, Director of Brand Licensing, TippingSprung, and one of the survey's authors. "Our survey supports our belief that the most successful brand extensions come from companies that really know their customers, but know the limitations of their brand even more so."

### The Top Brand Extensions.

A total of 449 respondents to the survey chose the following top brand extensions:

- **Iams pet insurance** was named best overall brand extension with 26 percent of the vote. Febreze Scentstories air-freshener system came in second with just under 24 percent.
- **Starbucks coffee liqueur** was named as the best brand extension in the liquor category, winning over 70 percent of the vote. Grey Goose Entertainment, a joint-venture between the vodka maker and the Sundance Channel, was a distant runner-up.
- **The Motorola ROKR phone with iTunes** was the clear favorite in the co-branding category, with 47 percent of the vote. The Black & Decker iron with Downy wrinkle-release chamber was a distant second with just under 19 percent.
- The best extension of a magazine was won handily by **hardcover books from O, the Oprah magazine** (31.5 percent). Forbes luxury auto site, forbesautos.com, was a strong second with 20.8 percent.
- **The Tide to Go stain removal pen** was overwhelmingly voted most overdue brand extension ("why didn't they think of that sooner"), with over half of the vote. Milk-Bone brand dog toys came in second with 21 percent.
- **Antiques Roadshow** won handily for best furniture brand extension (36.6 percent), for its line developed by Pulaski Furniture. Frank Gehry's furniture line from Italian manufacturer Heller was a distant second with just over 20 percent.

- **National Geographic** was overwhelmingly voted best extension of a not-for-profit, thanks to its clever partnership with Google Earth, a software program that offers maps of the world that include content from National Geographic. The Sierra Club's environmentally friendly clothing came in second.

**Worst brand extension, for the extension that seemed least to fit with the brand's core values**, was won by Harley-Davidson's cake decorating kits. A water-filled bra from Evian, produced as a promotional item, came in second. This was, admittedly, a tough act to follow after last year's commanding win by Hooters Air airlines.

#### **Brightest ideas for brand extensions.**

Respondents also voted on which brands they would like to see extended. A few of the many intriguing ideas proposed:

- **JetBlue** should offer a "heightened experience" ground-based service called TaxiBlue.
- **GM** might bring us Segway-style personal transportation.
- **Lexus** can offer home luxury seating with power controls.
- **Pitney Bowes** can offer small-business office supplies/service (à la Kinko's).
- **Purina** should bring us membership dog parks.
- **Rubbermaid** can offer off-site customized storage.
- **Thermos** might bring us insulated apparel.
- **Twinings** could be appropriate for "tea-spa therapy"—green tea extract soaps, lotions.
- **Victoria's Secret** might have a line of romance novels.

"This year we saw a pet food brand, a detergent brand, and a PBS TV show emerge as clear winners in the brand extension survey," said Martyn Tipping, President and Chairman, TippingSprung, another of the survey's authors. "These brands are not exactly the hottest properties on the block, but they all have one thing in common: extremely loyal consumers who love and trust the brand and want it to succeed on new products and in new categories. The survey shows that a strong brand and a loyal consumer base are the key factors for success with brand extensions"

#### **Emerging trends in brand extension.**

The following are a few of the trends noted in the survey:

- **Virgin Territory.** The big winner in the survey was **Iams pet insurance**. This shows that there are still unbranded categories like pet health insurance, where no major brands exist. Strong brands with household names can achieve great results

if they look at tangential businesses where they are still relevant. In this case, people trust Iams to take care of their pets' nutrition, so it makes sense that the brand can be trusted to look after their pets' general health as well.

- **Overnight Wonders.** The other big winner was Febreze, an air freshener that extended into the innovative Scentstories system. Although **Febreze** hasn't existed for very long, they have been able to extend the brand into this category in a remarkably short time. The amount of time needed to gain credibility from the public and extend seems to be shorter than ever for innovative brands that consumers connect with.
- **Riding Big Brands' Coattails.** The big brands were generally big winners in the survey: Google, Apple, Oprah. The halo effect of these brands also brought along some older brands on their coattails, in some cases injecting them with new vigor (National Geographic on Google Earth, for example). Old media seems to be far from dead—Oprah's hardcover book collection, on the strength of the Oprah brand, handily defeated the new-media upstarts in the Web, satellite radio, software, and video-game spheres.
- **Grassroots Appeal.** Meanwhile, among the blossoming of brand extensions in the furniture market, the grassroots Antiques Roadshow easily beat out more highbrow offerings from Frank Gehry and Nicole Miller, or more hip offerings like MTV Cribs. This may reflect a broader trend in the market, or simply the personal preferences of the respondents' demographic.
- **Profiting as a Not-for-Profit.** This category shows the growing role that brand extension can play in the not-for-profit and governmental sectors. As non-profits see greater permission to extend their brands, possible extensions like a **Red Cross** first-aid kit seem increasingly logical and natural. **National Geographic's** win partly shows the halo effect of **Google**, and highlights a particularly outstanding product (our team members that downloaded the free program Google Earth were wowed by it). It is an ingenious way for an old-line magazine to ride the coattails of Google and emerge as a hip technology player.

"Harley-Davidson was a winner in our first brand extension survey but didn't fare as well this year" said Schwartz. "We look forward to seeing which brand extensions rise to the top next year when we'll again be focusing on this vital area of branding."

### **Background and Methodology of the Report**

TippingSprung, a New York brand consultancy, observed that no major surveys focus on the powerful phenomenon of brand extensions. The first brand-extension survey was launched in 2004, to help answer key questions about brand extensions: Which extensions are most effective? Which go too far or otherwise dilute the brand? What makes some brands more extendible than others? What are some of the major trends in brand extension today?

The 2005 survey, carried out in collaboration with Brandweek, was sent to 27,000 branding and marketing professionals. Respondents came from companies like Avon, Coca-Cola, Ford Motor, Johnson & Johnson, Kraft, L'Oréal, and Target.

The survey was sent electronically in October 2005, and results were collected through November 16, 2005.

A full survey report is available from TippingSprung (email to [robert@tippingsprung.com](mailto:robert@tippingsprung.com)).

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**TippingSprung** ([www.tippingsprung.com](http://www.tippingsprung.com)) is a New York-based branding company with key practices in brand licensing, brand strategy, naming, design, and translation.

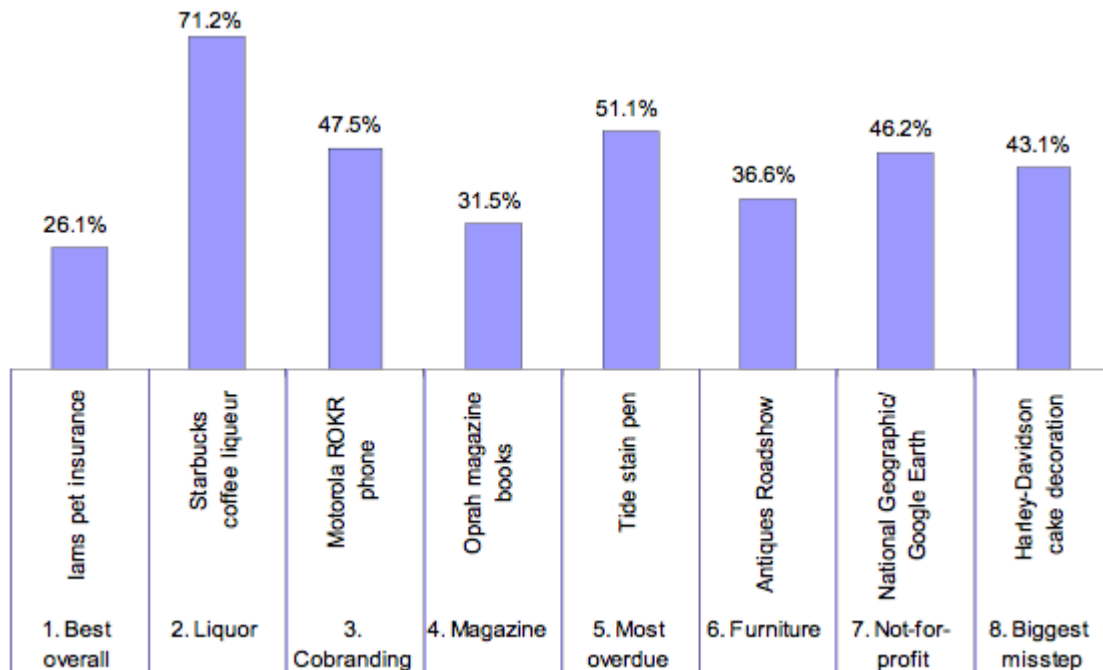
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## APPENDIX

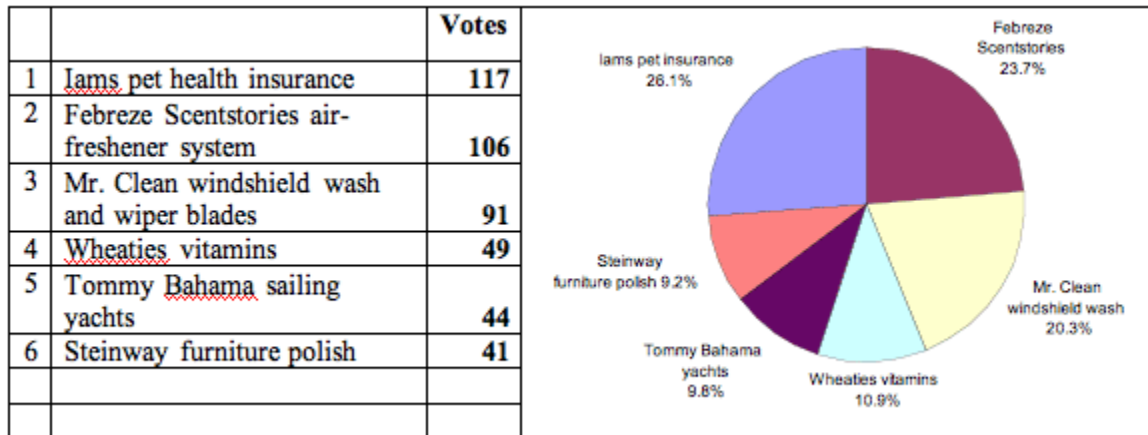
### Sample of Survey Results

*Full range of results and graphics available upon request from TippingSprung*

#### Percentage of respondents voting for top choice.



**Question 1. BRAVE NEW BRANDING (for the most distinctive extension in a new category)**



**Top brands from which respondents would like to see extensions:**

