



Additional advantages of brand leveraging include:

- More products mean greater shelf space for the brand and more opportunities to make a sale.
- The cost of introducing a brand-leveraged product is less than introducing an independent new product due to a much smaller investment in brand development and advertising designed to gain brand recognition.
- A full line permits coordination of product offerings, such as bagels and cream cheese, potato chips and ranch dip, peanut butter and jelly, etc.
- A greater number of products increase efficiency of manufacturing facilities and raw materials.

Brand leveraging does present challenges. To avoid brand dilution, leveraging should be limited to entering only those categories that are directly related to the original product. Potential exists for damaging the reputation of the parent product if new products fail. Also, manufacturing and inventory costs may be higher as a result of product diversification.

### **Will Brand Leveraging Work for You?**

A brand leveraging strategy will not work in every situation. There are important questions that should be considered in order to make the best decision for your brand:

- Does the new product fit into the established product family?
- Does the brand have attributes or features that easily and effectively carry into new categories?
- Is the brand name strengthened or diluted by representing two (or more) differentiated products?
- Does your company have facilities necessary to manufacture and distribute a new and differentiated product?
- Will sales of the new product cover the cost of product development and marketing?

A brand leveraging strategy can be extremely successful and profitable if it is correctly implemented and provides new products with the right image.

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Issued in furtherance of Cooperative Extension work, Acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture. Gerald A. Miller, interim director, Cooperative Extension Service, Iowa State University of Science and Technology, Ames, Iowa.

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