



energy<sup>hub</sup>

# Brand Stretch in Tight Times

Summary of a presentation delivered by branding and innovation expert,  
Peter Shaw, at Energy PR's recent Energy Hub event

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In a climate of economic contraction, you may well think that the last thing you should be concerned with is brand stretch. But actually this is the very moment to consider it. In difficult times those who survive are those who innovate and change. And brand stretch is all about just that. Take the example of Gillette. They have built a successful brand by continuously bringing out new products that make their own previous range obsolete. They do it before someone else does it to them, and that is key. Apple is another fine example. They began with a PC that was easy to use but when others got in on the act they neatly shifted into plug and play music, which stayed true to the brand promise of clever technology that works simply. They constantly find new ways to transfer their promise in a way that delivers, which, in a nutshell, is what brand stretch is all about.

The principles of stretching your brand are actually pretty simple, and by looking at four examples and examining the challenges faced and the solutions met by each we can identify tools and develop templates which can be used to help others to follow suit.

## McDonalds – Meeting New Category Rules

Ten years ago there was little alternative to McDonalds, or a competitive burger bar, if you were looking for a quick bite on the high street. The emergence of a new range of competitors offering good quality food has massively increased consumers' options. At the same time McDonalds was receiving some pretty poor publicity on the healthiness of its offers, epitomised by the 'Supersize Me' film. What McDonalds did was to address the product issues with EatSmart salads, with extensive PR campaigns around this new healthier alternative, but the really significant shift they made was in terms of improving the quality of their environment. They brought in stylish chairs and tables in beautifully presented restaurants, which transformed the whole experience.

The result was that rather than face closures they turned the business around and stretched into new territories. Rather than shrinking, they are growing again.



## Stay the night in a hotel and buy the bed

### Applying a Different Model

Nearly ten years ago American hotel group Starwood Hotels' Westin brand kicked off what became known as the hotel Bed Wars, with its introduction of The Heavenly bed. This focus on the ultimate hotel bed led to an interesting phenomenon in luxury hotel groups, the separate retailing of beds and soft furnishings.

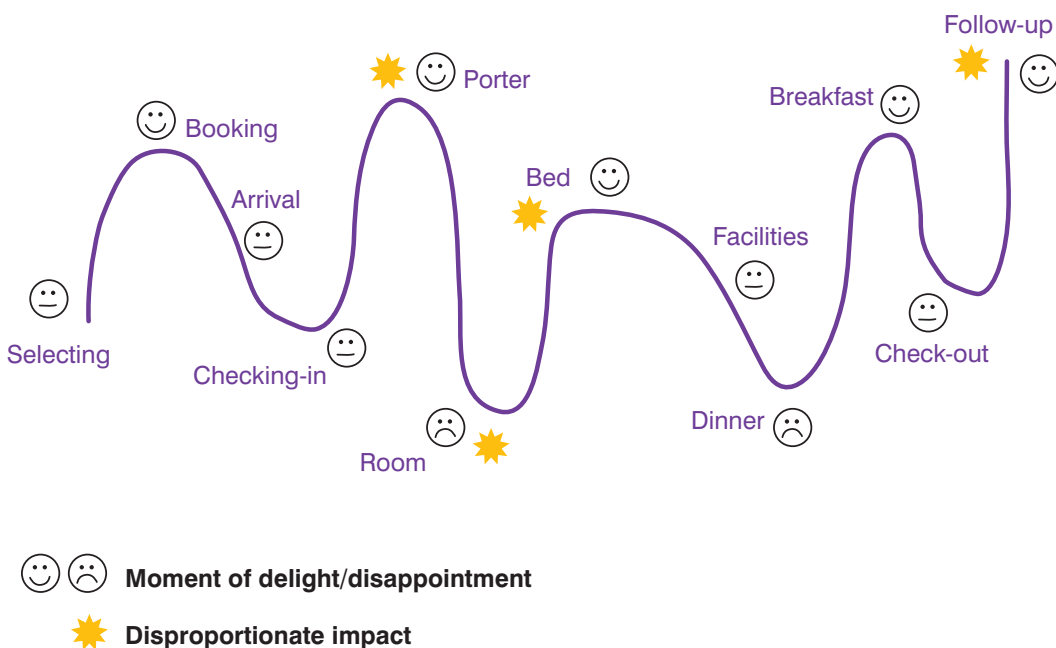
In order for any service brand to stretch it needs to look at the whole customer journey. Hotels examine the process by which customers choose, from the web site to booking, arrival (for instance, women want to park close to the entrance at night) through to the service offered by the porter, the quality of the bed and the food.

All hotels know that the bed is key to the whole experience and as a great example of developing a significant new revenue stream many of these hotels now have online shops and even bridal registeries retailing beds, sheets and robes.

## Pot Noodle: Getting More People into the Franchise

Pot Noodle was a top ten grocery brand, but over three quarters of its sales were amongst 18-21 year olds and it wanted to broaden the franchise. Pot Noodle originally built its brand on advertisements showing nurses and policeman tucking into a steaming pot, but this wholesome approach didn't really work because culturally, unlike in Japan where the concept originated, we don't consider re-hydrated food to be good quality. Pot Noodle experimented with more sophisticated recipes to try to break out of that student market and appeal to more main stream tastes, but basically however it was dressed up, the product was still seen by the majority as 'not for them'. So rather than fight this, Pot Noodle ran with it, focusing on the idea of 'cartoon food'. They sought to reach a wider audience by positioning Pot Noodle as a snack food and getting it out of the home, but the stumbling block was the need for a kettle. So Pot Noodle invented the Pot Stop for service stations and convenience stores. They stayed with those 18-21 year-olds but achieved distribution brand stretch by catching them when they were out and about.

## Experience Journeys



### Virgin: The Exception that Proves the Rule

Virgin is an extraordinary and special case in brand stretch – the exception that proves the rule. They describe themselves as a ‘venturing company’. Their brand is the ‘Challenging Champion’ and their promise is built around Richard Branson’s ethos: ‘Whenever I see people getting a bad deal, I want to step in and do something about it.’ Every Virgin company can be distilled down to this - when there’s a market where consumers aren’t getting the best deal, or enough choice, Virgin senses their frustration and makes its move.

That is why some of the businesses under the Virgin umbrella work well and some not so well. Virgin Bride fell into the latter category. No tension in the market, so no need for Virgin to step in. Virgin Cola and Virgin Vodka is the same. Virgin has no place on a vodka bottle. Vodka is sold on purity or provenance, and neither of these matches the Virgin brand promise. Where Virgin excels is where it can deliver its unique style of service at a great price. Virgin Active fitness centres are massively successful, now the biggest chain in the UK. They are funky, play great music, and in an over priced sector, a fitness chain that offers better value for money caters to a market segment that was being ignored. Virgin succeeds where the brand promise is kept and where the brand personality resonates.

### Identifying the Persona

So how do you decide what your brand promise actually is?

A corporate personality test or tool will help to pinpoint a company persona. It might define BBC Top Gear, for instance, in the following terms: Blokey, brutally honest, awe-inspiring, doing it to the full, extremes. This summing up of what a brand is about will provide a template to stretch into other areas. With a product like Top Gear or a company like Virgin this is fairly easy. Virgin is the company, is the brand. But what about when the company persona is less clear-cut and when the company owns a variety of brands?



### Brett – The Problem of a Commodity Product

Brett specialises in digging gravel pits but theirs is a commodity product that does not grab the imagination like hotels, fitness centres, food and drink. Who is to say that one man’s gravel is better than another’s?

The issue here was to get to the heart of what it is that Brett does. It was hard to talk product so they looked at what it was about them that reflected a brand promise – what were the hard facts and key qualities? The hard facts were that they dealt in logistics and aggregates, which does not give much scope, but the qualities are being in touch with the local community and operating responsibly and reliably. Under the banner, ‘Brett: Built on Relationships’, (which now appears on the sides of their lorries), they capitalised on these relationships to grow the core aggregates and concrete business and to further extend into construction and landscaping where service ethics are arguably more important still.

### The Stretch Equation

Brand stretch is all about leveraging advantage. In order to understand what those advantages might be you need to consider consumer drivers (micro and macro), competitor and market dynamics, parallel markets and futures.

It is these that will point the way forward and open up all kinds of ideas and opportunities to work with your brand promise and personality and stretch into other areas and markets.

## PR things to think of when taking a brand into a new market..

**A dedicated PR programme is usually needed to help any kind of 'brand stretch' reach its full potential. Here are some things to consider when devising that PR campaign...**

- 1. It's not just what you say but how.** Be completely clear about what the 'essence' of your brand is, and reflect it in the way you handle your communications. For instance Brett's core message is 'Built on Relationships'. That means it's got to be pretty good at local PR wherever it operates. It must talk clearly and proactively to customers if it's to live up to that proposition. And media relations must be prioritised, the company can't be closed-off or arrogant otherwise that core message will ring rather hollow with the media!
- 2. Explain.** Make the case for your new market move in your PR. Schwartz's original mini jars of pure herbs and spices were sold at a premium price because they promised unmatched quality. So when they extended to packet mixes their message was 'quality has now come to the convenience sector'. They backed up a huge sampling programme with high quality books showing new, quick, innovative recipe ideas using the packet mixes. The quality message was further underpinned through journalist visits to their herb and spice sourcing operation. They then used PR to justify their move by producing a market report showing the changing role of herbs and spices in cooking, the rise of the more adventurous cook and people's desire for good quality, easier to prepare meals. This approach ensured their offer to their core customers wasn't devalued (in fact it was reinforced), it was understood by the media and it resonated with people buying rival packet mixes.
- 3. Move emphatically.** If your stretch is logical and justifiable you should have every reason to be bullish about it. Like Schwartz, be ambitious in your PR – not apologetic. Try to quickly grab market authority in your new sphere, host events, target speaker opportunities, run roundtables.
- 4. Have media ambassadors.** Just because the brand extension is logical to you, don't assume the media will understand. If you are moving into a new area or extending what you do, take care to explain this stretch message and your credential to the media – so they 'get it'. If the media questions your credentials in a new sphere, their readers and listeners may follow suit.
- 5. Play back into you core market.** Tell your existing customers what you are doing. A brand extension gives you an excuse to remind people in your original core market that you're great. Every time Dyson introduces a new innovative product in another sphere, people using their vacuum cleaners are reminded how clever and superior they are!
- 6. Don't wait to be asked.** Your move into a new market is a golden opportunity to explain to that market what you offer and why you are targeting it. For once the success of your brand and its values 'is the story' – so tell it!
- 7. Don't forget your internal communications.** Your top team may understand the essence of your brand – but do your staff? Get them onside, and on message. Companies with figureheads who embody the brand do this easily. For instance in order to live the brand promise, Virgin's staff only have to ask themselves "what would Richard do in this situation or expect me to do?" The answer guides their behaviour. You need to ensure your own staff are as clear about what your brand stands for.
- 8. Be consistent.** Senior managers must live the brand promise. If their behaviour is at odds with the essence of the brand, you can't expect staff to believe in it. For instance if your offer is to be innovative, you can't then operate an organisation where staff are penalised if they try something new and it fails. Equally if your promise is a superb quality product, you cannot hold a sales conference to inspire and motivate staff at a 3-star hotel.
- 9. Watch the online space – monitor for bloggers and dissenters who may be rubbishing your new move.** You can't stop them but you can engage with them.



### **Peter Shaw**

Peter Shaw is one of the country's leading branding experts and is founder of the branding agency Brand Catalyst. During a career spanning over 20 years Peter has worked with major names such as British Airways, Cadbury and

BT and he has led major projects including the creation of the consumer brands Nectar and Cadbury Heroes. His business to business experience spans commercial and not-for-profit, including ADAS (environmental consultancy), Environment Agency, Brett (aggregates business), Nicholson McBride (business consultancy) and The Mortgage Works (intermediary brand of Portman Building Society).

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### **The Experts in The Energy Hub include:**

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One of the leading authorities on entrepreneurship and sales. Mike currently has a regular column on sales in the Daily Telegraph

#### **Nigel Paine**

Former head of talent development at the BBC, regular writer for HR magazine

#### **Alison Bond**

Expert in sustainable management, Alison has worked successfully with many top organisations, encouraging them to completely rethink the way they interact with customers

#### **Ron Brender**

Business guru particularly in the creation and management of technology-enabled businesses, be they start-up stars or stock market big hitters

#### **Peter Shaw**

Branding and innovation expert behind brands such as Nectar and Cadbury

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One of the country's leading new media voices, and head of new media development at telecom giant, Orange

#### **Louise Findlay-Wilson**

A communications expert, who identifies and 'works' the link between communications and profit

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