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Designing a Successful Brand Extension From Theory to Practice.

The National Geographic Case Project

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INTRODUCTION

The word “brand” can be defined in many different ways, depending on the context and which connotation has been given to it. Throughout this work, “brand” should be considered from a merely managerial point of view, referring to the set of attributes that define a company in all its features and beliefs. The word “branding” has been defined shortly as the “the process involved in creating a unique name and image for a product in the consumers’ minds, mainly through advertising campaigns with a consistent theme” (BusinessDictionary, 2015).

Despite the fact, the process of branding is a technical subject for the business and marketing field, it is undeniable that, since the advent of the Second Industrial Revolution and the development of the capitalistic economies the humankind has met a progressive abandonment of household production. They started to be surrounded by products made by others who wanted to be recognized. The process has been slow at first, knowing a huge boost during the second half of the XX century. Since then the number of companies, and so brand, has been increased exponentially until the point that nowadays it is impossible counting how many brands, from the huge corporation to the small bakery, exist on the earth surface. It has been estimated that there are more than 40 Million of registered brands all over the world, but the amount of big companies, namely those firm that are widely recognized regarding their social influence, is around 40 thousand.

Even though, the global number of brands is growing, during the last decades economies of all around the world focalized their attention about few global brands that gained enormous influence and power increasing their size and their area of expertise.

For some extent, big companies can be considered in vicious circle that force them to seek expansion in order to increase profits for shareholders, rising entry barriers for keep the competition out and fulfill the thirst of market dominance.

The process has been made possible through the evolution of the market sectors and through concurrently of business expansions. In fact, a company can expand its area of competence and maintain a leading position in several ways, for example retaining good employs or achieve economies of scale.

Among all the possibility by which a company can expand its area of competence this work will focus on the practice of brand extension; a marketing strategy involving the development of a new product by a firm in order to obtain a higher market share and increase sales in a new sector.

It was the 1979 when M.Tauber firstly coined the word *Brand Extension* to describe the process of using a well known brand name to enter in a different category and exploit its brand equity.

Aim of this work is to analyze in depth all the nuances of a brand extension strategy, rousting all the benefits and the side effects of this approach which is rising in popularity. In order to do that, the first part will focus on the concept of branding, defining its evolution throughout the last century and analyzing its components that will turn handily for planning a brand extension.

A new product can be thought both as a product line and a category extension, and it could be produced as the result of an in-house development, a brand licensing or as the outcome of a co-branding strategy. Even though these topics has been largely discussed it should be investigated more in depth in order to understand which of those is more appropriate for each situation. The aim of this work is to build solid practical guideline starting from a theoretical review of the main concepts.

The structure of the entire work will follow this line of reasoning going more and more into practical up to the point in which all the concepts will define the cornerstones upon which build a realistic extension strategy for an existing big company.

The Media and Entertaining sector will be the battle field in which the ideas will be tested designing a new product for National Geographic.

In spite of its simplicity, the marketing of a brand extension is extremely complicated because it entails a synergic effort by several marketing sector. Managing brand associations is crucial in designing a truly distinctive product as well as master the costumer response towards new extensions.

Only after analyzing every possible research in terms of it is possible develop a decision-making process able to minimize the risk of brand dilution.

CHAPTER I: Introduction to the concept of Branding

Human civilization is used to evaluate, remembering and recognized using many different stratagems. According to Chares Morrison there is a whole system of signs upon which people rely to remember a lot of different things; from evaluating the intentions of the man next door to finding a new job. Humans brain is designed to use the less amount of energy to evaluate things and so that it relies on specific signs used as shortcuts (Lindstrom 2008, p. 79).

Throughout the history, firms have understood and exploited this fact by pouring onto sign and images every attributes and beliefs that identify the values they provided.

Living in the XXI century does not make us aware that human relationship with this specific sign has been evolved over years. In fact, in the old days, the humankind has known a silent invasion that changed our lives forever and still influences our action now more than ever. The invaders are so eradicated in our daily routines that some of us can even think to ignore them, but it is impossible… because they have become part of our very human being. They follow us everywhere throughout our day, from the moment we open the eyes in the morning to the evening when we lie down exhausted, at work and even when we are by yourself in the bathroom. We cannot escape from them, not even in the deepest sea or in the middle of the most desolate desert. From the moment we born to the end of our days they are watching over us. They are signs, they are brands. They are everywhere and influence our lives in many different ways.

From the shoes on our feet to backpacks, to earphones in our ears; everything we use has a brand pasted on it. Inevitably, our mind starts making connections from these brands. They tell us information about the product and so our brain makes connections to the personal traits shaped in that item, suggesting extending them to the person wearing it. Customer's economic decisions are highly influenced by brands power, in fact, people tend to buy a specific product even if it is among others with identical characteristics (Torres-Moreno, Tarrega, Costell, & Blanch, 2012).

Before analyzing the essence and the power of a brand it mandatory clarifying what we intend for "product". A product (or a service) is a *problem solver* in the sense that through that product customers can solve a specific problem (McWilliam, 1989)). Ideally speaking people buy things just with the purpose to use that purchased item to solve a

problem but, in reality, a lot of many other aspects came into play before, during and after the act of purchasing. When a customer buys a product he or she is building a relationship with the company that crafted it. This relationship is personalized by the organization name, logo and brand.

Throughout this chapter, the concept of brand and the process of branding will be analyzed in depth in order to clary every nuance able to influence the perception and the people understanding. Doing that it is crucial examine all the definition of branding earned during the history of mankind, from the ancient protoboards to the modern brand concept of the XX century.

1.1 The Intrinsic Relationship between People and Products

The connection between people and signs has been already mentioned consumer society cannot be described as a merely unconscious behavior. Marketing in general has been identify as an exchange process, in which people exchange something, usually money, for a product. Lately the notion of exchange process has been broadened to other types of exchange, so that, people are not willing to just swap money for a product anymore, they need a relationship able to wring their in heartstrings (Hirschman, 1987). It is true that customers have almost no relationships with the product itself, it is the brand that makes the product desirable and it surround its functionalities by a set of intangible attributes that describe a promise of future sense of fulfilment.

The first and most immediate clue that comes up about how much people are influenced by brands is *Halo Effect* and its famous application during *blind tests*. According to the official definition[1], the Halo effect is the "tendency for an impression created in one area to influence opinion in another area."

It is correlated to consumers when a past experience, as buying a product from a brand, influences positively or negatively a present or future experience.

Thanks to the Halo Effect, brands influence customers' perception of the reality; a good evidence of that can be found looking at a simple blind test's results. During those tests, participants are asked to taste or try something in particular; in our case "soft drink"

[1] https://en.oxforddictionaries.com/definition/us/halo_effect

from different cola brands (Coca-Cola, Pepsi Cola, and Discount Cola). The first part of the experiment is an open test: people take a sip of Coca-Cola, knowing it is Coca-Cola, then Pepsi and lastly the Discount Cola. 85% of the respondents stated that the Discount Cola was the worst among the options, while Pepsi and Coca-Cola almost equally divided the preferences. Afterward, the real blind test begins and the participant teste the three drinks without knowing what brand was pasted on the bottle. The results were completely different compared to the first open test, in fact, 20% could not tell the differences, 75% of participants mismatch two out of three brands and the 50% tells the discount cola was the best among the option (Kühn & Gallinat, 2013).

As it will see up ahead in the following chapters, experiments like Halo Effects gave the sense of the real value and intrinsic identity of the brand, its perceived images and due to its personality and lifestyle that represent. This group of elements contributes together in influence the life being of people. According to Wally Olis "Fundamentally, branding is a profound manifestation of the human condition. Branding demonstrates that sense of belonging. It has this function for both the people who are part of the same group and for people who don't belong to it. The roots of branding are profoundly related to the nature of the human condition." (Millman, 2013).

The lines above give us a sense of the strong relationship between the customer and brands; a relationship that can be influence by actions and evaluations just like a correlation with a loved person can be. Moreover, the consumer-brand relationship can be considered as a community, dominated by symbols, core values, and loyalty. A type of relationships very closed to typical religion relationship (Dholakia, 2016).

A relationship, being such, implies a reciprocal connection, both from consumers and suppliers. The foundations of this relationship, like all others, is the trust of a promise and the sharing of common values. The relationship between brands and customers can both be strong, when values are shared by both parts, and fragile, because a single mismatch word in the communication can irreparably damage the trust. It is undeniable that the relationship changes as the needs change, in fact, customer and brands have a utilitarian connection with the counterpart and it is not uncommon that companies shift their communication to meet and establish new, and more profitable, relationships.

Both from a producer and from a customer point of view their relationship is all a matter of the message. The fist uses their brand to summarize all the possible information that

can be useful to get picked from people who, in turn, should be able to understand and receive all the details, information and the hiding human traits undercover into that image that represent the logo of the brand.

This process involves two people, the sender, and the receiver, who look at the same message with two opposite tendencies and, so the two parties may not have the same perspective and the meanings of the message can be different among them. (Helder & Kragh, 2002).

This work will treat the subject of branding in a merely managerial point of view in order to define a series of actions to improve branding performance, but before being managers and entrepreneurs we are all costumes in the first place. So that, turns handily firstly understand and clarify what is a brand according to a consumer's perspective.

A growing body of research suggests considering the social and psychological roles played by brands in order to understand how the relationships between them and consumers which resemble relationships between people. The core of these researches lies on the fact that people not only buy a product for their functional capabilities, and, moreover, they suggest consumers perceive brands just like people that can have an influence in their lives.

Surrounding the functional aspects with and intrinsic personality popular brand can raise a sense of admiration, troubled brands elicited higher contempt. In his famous work Chernatony (2002) illustrates the concept making the example of Guinness Beer, that it is creamy, rich and dark at a physical level; throughout the years the company augmented this perception by adding the myth of energy and power. Thus, consumers when they needed to decide which beer get between a Guinness and a Hop House (Guinness' refreshing lager counterpart) they are making also a social choice, and they will choose differently if they are among friends or during a work meeting. For the consumer point of view, branding is a process that adds value to a product or service crating differentiation between it and competitors. Throughout this chapter, which is a review of literature regarding the evaluation of brands, it will show how it is not simple defining the brand and effort has been made for highlight the origin of the concept. For example, evidence of branding can be found in the agrarian economy of Egypt, where it was used to signal the quality of cattle to be sold, or in the Mediterranean region artisans used to mark their clay pots with different images. Moreover, in the Roman territory the

legal rights of the mark owner were recognized, that formed the basis for further legal recognition system of mark owner.

It will discuss the modern-day brand management practices and the criticism it faces, furthermore, the relevance of appeal used by brands to consumers and their needs and lifestyle has been questioned. Even the practices for building brand equity are criticized. In the last section a few suggestions have been advanced for the future of branding.

It is undeniable that we, as consumers, are always seeking to buy products. Taking a generic single person, his or her life is characterized by different aspect: by his/her job, by the set of relevant people met, affection… and by things he or she has bought. Brads, as we previously saw, play a crucial role in this aspect; influencing our self-representation within the society.

Established that brands and people interact with each other in such a way that resembles the human interactions, in the same way, a brand can influence consumer behavior just as two friends have influenced one another (Ahmad, 2001).

Indeed, people can become loyal to a brand just like to an old friend, they can build expectations on a brand's behavior, they can feel satisfied, disappointed and even betrayed in the same cases.

That is the reason why a deep understanding of the relationship between brand and consumers is crucial to develop a brand strategy like can be the brand extension which will be the core of ours work. In the further chapter, we are going to profoundly examine all the components of a brand and how it can be used in order to build powerful brand strategies.

1.2 Definition of Brand

Even though we all know what a brand is, and in our mind is clear what a brand can be described, nowadays defining technically what is a "Brand" is not as simple as it seems. According to Farquhar (1989, p. 112) a brand is a "name, symbol, design or mark that enhances the value of product beyond its functional purposed" but the definition has been expanded throughout the recent decades adding concepts like "personality" (J. L. Aaker, 1997), "association (Lamb & Low, 2000)" , "identity (Aaker, 1996) " or, of course, "relationships" (Aggarwal, 2004).

The first distinction that we should clarify is between brand and commodity.

Not all the products have differentiated one another within the reference market; in fact, there are markets sections that are characterized by the lack of perceived differentiation by the costumes: the products inside these markets are called "commodities". In other words, those market in which, one product is much like the others.

Oversimplify, we can say that two different bottles of spring water are just two bottles of simple water and consumers take their choice relying either on price and availability instead of brand. Despite this fact, it is also true that brands can add value to commodities through packaging and promotion, exactly as Perrier did, improving its water brand with outstanding values.

Nowadays, companies must deal with thousands of products and services, that become commodities or obsolete almost immediately and the only way to stand out of the clutter is built a strong brand. Nevertheless, establish new brands is becoming more and more difficult if we take a look at how much crowded the market is.

According to the WIPO Brand Database[2], every year are introduced 3000 new brands in the supermarkets, whence 150 of lipstick and 750 new nameplates of cars. So, it easy to get the magnitude of the importance of building a strong and outstanding brand.

Being a well-known process, branding is widespread, every company and pretty much all kind of people, from the marketing manager to the owner of a small bakery, are familiar with the word "brand". Unfortunately, there is still quite of misunderstanding around it due to a lack of specific understanding of brand's intrinsic nature.

1.3 From Proto-Brands to Modern-Brands

This brief historical review will show how different aspects of branding was born and how they kept the meanings that we refer today.

Branding and advertising are as old as human society and, furthermore, it is believed that branding comes from the prehistoric age" (Slađana, 2015).

The origin of the word "brand" came from the old English with German origin "brand" that means "Burning" The verb sense 'mark with a hot iron' dates from late Middle English,

[2] http://www.wipo.int/branddb/en/

giving rise to the noun sense 'a mark of ownership made by branding (burning)' (mid 17th century), whence brand (sense 1 of the noun) (early 19th century). [3]

1.3.1 Proto Brands and others Forms of Ancient Branding

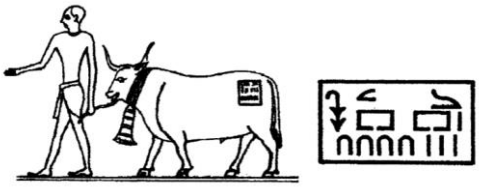
Evidence of the process of branding (or marking) has been found in the ancient civilization of Egypt, Mesopotamia and, most of all, during the Roman empire.

Going in order, pyramids stand in the desert as a memorable and indelible sight of one of the most glorious civilization. As well as being a brand of the Egyptians civilization themselves, they are made of huge blocks of African stone and they are considered one of the Seven Wonders of the Ancient World. They are massive beyond description, but and what we really care about is something almost invisible written on those blocks…

Brickmakers in ancient Egypt were used to put symbols on their bricks to identify their products capabilities and established the first example of personal branding in history. (Khan & Mufti, 2007a)

Also, the first evidence of marking the livestock need to bring back to the Egyptians. In fact, a drawing from the 2500 B.C. The representation of a brand shown in Figure 1 was found in the third Tomb of Khemuheted, which was built in 2000 - 1785 B. C. E. The two images depict an ox with a box brand that is approximately one square foot in size. There is also a close up of the brand.

Figure 1 Livestock Branding in Ancient Egypt XXVII b.C.



The act of marking livestock with fire-heated marks to identify ownership has origins in ancient times, with use dating back to the ancient Egyptians around 2,700 BC.

After Egyptians, Greek and Romans came into the picture around the I and II century B.C. and they came with a revolutionary philosophy and a pragmatic way of living that will change the Mediterranean Sea forever. With the advent of Greek and Latin, culture complexity arises up to a different level and the trading moved in parallel with it.

[3] Webster's ninth new collegiate dictionary, Springfield, MA: Merriam-Webster, Inc., 1983

There were many different types of manufacturers crafting goods for the market and merchants bought those crafted goods with the purpose of resale them in a community market in another coastal city. The Mediterranean Sea became the heart of the trending routes among the population and every year thousands of ships sailed out into the unknown for selling and buying goods.

Trading in the Mediterranean has been a fundamental aspect of the evolution of the Greek and the Roman civilization; while precious metals were imported, olives, wine, cereals and pottery ware the major exports. The massive quantity of goods sailed from a coast to another and so, it becomes common start to regulate all the aspects of this trading.

The focus of this work is not analyzing the born and the notion of trading, but this brief resume gives us the chance to understand the importance of "goods" since ancient time, and the consequent value of the men that actually crafted those goods. Another consequence of this trading evolution is that people from a different culture and country wanted to know if the good to they were purchasing was actually crafted in such distance location.

A lot of hand-made pottery and works of art come from ancient Rome. The mark of the artist, merchant or place of origin was put on them. The labels were trademarks. The pottery was produced in large amounts and a lot of it was exported. Different marks were used on unfinished and finished pottery. Signature or mark identified the person who made the pottery. Thus, in the ancient world, the role of branding was not just informative. The goal was to create a brand image and increase the value of the product. (Slađana, 2015).

Having this concept clear in mind, it is easy to understand why and how the idea of marking wares with a specific symbol aimed to communicate the origin and the manufacturer of that product became so relevant. Even if in its basest way, that was the starting point of what we know as "branding".

Pottery was one of the first products to be marked in this fashion. Chinese Indian Greek And Roman pottery often bore the mark of the potter who had made the piece, as well as marks of the potter who had made the piece, as well as marks conveying the same sort of information about that, was stamped on other items produced in these cultures.

The marks citied are the oldest form of branding because they have been recognized as sights of the modern utility of guide the choice, a role that has remained unchanged to the present day.

Establish that, the phenomenon of branding began to thrive when the archaic entrepreneurial Greek and Roman culture have begun to develop, and marks were used to distinguish between entrepreneurs become spread among cultures.

It has been demonstrated that brand did exist before the industrialization of the 19th century but we must look at the differences between these old signs of ownership, and the contemporary definition of branding. The two concepts are similar but merely different at the same time. The word “brand” that we are used to ear today is a lot richer of meanings than a simple mark on a Roman jar.

Upon these differences lies the reason of why the ancient-brand are called “proto-brands”.

For ancient civilization “proto-brands” were attached to a product or packaging, in order to give information about who made that product, and some clue about what was inside the package in order to allow the basic function of marketing to take place (i.e., sorting, transportation and storage). In other words, through this marks the manufactures and the sellers reduced the customer uncertainty, enhancing the perceived quality and influencing consumers’ decision-making process (Moore & Reid, 2008).

Despite the fact Greeks and Romans raised the concept of marking products to a higher level, their intent was not enough divergent from ancestors to enable a comparison between it and the modern brands.

After the fall of the Roman Empire, the process of branding progressively lose success and only in the middle age manufactures started again to indicate the origin and the producer of their products. An evidence of that is given by the origin of the word that we saw before.

After such promising evolution, brands disappeared or at least remained the same, for almost thousands of years. During the middle age, the growing complexity of trading met a setback and the certification of origin and quality with it. Around the XI century, craftsmen with specialist skills begun to stamp their marks on their goods and trademarks in order to guarantee the source of the product.

The most relevant brands between the middle age to the 19th century, have been the emblems stitched upon reigns flags on the sailing ship to the new world. It is interesting to see how these symbols reusable modern brand in some ways. First of all, they were added not only to flags but also on commodities and products directed and from the linked reign, they instilled a sense of loyalty, they have a specific image and they communicated quality and origin (Bryan & Gillespie, 2005).

In order to understand why branding, become so popular as differentiating devices it is vital to understand the evolution of the retailing environment.

As a consequence of the first Industrial Revolution. from the first half of the 19th-century manufactures' production increased; they usually sold their product to wholesalers having minimal contact with retailers. The growing levels of consumers' demand lead the manufacturer to mass produce goods in anticipation of a demand and not in response anymore. Therefore, they were concerned about their reliance on wholesalers, and in order to protect their investment, they started to advertise the products directly to consumers bypassing the power of wholesalers.

1.3.2. The Birth of Modern Brand

Summarizing, by the 1880s, large manufacturers had learned to imbue their brands' identity with personality traits such as youthfulness, fun, sex appeal, luxury or the 'cool' factor. This began the modern practice now known as branding.

Since the end of 18th centuries new forms of communications were born and also the concept of branding starts to shape new definition and intrinsic ideas. With the explosion of the mass production and the concomitant increments of new products, companies realized that offering a good quality product was not enough anymore. During the 19th century, in parallel with the development of packaged goods, "industrialization moved the production of many household items, such as soap, from local communities to centralized factories." Coca-Cola and Juicy Fruit Gum were among the first products to be sold in a particular branded packaging made for increasing familiarity with the product. The items were actually "branded" but the focus of the strategy was still the pure and simple product (Rajaram & Shelly, 2012).

Until the first decade of the 20th all, it took to be successful in any kind of business was to make a good quality product. Quality was the only key factor that mattered for

consumers and till you were sure your product was superior to competitors' you were sure to win the sale too. After the first decades of the century people (and companies as well) needed a different purchasing factor, different from the mere quality. To face this need ad to differentiate themselves from their competitors, companies started to communicate something that falls outside the products' specifications; something linked to the most intrinsic consumer sphere: an identity in which people could recognize themselves. The process has not been sudden or remarkable but for the enterprise was fundamental add values to products different from its functionalities; values able to get them picked from the majority of people and also allow them to charge a slightly higher price because of that. The first brand ever certified was the Bass Bravery which registered the logo and the name in 1886, while the Guinness World Record for the oldest brand and package has been attributed to the Tate & Lyle's Golden syrup that remained unchanged since 1885.

In his most famous book, Propaganda, Edward Bernays explain the shift of offering the most valuable product at the cheapest price to a new paradigm:

"The logical way out of this dilemma (the unsustainable quality/price mismatch) is for the manufacturer to develop some sales appeal other than mere cheapness, to give the product, in the public mind, some other attraction, some idea that will modify the product slightly, some element of originality that will distinguish it from products in the same line. Through the propagandist, the manufacturer enhances the like, the obedience and authority adding new appeal and assume economic importance by being established in the public mind as a matter of style. " (Bernays, 1922).

It was the early 20's when Bernays wrote his masterpiece and his remarkable statements have been attributed to the cultural shift that western countries were facing at that time: from a culture of needs to a culture of desire. And brands were there to welcome these new attitudes.

Bernays' works set the turning point a communication shift that involved all the aspect of the process of branding, but it was only in the first years of the 50's that companies started to identify branding as a key factor of their marketing strategies. The pioneering approaches of Procter & Gamble and Unilever lead to a new defying of the discipline: their belief was to give to the brand an identity able to rise to the product a perceived image capable to distinguish it from competitors.

Deserve specific attention the P&G's case and the story of Neil McElroy, the man who, in 1931 wrote one of the most famous internal memoranda of all marketing History. In this 800-word paper, Neil asked to his superior the need of hiring two more men in order to follow the brand management within the marketing department. The young employ argued that every brand under the label of P&G should have needed a brand-man in charge of a team specifically concern will be only… the brand itself. That paper run onto the desk of President Deupree that found McElroy's considered reasonable and implemented his suggestion not only two the two brands mentioned by McElroy but to every brand under P&G umbrella. The model was a huge success and it was widely emulated, and it sealed the beginning of the modern brand management.

Figure 2 "Front Page of McKltoy Memo"[4]

Because I think it may be of some help to you in putting through our recommendation for additional men for the Promotion Department, I am outlining briefly below the duties and responsibilities of the brand men.

This outline does not represent the situation as it is but as we will have it when we have sufficient man power. In past years the brand men have been forced to do work that should have been passed on to assistant brand men, if they had been available and equal to the job.

Brand Man

(1) Study carefully shipments of his brands by units:

(2) Where brand development is heavy and where it is progressing, examine carefully the combination of effort that seems to be clicking and try to apply this same treatment to other territories that are comparable.

(3) Where brand development is light

(a) Study the past advertising and promotional history of the brand; study the territory personally at first hand - both dealers and consumers - in order to find out the trouble.

(b) After uncovering our weakness, develop a plan that can be applied to this local sore spot. It is necessary, of course, not simply to work out the plan but also to be sure that the amount of money proposed can be expected to produce results at a reasonable cost per case.

(c) Outline this plan in detail to the Division Manager under whose jurisdiction the weak territory is, obtain his authority and support for the corrective action.

During the 20th centuries, the concepts of branding have become more and more complex and articulated as the years go by. The idea and the process have evolved and still are evolving nowadays; throughout this evolution is possible to find common paths that be summarized following Mary Goodyear Model that is a simple but powerful

[4] Duffy agency archives (http://duffy.agency/)

construct about evolutionary stages in the branding process. The model is articulated in six main stages:

1. **Unbranded Brands:** In which products are not branded and mainly commodities. It has been typical until the firsts decades of the 20th century and among the nations of the Soviet Block before the fall of the iron curtain. Companies do not struggle to get their product stand out from the others.
2. **Brand as Reference:** This represents the shift from a culture of needs to a culture of desire. A growing competitive pressure stimulate producer to differentiate their products. Manufactures starts to build an identity around items in which consumers could reflect themselves. The brand starts to influence the consumer decision making even if they continue to evaluate products for their utilitarian value.
3. **Brand as Personality:** Products start to empower with human traits because of the difficulty of differentiation due to rational or functional attributes. Brands now have a personality.
4. **Brand as Icon**: Brands become a part of the self-identity of the customer. It is recognized worldwide and the brand itself is carrying a set of value that defines a lifestyle.

Icon brands were the last kind of brand considered in the Goodyear model but in order to actualize the topic, a recent set of academic studies has improved the model. While stage one to four were instrumental because they helped consumers achieve certain ends the following two exemplify terminal values which are the end states that consumers desire.

5. **Brand as Company**: growing market complexity, the identity complexity is growing too. In this stage, there are many points of contact between consumer and brands. The brand IS the company itself and stockholders perceive them as the same.
6. **Brand as Policy**: companies reach this stage when their identity is shaped by particular social and ethical policies. The link between the consumers and the company is stronger than ever because the company boundaries fade into the

policy and the brand become the personification of it. The side effect of this stage is that the company need to have a strict consistency over time, in the future but also according to its past (Mcenally & Chernatony, 2008a).

Table 1 Brand model types (Chernatony et al. 2008)

Stage of Branding	Time	Type of Value
Stage 6 Brand as policy		
Stage 5 Brand as company		Terminal
Stage 4 Brand as icon		Symbolic
Stage 3 Brand as personality		
Stage 2 Brand as reference		
Stage 1 Unbranded	Time = 0	Instrumental

1.4 Brand Components

The aim of this work is the deep understanding of the concept of brand extension and underline all the hidden pitfalls that a marketing manager needs to ponder about.

In order to endeavor all the secrets under this marketing strategy is crucial to understand the main concepts that come into play when a company uses their brand name to enter into a new category with a new product.

This section will analyze in detail the branding process, defining and describing brand equity and understand its fundamental role in a company that wants to maximize and expand its product line.

Moreover, we are going to deepen brands components, their relationships with brand equity and how, together, can drive to a strong brand.

Before going in-depth in the analysis, the first two attribute of a brand that must not be forget are the brand name and the logo. Speaking of brand extension, they are the more immediate attributes that are transferred to the new product. The brand name refers to those letters that identify not only the product but also the company that made it, the brand logo instead, is the set of graphical signs that identify the company. The two attributes together build the company's trademark, and they are the actually what entail all the other attribute that are discussed later on.

1.4.1. Brand equity

According to Aaker (1991), brand equity is the "set of assets and liabilities linked to a brand, its name, and symbol, that adds or detracts from the value provided by a product or service to a firm and/or to the firm's customers". The author considers brand equity as a behavioral value and he suggests that loyalty, awareness, some association and perceived quality are all part of the brand as well as the incremental premium price.

According to many studies (e.g. Feldrick 2002, Srivastava, 1998), the concept of brand equity was born and has been materialized alongside the concepts of branding itself. In fact, if we take a glance at the definition of brand according to Aaker we can notice that the definition of brand equity is hiding through these lines.

"A brand is a distinguishing name and/or symbol (such as logo, trademarks, or package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods from those of competitors." (Aaker, 1991 p.7)

Under the words "differentiate from competitors" is hiding the goal of any brand. The value of a band is the sum of the tangible and intangible assets and we are going to focus our attention to the latter, as the main drives of brand equity and so, also crucial for creating brand extensions.

The idea is based on Keller's definition (2003) of brand equity, called "Customer Based Approach". According to the author, the key point of brand value and its equity is the consumer because it is the customer that ultimately decides which brand is providing more value, and so equity, than others. This definition entails a strong level of awareness and familiarity with the brand and it leads to strong association inside the customer's mind.

It is true that brand equity is built on consumers' perspectives but, on the other hand, these perspectives are not all groupable into a single categorization. Brand equity is based on 5 key groups of assets and liabilities providing value both for consumers, helping them processing information during the decision-making process, and firms, enhancing brand loyalty and rising barriers for competitors. As it has been said, the purpose of this work is creating a general framework to develop a successful brand extension strategy and in order to do that, we are going to underline three of these liabilities: brand loyalty, customer perceived quality and brand association.

Starting from brand loyalty, it is reasonable arguing that the higher is the level of brand loyalty the more relevant is the value of the brand. That occurs because satisfy consumer are endlessly costlier to persuade for a competitor than unsatisfied ones.

Directly linked to brand loyalty, Perceived Quality and Association will influence purchase decision too. These two aspects are the very bases of a brand extension, because, firstly if a brand is perceived with a high degree of quality it is assumable that it will have high quality in a related field too; and secondly, the positive association that a brand generates and maintains will be extended also to the new brand extension.

Another important intangible asset to mention in our analysis is the degree of brand awareness, an attribute that impacts a lot in defining the brand equity. In fact, it is reasonable to think that people buy products more likely when they are familiar with them. In decision-making the consumer's ability to recall and recognize a particular brand is crucial and, often, the customer will select a recognized brand instead of an unknown one. Through this chapter, we will see brand equity in all its connotations and how it is the appropriate measure for evaluating the long run impact of marketing decisions.

Brand equity is one of the key components of branding together with brand identity, brand image, and brand position. All these four elements are equally important in our analysis of developing a strong and successful brand extension and they are all aspects that a manager should master before even think about this specific brand strategy.

Those concepts, Brand Equity, Brand Value and their relationships with Brand Image, Identity, and Positioning, have been discussed largely but their interactions are still mattered of discussion.

After having introduced brand equity, it is important to destructure it into its three key components, brand Identity, image, and Positioning, before analyzing the idea of brand value.

1.4.2 Brand Identity, Image, and Positioning

Brand-identity consists of the unique set of mental and functional associations that the brand strives to create and maintain. Within consumers' mind brand identity hide a value proposition because it implies a potential promise whose benefits may be

emotional, functional or self-expressive, meaning that their use produces more advantages than the one provided from the purchase itself.

Differently from brand image, that we will see later, it reflects the specific goals of the company. Brand identity is how a company wants to be perceived, it is the key component of branding and developing it is a crucial step to establish a strong brand strategy. Brand identity has six faces, but the most important in defining a co-branding strategy are *brand-personality* that lays on the premise that brands can have personalities traits in much the same way (as humans honest, spirited, reliable, competent, charming, tough); *Brand culture*, which is the part from which brands draw inspiration; and *Brand Relationship,* which means being able to establish a connection between brand and consumer but also among all the consumers of the same brand (e.g. National Geographic aims to create a connection with all those customers who share specific interest and values) (Kepfer 2002).

As we will see, co-branding is when two brands cooperate in order to form a partnership and developing this kind of strategy, it a lot of matter of balance brands' respective identities, images, and categories.

Differently, from identity, brand image is defined as the customer perception of a brand or, in other words, the associations that customers do in their minds when thinking about a specific brand referring to their personal memory. Despite being an intangible asset Brand-Image can be measured and ranked using specific questionnaires provided to actual and potential customers. The results of these specific survey furnish an indicator of how much the image of a brand in strong. A weak brand image provokes associations not aligned with the proposed brand identity.

The concept has been built on the assumption that, when people buy a product, they buy also the image associations of that product such as power or, most important, identification with other users of the brand. In a customer led-world, the customer is neither fully rational nor completely passive and manipulated but rather, "it self-manipulate the symbols attached to products, the consumer selects goods with the specific intention of using them to create or maintain a given impression, identity or lifestyle" (Featherstone, 2007).

When a brand is able to evoke a positive and powerful brand it is most of the times unique among competitors. In other to define brand-image and its contribution in

building strong brands it is relevant mention the double nature, symbolic and functional, of attributes generated in consumers' mind. Marketers' challenge is, therefore, seek understanding the latter.

People build the image of a product/service on all sources of communication provided by the company including advertising, sponsor activities, sales promotion, packaging and the internet. In order to make potential consumers register and retain the most relevant information and values, companies should communicate carefully those values and use all the various forms of communication efficiently and effectively; understand how to use those form is the real challenge of brand management.

All the procedures of the whole process should be consistent and avoid any risk of misunderstanding of perception of clients. Brand Concept Management, a framework presented by Park (1986), is widely considered as the most applicable method to control and implement brand image.

The model is divided into four main stages (selection, introduction, elaboration, and fortification) and it aims to give the guidelines to fortify and sustain the brand concept (Park, Jaworski, & MacInnis, 1986).

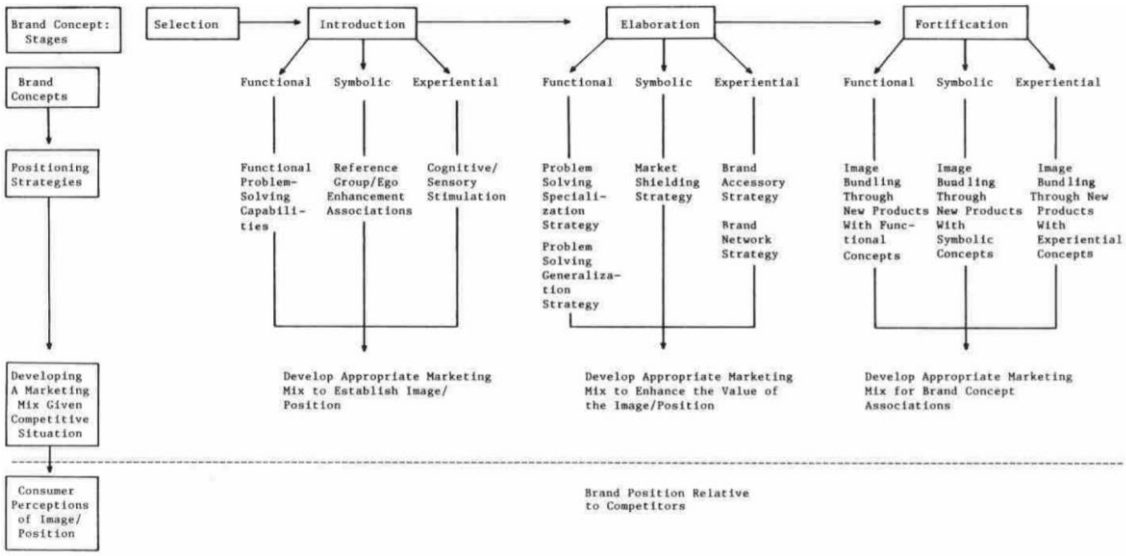


Figure 3 Brand Concept Model Source; Adopted from Part et. al (1986)

We mentioned the product category fit as a key factor when we consider the possibility to join another company in a co-branding strategy, in addition, the concept of the product and, therefore, brand category arises directly from the notion of brand positioning which, in turn, is related to brand image and identity.

Brand positioning is the “market space” occupied by a brand in the mind of the target audience with respect to the ones occupied by the competitors in the same category.

Positioning follows the process of segmenting and targeting both of whom are sequential steps that culminate in attaching a permanent meaning and relevance to the product in the mind of the consumer.

The market needs first to be divided in order to identify the location in which the company wants to place its offer; then, inside that specific segment, it is identified as a strategic target to reach. Only after these two phases, we can speak about positioning.

Brand positioning is all about taking managerial decision aimed to identify the desired position in the costumes’ mind and to strengthen the brand in that position. Ideally, a successful brand positioning strategy should make people feel that there is no substitute for the brand. Obviously, competition plays a crucial role in the process and it useful to run an analysis in order to realize what kind of strategy implement in order to find a valuable winning position.

The characteristics to consider in order to create a successful positioning process are numerous, but there are six key attributes that the brand should embody: relevant, which means to have a clear vision and a concrete meaning to the buyer; distinctive, meaning that the differences with competitors must be easily perceived; coherent, that must be reflected also in the communication sphere and refers on being consistent in every aspect of finding the right position; committed, because it is important in the long run to stay loyal to the original vision and to the brand essence, without falling into temptation of short-run profits; durable, given that time is needed to obtain results; and clear, also from the communication point of view, in order to be easily understood and quickly communicated, while information transmitted can be processed immediately Sujan & Bettman, 1989).

Several choices are available for companies that what positioning a new brand in the market. On the top of that firms can position the brand as a “differentiate” product; through this strategy, the brand is positioned at a “superior” level according to several attributes but at some time it is sharing other important attributes with a different product within the same category. Companies can follow a different path and create a completely new “submarket”, or niche, where launching the new brand. This second

strategy allows firms to create a strong perception of differentiation due to the creation of a new category where the new brand suite in (Dickson & Ginter, 1987).

Ideally, a new brand position should be perceived by the costumes as it is surrounded by a defined boundary dividing it from other brands, but apart from that, both strategies have different advantages. The first allows the firm to have a bigger market share because the product is seen as consistent within the category; the second, instead, locate the new brand in a safer position against competitors cause of its isolation from other markets. Moreover, the impact of the two strategies (subtyping and differentiation) on the consumers' perception is different: huge discrepancy of perceptions of key attributes is linked with "differentiation" strategy, a better memory of different brand's features is instead verifiable in the subtyping one. As we have seen so far, brand identity, brand image, and brand positioning concur to create brand equity that is defined as the set of attribute that creates brand strength from a customer perspective. The four, together with the concepts of brand awareness and loyalty, help us to define the overall importance of a brand within a specific market. Starting from that brand evaluation is everything but a simple task to perform and deserves the appropriate attention in order to understand its real importance for our purpose.

1.5 Brand Evaluation

This works aims to evaluate and clarify all the possible implication that a company needs to face for adopting a strategy of brand licensing, or any other kind of brand extension.

The brand value is an important aspect to consider and protect it is one of the first terms that brand managers have to meet during any kind of brand procedure. As it was previously mentioned brands are intangible key asset for the company, and therefore, as such, it concurs in defining the success of the firm. In the final analysis, a successful brand is valuable because they guaranteed future income streams, and so all managerial actions that lead to monetary results are all faces of the same coin to define Brand Value.

Despite the fact, following Aanker's interpretation, brand equity can be defined in a *behavioral* way, it is important to mention also its definition according to a financial perspective and see how it lead us to the intrinsic concept of brand value. In fact, we can consider brand equity "in terms of incremental discounted future cash flows that

would result from a branded product revenue, in comparison with the revenue that would occur if the same product did not have the brand name." (Motameni & Shahrokhi, 1998)

Now, brand value and brand equity can assume as different as the same meaning according to the author that we are considering, but since the majority of them refer to brand value as a financial (monetary) economic value, we will continue to denote brand equity as the opinion that customers have about the brand.

In parallel with this to concepts, it is essential to underline the differences between brand valuation, linked to estimate the monetary value of a brand and brand evaluation that refers to the customer's point of view, and so, to Aanker's definition of brand equity.

There are several models used to valuate a brand, both from commercial providers and scholars; all these models refer to a specific business situation, and according to that they have some disadvantage and some advantages. They refer to three main valuation approaches: Cost Approaches, through which the brand is valued by considering the cost of developing it (brand acquisition, creation or maintenance) during any and all phases of its development; differently the Market Approach analyzes recent transaction that has involved other similar firms; according to the Income Approach the expert should evaluate the future incomes, profits, and cash flow of the brand throughout its life.

For our purpose, we will analyze in depth some of the models built on the "income approach" which they are involving all the mechanisms under a brand licensing strategy [see chapter 2].

Despite being intangible, brands are very powerful assets and brand management is one of the core activities that a firm should improve if it wants to lead the market. Even for small business, having a strong brand is important because it improves recognition, creates trust and establishes a determinate boundary that protects the company from competitors.

Made this clear, it is now important to clarify how a brand can be defined strong or not; in order to do that, it is time to introduce the concepts of brand metrics and brand strength.

Analyzing the brand metrics such as brand awareness and brand loyalty, that have been already mentioned before, a methodology to determine the strength of a particular

brand can be extrapolated. Throughout marketing and brand management history it has been found a considerable quantity of literature which aims to define a perfect measurement of brand strength. Some authors talk about brand strength referring to brand equity while others state that the only useful metrics are financial current performance.

What seems to be clear is that there are "values" or metrics that we must consider that fall outside the sphere of marketplace performance. -We mentioned brand awareness, brand loyalty and the perceived quality of the brand as possible metrics to define if a brand is strong or not but there are several others to consider and they are all summarized in the Brand Strength Index (BSI).

This index is a competitive benchmarking tool and it is particularly important to calculate the royalty rate. Brand strength is divided in three main part: Brand investment, enclosing all the inputs (Product, place, promotion, People, Promotion); Brand Equity so the goodwill accumulated with customers, staff and other stakeholders, and lastly Brand Performance like revenue margin forecast margin forecast revenue growth. By way of example, the first three brands in the ranking of brand strength score (Disney, VISA, Ferrari) obtained a ranking of 91/93 they obtained a rating of AAA+ that means they are exceptionally strong and well managed. (Walser, 2004)

1. The Wald Disney Company - 92,3[5]
2. VISA - 91,6
3. FERRARI - 91,5
4. Neutrogena - 90,9
5. Facebook - 90,8
6. LEGO - 90,6
7. Google - 90,6
8. *pwc* - 90,6
9. Johnson's - 90,4
10. Microsoft - 90,4

[5] Annual Report "Brand Strength Index 2018"- BrandFinance.com

1.6 Brand Architecture

Throughout the recent years, brands have become more and more complex. As we saw the complexity of the concepts evolved continuously during its history depending on which phase of the global economy companies needed to face. Nowadays firms must deal with an increasing level of globalization and an intensification in terms of competition among markets; due to this change of paradigm obviously, each party tires to overcome the others and, in order to do that they are now focused in managing link among brands instead of improving a single brand only.

Since the 1990's the focus of most companies has been addressed towards expanding and fortify existing brand rather than building new ones.

As we will see in the next chapter, the main reason for the brand extension is to cover a related new market and share the perceived quality of the brand. To introduce the concept, it is useful to understand the strategic balance of managing a brand portfolio.

1.6.1 Brand Portfolio

Recent research (e.g. Fournier, Hsu, & Srinivasan, 2012) shows how the set of links and combinations of brands within a portfolio can be crucial in terms of reducing risk management and company development. R&D and cost efficiency are only two aspects that can be improved through a good synergy among company's brand portfolio.

Since our work focus on a company, for the sake of our analysis, it is important to clarify which type of brand architecture has been built under the Brand of National Geographic. National Geographic reflects those type of corporate brand that has a strong brand identity and uses their company name across virtually all their product range. Because of the particular, and tightly defined, the market in which National Geographic operates it is common to think about it as a *corporate brand* instead of a multi differentiated *family brand* that can be used as an umbrella over a family of product. According to Keller (1999) in a homogenous market and when the company is huge and known globally a corporate brand strategy will pay in the long run and a standalone brand identity will prevent the company of brand dilution. In terms of brand architecture, we must consider the way in which the company is organized, and it supports indirectly the goals and objectives of the company.

It is undeniable that the structure of the company reflects the brand structure; if a company is strictly centralized also the brand will have its focus on a particular identity, just like all the sub-brands and the portfolio's associated with it. Moreover, another fact to consider is that the history of the company influences deeply the brand structure and the practice of merge and the joint venture has increased more and more the birth of mixed brand and brand extension.

From 2000's companies have met a shift from single brand towards corporate brands structure and the reasons of this change, as we said, needs to be found on the increase of globalization and the growing competition within sectors. Nevertheless, this massive number of sub-brands and brand extensions has led to a situation even more complex than the previous. Furthermore, the need to launch a new brand in the market lead to a less definition of the latter and a tendency to group and share sub-brands in order to exploit the Halo Effect coming from each brand. Within an ultra-segmenting market a single brand strategy can be the most suitable and profitable considering the ease to achieve a better positioning. Without being afraid of making a mistake we can argue that we are living in a double era, dominated by big and powerful corporate brands, but on the other hand, we are invaded by a single brand that tries to achieve a good positioning. This last tendency indeed stating that companies deploy a mon-brand strategy but, there is a certain degree of fuzziness around new approaches like endorsement brands and brand licensing as possible responds against the environmental pressure around branding, compared with ten years ago.

The next chapter will analyse in depth the strategies of brand extension and co-branding but can be useful anticipate the role and the growing importance of the strategy which is the basis of all both: brand licensing.

CHAPTER II: Brand Extension and Co-Branding

Throughout the previous chapter, it has been already mentioned how the social and economic situation influences firms' behaviour and brands performances. Nowadays profits from consumer goods are going through a series of difficulties, ranging from very strict government regulation to the need to meet price demands or the rising cost of transportation and advertising; for managements it is important to find new innovative ways to maximize revenues. Developing new products is often the most complicated expenditure to balance the budget at the end of the year. More than ever the need for offering an exited new product is still one of the main powerful strategies to revitalize and consequently increase revenues for a company. Because of all these factors combined, brand extensions are often seen as a safer and more economical way to expand the firm's product portfolio.

The practice of brand extensions is often related to the concept of brand name since it is the name that represents the connections of values and attributes that the consumers usually do. The importance of brand name during the process of quality evaluation of a product by a consumer was already stressed beck in 1971 by Jerry Olson and Jacob Jacoby (1974).

The two professors analysed the contribution of both price and brand name as two determinates of product quality perception. The first aspect to consider before analysing the importance of *Brand Name* it is important to remind how much the variable "price" enter in the scheme of a consumer behaviour. It is universally acknowledged that the first conceptual treatment of the price quality relationship is a credit to Scitovsky (2016) who found that price is indeed a determiner of perceived quality, through the famous experiment in which was demonstrated that a high-priced brand was perceived to be higher quality than the others. Jacoby and Olson expanded this vision to the brand name, and through contemplated studies, they observed that the brand name is often a more powerful determinate even compared with product specifications and price, especially when the brand is characterized by a strong image.

Given that, it is undeniable consider the *Brand Name* and so, brand image, as the main asset to consider when a firm decides to develop a brand extension strategy. Connections and attributions that start from the simple brand name are crucial to define

the consumer behaviours and so influence the perceived image of a product and, consequently, firm's revenue stream. Building a perceived strong image and an unwavering reputation it is a long-lasting journey and it takes a lot of efforts and resources, and firms need to face an increasing expectation from customers in terms of virtues, in fact as Aaker suggest (2010) the more trusted brands runs a greater risk of offending customer than the new one.

2.2 New Product Development, Core capabilities, and Brand Reputation

Purpose of this work is to list all the possible aspects of a brand extension strategy that a manager must consider before going into practical matters designing a new product for National Geographic.

Speaking of new product development, it is impossible not to talk about *core capabilities.* Over the years this concept has gone by many names, like distinctive competencies or firm specific competences (Pavitt, 1991) and their strategic implication have been discussed for decades. The core capabilities of a specific firm are all those competences that differentiate a company strategically, they are evolving, and the firm's success depends also on how managers use and successfully manage that evolution. It is a matter of fact that when a company wants to widen its own offer needs to develop new product and doing that renounce or pursue new core competences. That is what Dorothy Leonard Barton (1992) called "the paradox of new product development". New product development managers are facing a paradox because they need to take advantage of core capabilities without being hampered by their dysfunctional flip side.

One of the up-side core capabilities can enhance development when:

- We consider elite skills and knowledge embodies in people employed in the company. People can invent a new way to avoid difficulties and develop innovative processes.
- The managerial dimension capability is favourable to innovation processes and rewarded in some way.
- Project member is empowered by the belief that can actively contribute to the task at hand.

While enemies of new project development can be found in the core rigidities and so:

- Inappropriate set of knowledge and technical system
- The management system can underestimate the *value dimension* of the project and

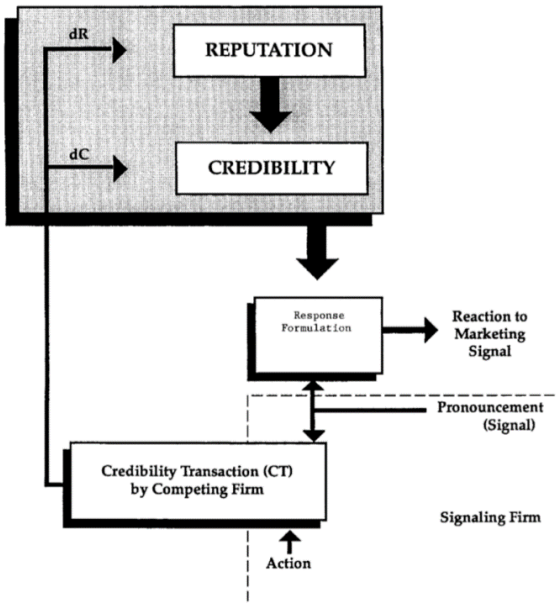
Over summarizing the concept, brand reputation is basically what the customers think about the company, expanding the judgment to its service and its products. Brand reputation affects all level of a company's value chain, from the shareholder to the supply chain and we can say that brand reputation is one of the most relevant intangible assets for a successful brand. Reputation is built on the aggregation of previous actions and transaction and it is different for different kind of brands. For example, exited brands, those that are built around qualities of *youthfulness* and *energy* maybe have a weaker reputation but, on the other hand, it takes less effort to recover an unfulfilled promise than a s*incere* and *trustworthy* brand which may enjoy of a higher reputation, but it finds harder to recover despite apologies.

There is two main aspects that underpins brand reputation that is: perceived quality and credibility. These two characteristics are crucial when a co-branding strategy takes place.

As we will see further on our case study brand, National Geographic due to its history and past actions can lay claim a high level of perceived quality that can be translated to a premium price; on the other hand customers strongly believe in the company and they are convinced that the firm actually carrying out its intensions, all these fillings leads to a level of top ranking brand credibility.

R*eputation* is a multidimensional construct; a firm can have numerous reputations: a reputation for quality, one for marketing, one for product innovation, etc… but how can the reputation be measurable and analytically defined? The researchers develop a model to help the complete understanding of this important concept underlining the relationship between reputation and credibility. (Herbig, Milewicz, & Golden, 1994)

Figure 4 "Relationships between reputation and credibility" (Herbing et al. 1994)



Where the central module represents the interrelated loop between credibility, reputation and the latest Credibility transaction (CT) which is the comparison between a competitor's intentions and its true behaviour. dR a dC represents instead the change in reputation and credibility between transaction as result of CT. The results of this transaction can differ from a company to a customer point of view, in fact, an increase in price can be positive in a firm way but negative in the customer point of view or vice versa. All that matters in building a strong reputation is consistency between what the firm communicate outside and what actually it does. Reputation and Credibility are in a way correlated because they reinforce one another but a firm can have a terrible reputation but be perfectly credible. A firm bases its decision also according to competitors past behaviours and as shown in figure 6 a fail in meeting the promises can directly benefit competitor's reputation.

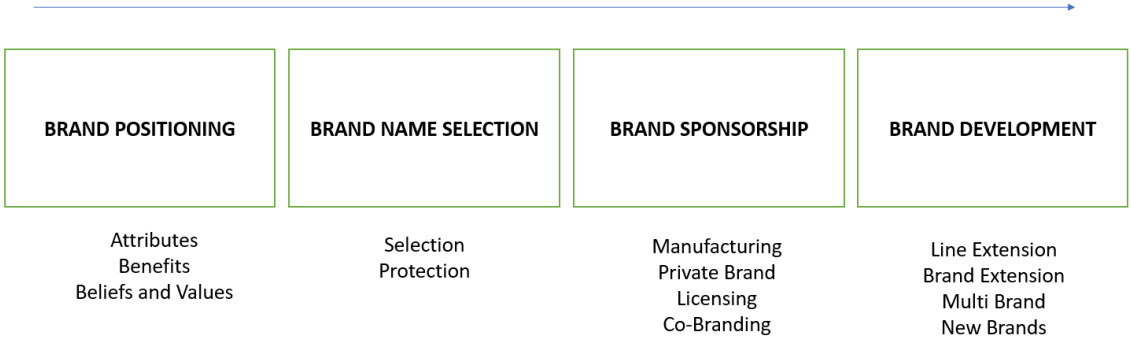
The most import aspect suggested by the model is that a high quality on a specific product brand can be transferred to another product via the *brand name.* It is a matter of fact that reputation and credibility are the very starting points of the brand extension process. However, the reputation of the parent brand does not entirely transfer to the extension because of multiple factors like customer's perception of the fit between the core brand and the new product category or the fit between the two brands in case of co-branding strategy. As we said reputation is a fulfilment of a promise or a particular

signal provided by the company, therefore the customers who try the item will be certified if the core brand promise is correctly met or not. If the signals are fulfilled even in the extension, reputation will follow enhancing, the reputation of both extension and core brand.

2.3 Brand Extensions, Co-Branding, and Brand Licensing

At the end of the previous chapter we introduced the practice of brand licensing as a result of the decreasing importance of the ordinary forms of communication; now we are going to analyse in depth all those situations that can lead to use strategies as brand extensions, stressing the differences between co-branding and brand licensing indeed. Building a strong brand is as important as a difficult step in a company's evolution; the process goes usually slowly and follows the steps of value creation in parallel. Following the ideal order, a company should firstly define its brand position, defining its attributes and benefits provided. Afterwards, define the brand name and eventual protection, then deciding which strategies the company needs to follow according to each product; that phase include co-branding and brand licensing agreements. Lastly the company will face the problem of actually expand its area of interest developing new line product of category extensions.

Figure 5 Development Process of New Brands (Adaptation from Hariharan et al. 2014)



The most important distinction that should be clarified is that the effects of a co-branding and brand licensing strategy go beyond the simple extension of the core brand adding not only new product competencies but also giving a new perception and attributes to the entire assets of the company. This happens due to the simple brand extension does not involve always another party, which happens with co-branding and

brand licensing where it can be common a contamination of the core identity with the new identity (Hariharan, Bezawada, & Talukdar, 2014) .

Over summarizing, brand extensions are when a brand extends to a related or unrelated product category; in order to do that the company can undertake different strategic path, the most common are co-branding and brand licensing.

According to Kotler (1972), a brand extension can be defined as any effort to use a successful brand name to launch a product modification or additional product, but this definition covers also the introduction of new packaging size, models and so on. Nevertheless, the extension capitalizes, and it is under the parent brand it should create its own niche and establish its own brand awareness and loyalty.

Throughout the first chapter, it has been deeply underlined the concept and the importance of brand equity as the main asset on which establish a strong corporate brand. Now we are going to focus our attention on how a brand extension can represent an opportunity to use that equity in different products and in order to enhance marketing productivity.

Increase revenue streams are not the only reason under establishing a new brand extension, but there are several, and we will understand as the usage of this strategy is the best choice for covering every niche in a high competition market.

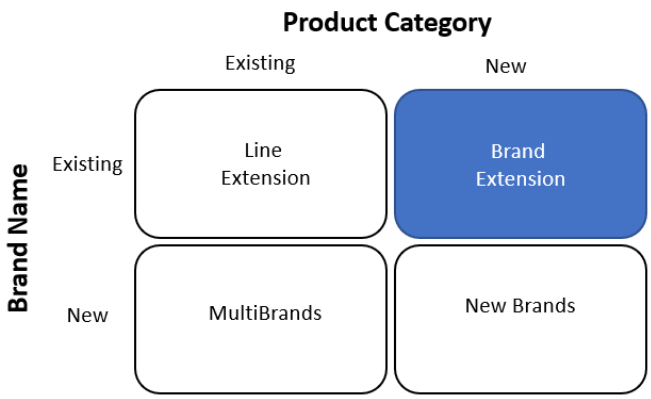
- Entering a new market is easier and more affordable if the company uses an existing brand name; It breaks the entry barriers using the carryover of a brand's reputation
- A well-planned and well-executed brand extension can create a halo effect and enhance the image of the new product up to the same level. The new product needs less promotion due to the spillover advertising from the parent brand; that will get benefit from the extension's ads as well.
- The reputation and the awareness conferred by the existing name provide protection against the more affordable store brands.
- Possibility to attract not only existing consumers but also new one charmed by a known name and a product category that they need.
- Though a well-defined brand extension it is possible to adding or strengthening brand's associations.

2.3.1 Types of Brand Extension and the Importance of the Brand Name

Brand extensions, as we have seen, are a way in which the company can both increase its market share, attracting new consumers, and protect the parent brand from the attack of store-brands. But how a company can actually set up a brand extension strategy?

First, there is the case when a company aims to both extent the product line and enter in a new product category. A product line extension is when an existing product name is extended within an existing product category. Different flavours or a different packaging size are often the main kinds of extensions of a product line. This strategy is aimed to target a new market segment within the same product category and can be either vertical or horizontal. Vertical means introducing product either upscale or downscale depending on whether it produces an hp or downgrade of the existing product. On the other hand, a category extension is when a new product is launched in a completely unrelated category or product segment than the parent brand. The latter is the kind of brand extensions that we are going to use in our project for National Geographic (see chapter 4), in which we will introduce a new partnership in order to stimulate a new profitable target.

Figure 6 "4 different managerial developing strategies" (Armstrong et al. 2013)



It is undeniable that a (product) category extension is much riskier and costlier than a line extension. What manager should consider before starting to define a brand extension strategy is the so-called *perceptual fit*, which is how much the customer perceives the new product as a natural, consistent extension of the parent brand.

Another important aspect to consider is the competitive leverage by which the product is compared with another product of the same category. Finally, the new product should be perceived as a bringer of benefits by the users. Among these three-core characteristics the first one, the fit of the new product within the existing brand architecture is the most important one and the first according to which the new concept extension is evaluated before being carried out.

We mention the fact that category extension is riskier than line extension, but in order to fully understand the risks of those strategies, it comes handily to underline the benefits of line and category extension.

In every sector, companies are attracted by the possibility to exploit their brand equity that they have achieved in order to maximize that potential to increase revenue stream. The firs and the basest benefit lie in the brand name; as we have mentioned creating a recognizable brand name capable of creating loyalty and a characterized with a good level of awareness is one of the most difficult things on a manager agenda. It is normal thinking that once creates a strong and notable name a company uses it for other products. This procedure creates an immediate name recognition and the benefits provided by the parent brand are immediately transferred to the extension.

At the end of this work we ought to be taking the challenge of a very strong brand. National Geographic has been established as a core brand, since the beginning of the XX century it gained a strong image of quality and scientific reliability, so that the aim of the brand is to transfer all the attributes, those analyse later on deeply, that contributed to increasing brand equity throughout its history. Summarizing, a strong the leverage of a strong brand name can substantially reduce the risks associated with introducing a product into a new market, by providing consumers with the reassurance and knowledge about a familiar and established a brand.

2.3.2 Brand Licensing and Co-branding

To increase the marketing power and enter in a new market, a company can undertake many different paths, for the sake of our project we are going to focus our attention on two of them: brand licensing and co-branding.

Brand licensing is a contractual permission to use a brand in association with a defined product for a defined period. This contract involves two different parties: the licensee,

that is the one that receives the possibility to use the trademark of the licensor, while is the party that grants the licence. The process of licensing has many different advantages for business in fact it permits:

- Expanding the product portfolio without by harnessing the production power of the licensee
- Increase the revenue stream
- Increase brand awareness, and trust from the customers
- Build brand equity
- Use a fast track to reach the market sharing communication objectives with partners.

Brand licencing strategies are very common in those sectors providing the denominated denominated *Fast-Moving Consumer Good*, which are those characterized by goods with a little life cycle, that are sold quickly and relatively low cost.

Our focus is to understand that in today's marketplace companies look for extensions (through licensing) that go beyond their capabilities. The main cause of the massive increase of brand licensing that we have met during the recent years must be found in the decline of the ordinary forms of communication (TV radio) and its recent fragmentation that increases the cost of branding (Malton, 2005).

According to the Law Dictionary (2018) brand licensing refers to those practices aimed to instantly tap another existing production. Basically, it is a contract between two parties (usually two firms), one it is represented by a brand owner and the other by a company that wants to use the brand name in order to increase sales powers of its products. The two different parties have completely different objectives but, in the end, they end ups with the exact same strategy. Brand owner wants to expand a trademark and obtain royalties, while the licensee aims to obtain a competitive advantage using the communication system and the brand relationship of the other part.

Co-branding has series of slightly, but significative, differences compared to brand licensing. According to Jobber (2012) co-branding is a strategy related only with a single product or service in facts two or more companies work together in order to design and launch on the market an item that will have made following the terms of a specific contract. These clauses usually define the logos and the brands that will appear on the

packaging and the development of the product itself. Regarding the communication and the marketing phase, the brands usually work in synergy.

In terms of positioning co-branding can be a good strategy for entering a new market for all the companies involved. In the appendix section, you can find an example of co-brand license agreement between *Dannon* and Y*ocream* but this strategy is wide spread and in the next sections we are going to analyse three successful co-branding strategy and three that instead did work out.

Of course, brand licensing and co-branding are not two parallel lines with nothing in common, in fact, they can be one the consequence of the other or be both clausulae of a contract between two or more companies. In conclusion, it is not appropriate to think about one without having in mind the other because as all other marketing strategies they can have different nuances depending on specific needs and objectives. In our project we are going to design a brand- extension in order to enter in a new market using a co-brand with the objective to earn royalties, thus we are going to use those terms substitutable.

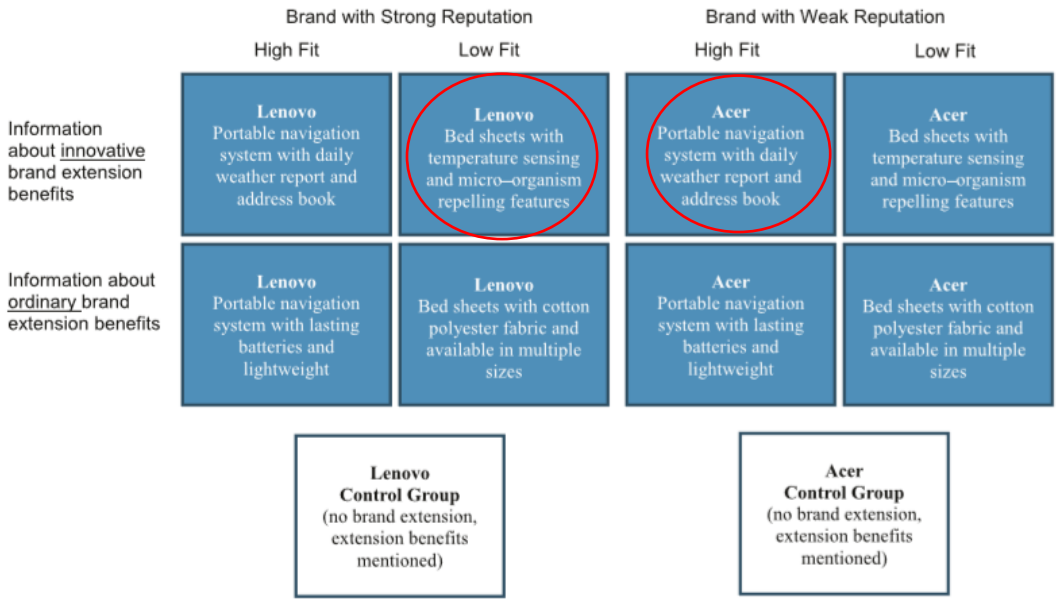
Apart from busting sales and enlarging revenues, the main benefit of co-branding strategy is increasing brand awareness.

Previously, we mention both the concept of reputation and the idea of how much an extension fit to the parent brand. Both these two aspects are crucial in designing a successful new product. Up to now, we discuss these concepts singularly and it is undeniable saying that a strong brand reputation, as well as a high fit of the extension, can reasonably lead to a profitable brand extension. Despite this, through the interactions between reputation and fit have been a matter of discussion during recent studies (Herbig et al., 1994).

It has been demonstrated that, for strong reputation brand, the outcomes of a brand extension such as the induction of spillover effect on the parent brand are maximize when the extension is *low* in fit and offer a big step forward in term of innovation. The authors came up to this point analysing firstly two different type of brands: strong and weak reputation brands, arguing, in the end, that it should be developed two different type of strategy according to the level of reputation of the brand. Customers react defiantly in case of a stable and well defined the brand and a new and less respectable brand; the outcome of the research is that, paradoxically, a customer is more likely to

accept (and so, buy) a high fit new brand extension when the brand suffer from a low level of reputation. This happens because customer trust is weaker in their ability to deliver a new product. In the following image, we can find the outcome of the study conducted by the authors using two different brand Lenovo, high reputation, and Acer, low reputation. The two brands have been linked to two different extensions one high fit (portable navigation system) and one low fit (bed sheets) and characterized as innovative and ordinary. During the experiment was asked two different group of people several questions in order to maximize the positive evaluation of the extension and the spillover effects. These aspects are maximized when there is a high level of innovative information and low fit for the brand with strong reputation; in this case, the "*low fit* characteristic" stimulates curiosity reinforced by trust in the brand, while innovative information is processed more deeply. On the other hand, it is maximized with a high fit and high innovative information when the brand is characterized by low level of reputation because high fit strengthens consumers' trust in the weak brand's ability to deliver innovative benefits, not to mention that a new association with a low fit brand would dilute the already weak reputation of the brand (Chun et al., 2014).

Figure 7 "The impact of reputation and perceived fit of the extension" (Chun et al. 2015)



Across this research, they find evidence according to which brands with strong or weak reputation should undertake distinct brand growth strategies involving high or low fit extensions with innovative benefits.

The study comes in handy for the purpose to create a new brand extension for a high reputation brand like “The National Geographic”, and it suggests developing a low fit extension and communicates it stressing the innovativeness of the product. The low fit characteristic shall be considered as a product far from the ones already related to the brand, something able to create new associations to the parent brand and it must be aligned to the marketing and strategic goals.

2.3.3 Brand Dilution and Other Extension Risks

So far brand extensions seem to have only positive aspects and they appear to be a safe strategy to stimulate brand growth and bust marketing results, moreover, most of the literature focuses on its positive impact on the parent brand.

But it is not gold what glitters: these practices are hidden a series of side effects that can lead to disaster rather than success. In the following section we are going to see which the most common risks are related to a brand extension strategy and then we will analyse, through same examples, how these threats can lead to a costly unsuccess.

During the very first part of this work, we stressed the importance of brand image as a key factor to creating a strong brand. Extensions strategies use the image created by the parent brand to stimulate association in the customers’ mind. Unfortunately, also a very strong image can be diluted cause bad managerial decision.

The term “dilution” in chemistry refers to the process by which the concentration of a liquid (solute) is reduced by adding another liquid (solvent). This scientific definition helps us to describe what is another form of dilution… brand dilution. We can think about brand equity as the solution, while the solvent is the brand identity that it gets diluted out by the solvent, namely the change in the perceived image from the customers.

Brand dilution as we will see in the following lines is a complex phenomenon but. on the other hand, it is simple to understand why it represents a dangerous activity in the long term, for the company. The most common brand extension problems that a company can face can be grouped into three main categories:

- Extending into a category in which the new product is not significantly different from the products of that category

- Extending to a higher or lower quality segment
- Over- extending the brand through too many different categories

The term "over-extending" can have several meanings, but in this case, it should be considered as the situation when the interaction of the brand is no valid anymore and when brand's identity does not cause an emotional response. Moreover, brand dilution usually leads to an inability to evoke a clear vision of the product's function in the public's mind (Cheng-Hsui Chen & Chen, 2000).

What we need to bear in mind is that an unsuccessful extension can, of course, dilute and damage the core brand but on the other hand even a successful extension can dilute the associations and the identity related to the family brand. Therefore, it is important to create a communication and promotion program consistent with the image that the firm's consumers love and admire.

More specifically, the unsuccessful extension can create a dilution not only what concerns the brand image and name overall but also by diminishing the favourable attribute belief consumers have learned to associate with the family brand name. A new brand extension with the same family brand name introduces yet another set of attributes of beliefs that can either be consistent or inconsistent with the image already projected by the family name. Brand dilution is a complex phenomenon and managers must consider several directions to limit the damage inflicted by brand extension failure. The first risk of dilution lies in how these brand existing beliefs are changed by the brand extension.

It all a matter of trust and expectations; firm are at risk in launching extensions that contain attributes that are incompatible with favourable brand beliefs, and the degree of risk varies according to to several factors. Recent researches have demonstrated that brand beliefs were diluted when brand extensions are perceived as "typical" compared to the family brand. Moreover, extensions perceived to be clearly different from products offered under the family brand name, as a result of delivering atypical product attributes, carried a more moderate degree of risk, with virtually no dilution in cases where the brand extensions typically was salient to consumers. Another important particular to consider is that risk of brand dilution seems to be more evident for the

same kind of attributes and beliefs than others; for example, gentles attributes are more likely to be diluted than quality beliefs (Loken & John, 1993) .

2.4 Three more Factor for a Succession Brand Extension.

Famous studies (e.g Crawford, 1977) about the launch of new products brand are are very pessimistic and suggest that only 2 out of 10 of them are designed to succeed. That is why, due to the increase in the cost of advertising and competitivity, brand extensions become so popular during the last decades. The basic assumption is that exploiting the brand equity, the company can capitalize the brand recognition and enter a market easier.

Before analysing some examples of successful brand extensions comes handily define haw this success is evaluated and how these evaluations can be summarized giving to managers useful insight.

Doing this, we are going to set the financial results of a brand extension aside, due to their undeniable importance and the obvious considerations arising from them. If a product extension or a co-branding project is beating all the records and companies are making billions out of it, it is kind of reasonable define that extension as successful.

What we are really interested about is understanding why and how a customer, that can be a new client or a long-time consumer, is moved to purchase the new product and understand the role of advertisement in the process.

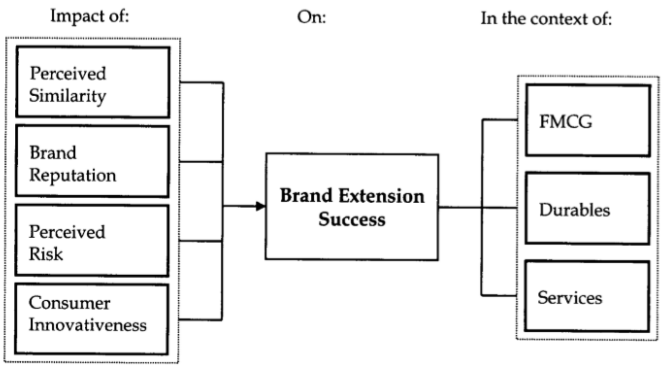
Throughout recent decades many studies had been carried out for these purposes, but their results have been questioned by other studies. The main topic of discussion is the real reliability of the method used in those studies. In fact, many brand extension studies have used laboratory experiments with students and fictitious brands. The external validity of these studies has been questioned and criticisms levelled against generalisability.

As we already pointed out, researches and studies (e.g Keller 1997, Aaker 1990) have demonstrated how the perceived fit to the parent brand is important to the success of the extension and how purchasing new categories provokes grater perceived risk amongst customers. Since perceived fit and brand, reputation have already been a matter of discussion of this work and we have underlined how these two factors are

ambiguously crucial for the success of a brand extension. Other aspects to consider for the acceptance of influencing the customer choice are perceived risk, consumer innovativeness.

- Perceived risk is a multidimensional factor that include the consumer's uncertainty of making a mistake and him/she uncertainty of the outcome of the purchasing. A new product embodied a new alternative, a new option for the customer and so it increases the possibility to purchase the wrong item. We are considering the so called "product category risk" that reflects the perceived risk when a customer considers a specific alternative. Unlike the risk associated with investment or bets, this kind of uncertainty is not associated with a higher outcome in the future. In fact, the higher the perceived risk associated with the extension category the more positive will be evaluations of the brand extension.
- Consumer innovativeness is typical for every men or women and represents how much an individual is willing to buy new brands or innovative solution. Consumers with a higher level of innovativeness are more willing to take a risk and therefore they are naturally induced to try the new brand extension.
- If we consider the sovra-claimed brand reputation and perceived fit (in all its cases), risk and consumer innovativeness are four key factor that successful brand extension have in common. As Hem Chernatony et al. have stated these four ingredients are valid for all calls of products: from the fast-moving consumers goods through the durables to the services as well.

Figure 8 "Factor Influencing Brand Extension" (McEnally, 2012)



2.4.1 The Role of Advertising

Having a feedback during the designing of a brand extensions strategy is almost impossible, even the most sophisticated test carried out in the most advanced marketing laboratory is almost useless to exactly determine the success or the failure of a new product extension.

So far, we have stressed how much the transfer of associations and beliefs from the parent brand to the extension had a massive importance to the success of brand extension, but there is another more factor that influences this phase: advertising.

When we analyse advertising and commercials impact on consumer behaviour we must summon some fundamentals of marketing Psychology. According to the *associative network theory*, the consumer's mind contains a network of concepts interconnects through linkages or associations. When an individual sees a commercial of a new product from his/her favourite brand he associates the brand with that product and his cognitive structures are re-adapted to accommodate or assimilate the new associations (Anderson & Reder, 1997).

If the new scheme provided by the new product is fitting to the old brand the cognitive structure will remain unchanged while if the perceived fit will lead to a new association and a new cognitive scheme. Advertising is a way by which company can control this kind of brand associations and therefore to mute them in a purchase situation. The effect of advertising and communication on the customers' behaviour has been described by the theory of the hierarchy of effects. According to this theory, the first goal of advertising is not to sell but to increase brand awareness and brand beliefs by communicating the existence of the brand and informing consumers of its attributes.

Nowadays is acknowledged that advertising enhances brand knowledge and later purchase intentions, and recent findings show that advertising stimulates people to try brand extensions way more than sales promotion. Moreover, the focus advertising effort to the extensions will benefit the whole brand offer busting the efficiency of the communication.

Communication massages can follow two different paths the peripheral and the central one. On one hand, the central path focusses the consumer's attention to the benefits of the message and create brand cognitions that establish a connection between the attitude to the ad and the attitude to the brand extension. On the other hand, the

peripheral path refers to those messages in which people attention is devoted to other contextual elements like music and visual elements. Both peripheral and central brand associations positively influence extension attitude and perceived fit (Martínez, Montaner, & Pina, 2009).

It is so undeniable that the attitudes toward the extension influences the attitudes toward the parent brand, but in which way? And which type of advertisement influence core brands the most? Costumers usually tends to evaluate advertising or as informational or as positive and emotional; if the customer is more interested on perceived parent brand quality and perceived fit between the parent brand and the extension, the advertising should be focused on emotional appeals. The advertising strategy acts as moderator can be a potential moderator for effects of prent brand characteristics on extension evaluations (Dens & De Pelsmacker, 2010)

The aim of this work is to use all the theoretical considerations about brand extensions in order to develop a practical brand extension for National Geographic and follow its realization through all the marketing steps. Advertising is one of the main aspects of the communication and marketing strategy and, as we have just seen, it can be the right vehicle to transmit brand association. Our project will be an unusual great step for National Geographic offer and so it will consist in an item far from the previous; therefore, for high incongruent extensions, the only effective strategy is to evoke benefit brand associations (central path).

2.5 How Extensions are Profitable - "The Royalty Game"

It has been seen as a brand extension can be the result both of a co-branding and brand licensing strategy, in the first, there is an agreement through all the phases of the product and marketing development, in the second instead, the usage of the name provides the rights to obtain royalties. Throughout its centuries-old history, *The National Geographic,* the object of the project case, has experienced lots of new challenges related to new products in many different markets thanks to its transversal values. In order to fully understand the universe around the brand, it is critical to have a complete picture of how royalties work and what drives royalty rates.

It needs to be recalled that, royalties, are particularly related to Brand Licensing that consists of the process in which the firm that owns the brand make an agreement with another firm to manufacture or promote products using the brand. Royalties can be considered as the reward for the licensor for the usage of the brand name and they are determined as a percentage of the revenues generated through the licensed assed.

The licensor usually doesn't pay attention to how the item has been produced, but it more interested if the licensee is using the name of the brand following the correct brand identity and values.

The key for understanding the importance of royalty is clarified that the success of licensing depends on whatever the argument between parties meets both relevant goals.

- The brand owner wants to ensure the integrity of the value while leveraging brand for growth
- The producer's objective is to develop a profitable business using the licensed brand.

The main problem with this strategy is that the two goals do not overlap perfectly and often the licensee does not share the brand's owner long term view.

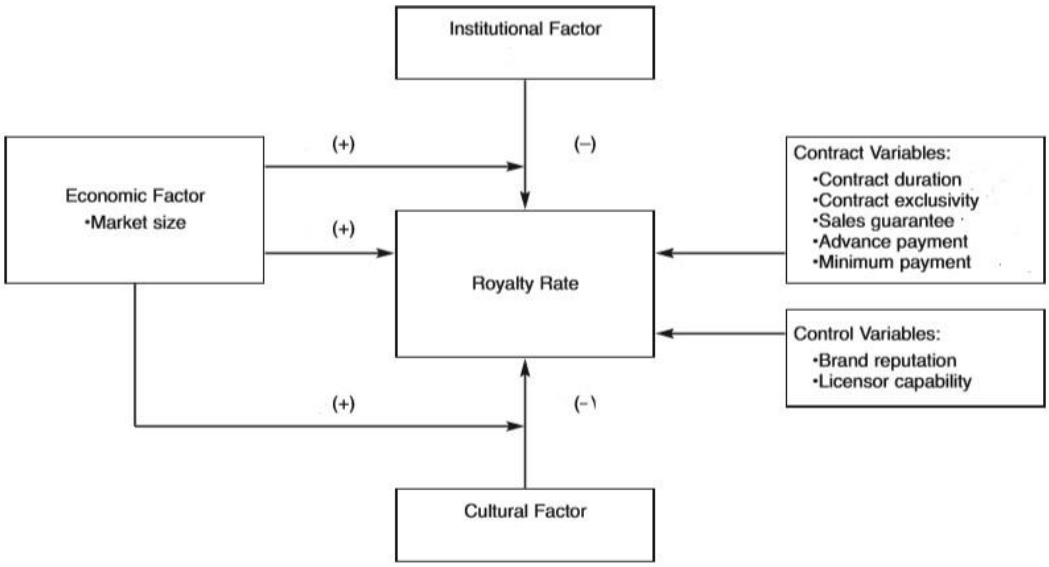
Possible outcomes of this situation are reciprocal opportunistic behaviours and therefore, creating goal alignment is one way to minimize such tendencies. For example, the royalty rates can be used to align the outcome and the reciprocal interests and reducing the risk of opportunistic behaviours. On one hand, if they are High the licensee can use inappropriate the property and the brand name to cover the high rates.; on the other hand, if the rates are too law the licensor may not support the develop of the product. Obviously, the extent and the importance of royalty differ across country and markets but what is matter is that they need to be balanced according to both interest's parties.

According to Jayachandran and Koufman royalty rates are driven by five main factors:

- Economic Factors: it means the market size that licensed products can cover and the number of profits that it can generate.

- Institutional Factor: in a market where legal protections are stronger, brands are incentivized to set lower royalty since those brands have less need to monitor the agreement of production. The negative correlation between royalty rates and institutional factor can be mitigated by the market size.
- Cultural Factor: in a foreign market context cultural factors are crucial to determining the level of uncertainty avoidance that the population can handle.
- Contact variables: long term and exclusive contracts can be a way by which the licensor is able to find a reliable and trustworthy licensee in turn to lower royalty rates. They have a negative correlation with contract duration and exclusivity as well as the minimum level of sales guarantee and advance payment.
- Control Variables: firms that have the strong desire to protect their brands can offer lower royalty rate also since revenues from licensing can have a secondary importance compared to the need to protect the brand in the determinate market.

Figure 9 Model of drivers of royalty rates (Jayachandran, 2013)



Each aspect above determines the influence and the cost of licensing and so they directly limit or increase the level of royalty rates.

Firstly, when the *institutional factor* is low the licensor perceives greater risk from licensee opportunism which leads to higher royalty rates due to the additional

monitoring needed. Moreover, market size impacts positively on royalty rates and furthermore, a licensor is more motivated to enter a bigger market than in a smaller due to the cost opportunity.

Regarding contracts, agreements with exclusive rights have usually lower royalty rate and longer duration as well.

Surprisingly, brand reputation has no correlation with high royalty rates. This is unusual if we think that a strong brand may have more interest in defending and control the licensee's opportunistic behaviours. Nevertheless, royalty rates will be less dependent on the strength of the brand than on country-related factors (Jayachandran, Kaufman, Kumar, & Hewett, 2013).

2.6 What we can learn from bad and good brand extension strategies

Brand licensing, co-branding and brand extensions, in general, have become more and more popular progressively as the complexity of the market has grown. Companies are more and more seeking new strategies to minimize the uncertainty and leverage risks and cost of a new product launch. The focus of this section will be analysing two good example of product extension compared to two brands (plus one) that instead has gone toward failure and unsustainable costs. The aim will be eviscerating these examples in order to take the best for National Geographic's project, because, as the famous philosopher S. Kierkegaard was used to saying: "*life* (and business as well, we allow ourselves to add) *can only be understood backwards; but it must be lived forwards*."[6]

The companies that provided a successful example of brand stretching are

- BULGARI with its BULGARI HOTELS
- Nike with its partnership with Apple for Nike +

While the ones that

- MacDonald's Luxury Hotels

[6] Journals IV A 164 (1843)

- Zippo and its Waman Perfume
- KFC and nail polish

For all the brand selected has been selected from a list provided by David Aaker on an article for Prophet.com.[7] For each example will be defined a brief situation of the company (Bran image, Equity, and Positioning), Brand Reputation, type of extension provided a factor of failure/success.

BVULGARI, one of the most famous luxury brands it is known for fine jewellery, leather goods, and other accessories for a target of high purchasing power. Its reputation, as its awareness, is extremely high and the brand it is liked to attributes like "quality" "durability" and "reliability".

Being such a well-known brand, Bulgari has experienced many types of brand extension throughout its history, for example, the licensing of the eyewear production with LUXOTTICA.

We will pose our attention on one of the most daring extension that the brand did.

It was 2001 when Bulgari and Marriott International signed a joint venture to design and establish a new Luxury Hotel & Resort chain under the Bulgari brand.

The hotels extremely luxurious and they give the exact same emotion of entering in a jewellery boutique; they are in the main fashion streets of the capitals, they are full of elegant design concepts and extremely high priced.

The new brand stretching was advertised as the natural place where a person who buys or want to buy a jewel Bulgari would have ever spent a night. Key factors of the success of the project were Bulgari's foresight to rely on a high experienced hotel company as Marriott in order to minimize rookie mistakes and so avoiding a loss that would have affected brand equity profoundly. The perceived fit between the extension and the core brand it perfectly consistent and the natural consumer's associations are addressed to reinforce both the parent brand and the extension. The high level of reputation of the brand has permitted a low fit extension that creates positive spillover effects and stimulates the innovativeness of the consumers.

[7] "Brand and Extensions" April 2016 https://www.prophet.com/2016/04/83-successful-brand-extension/

Nike and Apple started work jointly developing new co-branded products since the beginning of the 2000's. Nike and Apple are both two of the most powerful and recognizable brands, leader of their respective sectors as well. They have a well-defined image and a strong reputation. Apparently, they do not share many personality traits: apple is perceived as young, innovative and stylish while Nike is related to athletes and sport in general. Though their differences they can have much in common as complementary brands.

The co-branding strategy has been a huge success and even nowadays it is cited as a great example of complementary branding. On one hand, Apple was aware that among iPod users were runners and, on the other hand, Nike known the music could have been a plus for runners.

With this strategy, each business benefits from of the reputation and the equity of the other.

McDonald's is one of the strongest and most recognizable brands in the world, famous worldwide for its hamburgers and for its best quick restaurants spread in the five continents. As a global brand, McDonald's has a clear image and attributes like "convenient" "efficient" and "welcoming" shape people's perception of the brand. Families are its most profitable and common customer and so it is positioned as low rage income.[8] MacDonald's wanted to expand its products to a new category: Luxurious Hotel. This strategy will send the company to a new different product class and analyse the case we realize that there was some aspect that suggests a failure. Firstly, the image of the brand extension is not fitting with the core brand and even if the ultimate objective would have been to enhance the perception of the latter, the reputation of McDonald's is not enough high to justify a so low fit extension. The hotels were designed as a beautiful resort and in fact, they were appreciated globally by customers, largely solo travellers. Two were the biggest mistakes: on one hand, they were using the same brand name for a completely different target audience: due to the lack of recreational areas and the unaffordable prices families were not the target. On the other hand, even this new target was not satisfied due to the high kitchen standard that the hotel made

[8] "brand image of McDonald's in the United Kingdom (UK) in 2015", statista.com

to realize (the main restaurant was a fancy McDonald's). The strategy, enter in the luxury resort market, was the same as Bulgari one, but they had realized that in two different ways with two different results. Following the theory explained afterwards, Macdonald's should have used its powerful brand equity for doing s hotel chain especially designed for families or invest in the luxury resort just like Bulgari did with a strong partner and a new brand.

Probably if you think about a branded lighter **Zippo** is that one with the highest level of spontaneous brand awareness. Since 1930 the company provided a high-quality metallic lighter that becomes a status during the golden age of smoking. Throughout its history it earns a strong brand imagine funded on reliability, high quality, and independent personality. On these bases, it is understandable why managers wanted to leverage their brand equity developing new line product. One of these was the female fragrance that was a huge unsuccess and it was recently awarded as the worst brand extension in history. The perfume packaging was a typical Zippo's bottle and the fragrance was sprayed out directly from the top. The scent was fruity but the associations between the bottle and the core brand were extremely dangerous. The episode shows us as it is vital to understand deeply your target market and no matter how strong or widespread is your brand, no company can be all things to people. Women that wanted a fruity fragrance was a too low fit target market compared to the one of the core brand, that was masculine, classical and independent. The wrong positioning of the new extension leads the brand to lose brand equity cause of the degradation of brand associations, not including the loss in terms of communication.

The example that follows is a middle ground between a successful and a failure brand extension. **KFC** decided to launch into the market a new branded product, an item that apparently had the lowest perceived fit with the core brand: a set of nail polish.
Though at first glance a nail polish made following KFS flavours, might seem a terrific business idea it gives us the possibility to analyse as an unsuccessful brand extension can turn into a huge profit for the company. KFC is a widespread fast-food chain and its image is related

Since early 2000's KFC claim has been "finger licking good" and in 2016 managers decided to bring it to life designing a set of edible nail polish inspired by the famous KFC chicken flavour and taste. According to the theory seen so far, this extension seems completely wrong in terms of perceived fit and brand reputation. Unsurprisingly, the extension didn't obtain the hoped success, but it was a source of income for the company anyway. Managers cleverly decided to bust core brand image to another level, using the extension and some targeted advertising for remarking how good their food.

Each example considered highlights a fatal error or a good strategy that it should be remembered when designing the new product for The National Geographic.

NatGeo's reputation is very high and the new product should enhance its brand image while stimulating a new target market. Bulgari's example explains how much finding the right partner is important in a low fit extension, Nike and Apple instead show when the same co-branded strategy can bring complementary benefits for both brands. Finally, KFC suggests deploying your distinguish attributes to improve brand associations to the core brand through the extension; even though that means to develop unsuccessful category extensions in the short term.

As we will see in the last section, The National Geographic has a massive number of brand extensions the majority in brand licensing from which we can assume a safe and prudent strategy.

CHAPTER 3: The Entertainment Sector and the National Geographic Case Project

The attractiveness of brand extension as a way to increase brand awareness and revenues is notoriously high in the global context. Since the last decades of XX century, firms started to consider this strategy as the safest way to grow and protect their market share, keeping a manageable level of risk. Big companies in particular have known flourishing years due to this new approach. Together with its advantages brand extensions hide some pitfalls that can lead failure on the long run. The purpose of this chapter is to firstly understand the environment of media and entertaining sector and then going practical designing a brand extension of one of the biggest companies of this sector: National Geographic.

The National Geographic Society defines itself as a "nonprofit organization committed to exploring and protecting our planet"[9]. In order to fulfill this honorable mission, they share their contents across a multichannel strategy within the media and entertainment sector.

Our overview of the history and the theory about branding and brand extension the first think that we pointed out was: doing the proper market research. In this section, we are going to analyze the market sector of Media and Entertainment pointing out what can be the right strategy to stretch the brand.

According to Harold L. Vogel (2010) media and entertaining sector are those businesses entailing film, radio, and television. This macro sector has numerous sub-segments in which we find: TV and Cinema production, magazines, newspaper, and books.

The Media and Entertaining Market (M&E) can be divided following the two different type of funding investments. There is a public broadcasting company which benefits from public investments and commercial companies where the money comes from commercials. For this last reason, media and entertainment are two terms that are usually used together.

Nowadays the M&E sector appears overcrowded both to a consumer and a company point of view; people are literally bombarded by entertaining contents and the entrance

[9] https://www.nationalgeographic.com/

barriers for a new business are so low that every day the number of companies within the sector increases.

Another distinction divides the sector into two more parts: old and new media.

Old, or traditional, are those media that characterized the marketing and advertising world since the beginning of the XX century and represent the manifesto of television golden age. They entail television, newspaper, radio, and magazines. They have been extremely effective during the past century due to the fact all messages were delivered directly and immediately assimilated by the audience. Over the course of the last few decades the advent of internet leaded the emergence of a new form of media, the new one indeed.

There was a time when people were waiting in the evening to see the news or for watching a movie broadcasting on the only one channel of the TV. Those days are over and all of us rely on the internet and new media for news and entertainment. New media are described as content that is easily accessible through many different platforms and digital devices. Examples of the new form of media are Social media or the free internet encyclopedia, Wikipedia.

New media have impacted deeply both on how people consume media and entertainment contents in their leisure time and on companies reshaping the all landscape, they needed to adapt their business models, meet new difficulties and follow new opportunities.

Despite this fact, the new forms of media and entertainment didn't just cancel the old forms, they reshaped them adding a numerous of new channels where people can learn, amuse them self or discover the world.

Companies within this sector are constantly challenged by the fast updating of technologies that force them to innovate their infrastructure facing the risk of becoming obsolete.

3.1.1 Magazines as a Multilayered Brand

National Geographic is firstly an iconic magazine that owes his good fortune to the memorable stories that it was able to tell throughout its history. Notwithstanding the fact that the current formation of the National Geographic Society has few different core

business areas, in this first phase we will analyses the publishing one as the most affected to new media's attack.

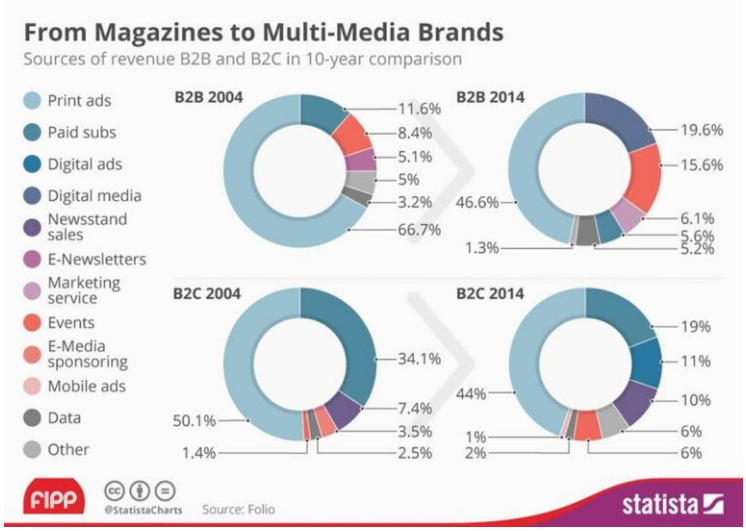
As we have just saw the easy internet access and the frequent usage of smartphones have inevitably disrupted the media system. If the printed newspapers are meeting the worst crisis in centuries of glorious history threatened from little news website, some of the major printed magazines have been able to deploy new technologies for capitalizing readers attention on their niche, following them after the purchase as well.

Over the last decades magazines have exceeded the old sense of physical set of pages becoming nothing less than multi-brands able to leverage their equity through all the channels offered by the digitalization revolution.

The magazine is now just one critical asset among many other, but it is not the hub around which all of its other business revolved anymore.

An evidence of the fact that magazines have been able to innovate and diversify their offer is given by Folio's Report about magazines partition of revenues between 2004 and 2014. From the graph below, compiled by Statita, we can see while both business to business and business to consumer revenues have known a radical change in term of portion, shifting from a print ad leading position to a other services leading position. Within other services we have paid subs, events and digital marketing.

Figure 10 Advertising Magazine Revenue Portion[10]



[10] Statista https://www.statista.com/chart/4451/sources-revenue-magazines/

Print Ads have decreased due to the fact that general printed magazine retail sales has constantly decreased during the last decade. So far statistics about sales and richness have been far from being reassuring and many magazines decided to face the problem stopping the production of a printed version of their magazine, just like happened to Newsweek's readers who were forced to say farewell to the magazine back in 2013.

Some authors (e.g. Fetscherin & Knolmayer, 2004) have now argued that printed magazines hide some surprisingly benefits that digitals versions cannot boast. It seems that the maniac public jubilation around the internet and free content has created a profound misperception around magazines. According to a recent study by Mequoda, 69.6% of adult Americans have read an average of 2.91 print magazine issues in the last 30 days. This means that 147 million adults have read an average of 428 million print magazine issues in the last 30 days.[11] Magazine readership is far from declining.

Moreover, neuroscience had demonstrated that paper-based reading is slower and deeper and so people give more attentions to the ads' page as well compared to the online version where the read is faster and less detailed.

Reading from paper, screen and e-reader is different in each case. Through a laboratory experiment, researchers analyses the level of comprehension by asking participants few questions and using the as set of factors, from eye movement to brain activity and reading speed. The participants were divided in two groups and each of them had to read the same text, at the end has been shown how people who had read on paper obtained higher score on remembering what they had just read. That's because reading on paper needs a bigger effort and provide a higher spatio-temporal marker when you read. Scrolling a tablet does not have the same impact on our brain, although the action of reading is easier (Kretzschmar et al., 2013).

Another evidence that the sector is still fertile is that only during 2016 up to 226 new print magazines were launched in 2016.

Considering these facts, we should think about cutting all the investments for the printed version of magazines as a strategic unlucky decision. After an initial pessimistic vision of the publishing industry under the threat of digitalization, the sector has been

[11] Mequoda.com report 2017 "Audience, Revenue & Profits with Multiplatform Publishing"

able to reinvent itself as a set of different strategic decisions for delivering the value of the brand.

Magazines have been clever and enough forward looking to transform their brand entity from a product to a life style brand. Since the beginning of XXI century we are witnessing a slow process of progressive change within magazine industry; On one hand publishing companies are decreasing the investment on print product that they are no more the central hub of their offer; on the other hand magazines themselves are becoming the image of the brand that provides a considerable amount of new services and product to offer a 360° brand experience.

National Geographic is the perfect example of this new tendency. As we know the brand is rooted on its iconic magazine and since its foundation, back in 1865, own its good fortune to the stories printed on those pages.

Before digitalization National Geographic had a spontaneous brand awareness tied to the iconic magazines, while by the coming of new media and communications forms like social media it has incredibly extended its level of awareness as a brand instead as a magazine. It is undeniable that National Geographic revenues for print-sale has met a setback because of the digitalization, but by stretching the brand to other consistent sector managers has been able to change the source of income without loosing profits. Despite this fact, National Geographic magazine is still one of the main assets of the company because embodied all the attributes and associations of the company. Thanks to the birth of new media and the explosion of digitalization, their iconic magazine is just one of the diversified and successful assets of the company.

Summarizing, we can find two equally important tendency in the publishing market nowadays. Firstly, the magazine sector is not on the precipice as we forecasted at the beginning of the process of digitalization, and although the decrease of revenue stream from them as product magazines can guarantee fruitful return on advertising investments. About brand magazine, they exploited the advent of the new category of media in order to leverage the brand equity to a new product and a complete brand experience.

To conclude this overview about the publish industry and the magazine sector, it is worth to mention those brands that have started to produce a magazine as brand extension for reinforcing the bond with the customers of their niche.

The most successful example of brand magazine extension are Red Bull, Airbnb and Benetton magazines.

All three have a very clear positioning, a precise personality and an intense brand equity. *Red Bull* has always been linked to extreme adventure and sport events in general, so they designed a printed magazine (Red Bulletin) especially designed for delivery outstanding story about people and their achievement. *Airbnb* designed a genuine travel magazine exploiting its attribute of youth and the pleasure of discovery new realities. The apparel brand *Benetton* instead decided of following the guidelines provided by their advertising campaigns and use provocative and visual image to deal with social and contemporary subjects.

These are good example of brand magazine because they are not a set of advertising, but they deliver a real value for the reader, enhancing the reputation of the brand. Furthermore, it is not excluded that a casual read of the magazine will shape its brand image on that readings. This leads us to explain what the reasons are according to which brands still invest in publishing magazine. Because:

- Magazines are the right vehicle to get noticed in the digital world
- Brands with a strong identity and clear beliefs can exploit their nature and cost-effectively produce contents for the magazine.
- High quality content reinforces brand loyalty
- In an era of weak digital relationship, a subscription
- can create an create a strong bond between the customer and the brand

As repeatedly mentioned the focus of this work is to provide a theoretical revision aimed to design a brand extension for National Geographic a publishing brand different from the referred above because the company have already a well-established magazine that exploit the equity in other services and not the contrary.

3.1.2 The Content-Economy

As shown in the previous section companies are increasing their presence on their communication channels. Blogs and magazines have experienced a unbelievable increase throughout the past few years.

This fact is a direct consequence of the birth of the new media and the need to create more and more content to populate the network of channels useful to enhance brand awareness and deliver real value to their customers.

Content marketing has a long-lasting history and nowadays the barriers to entry are definitely gone; in fact, today a brand of any size can engage new costumers thanks to the new technologies and skilled protectionists.

Providing good quality of contents has become a real source of brand equity and it is used as a marketing activity so much that it has become a term (content marketing) overused in the field.

If we look at the statics provided by Google Trends we can easily understand that it is an idea that all brands have in mind.

Figure 11 "Content Marketing" on Google Research[12]

Along with the growing theme of content, also storytelling is a corner stone of this new type of economy. We are not talking about mere advertising that is usually built around someone else content but relevant consistent and valuable contents by the brand itself used to generate positive beliefs around the brand.

The majority of brands use contents in order to convert the act of reading in a possible reader's purchase action; a recent study from the Content Marketing Institute and MarketingProfs[13], although 90 % of all companies employ some form of content marketing. Now it is indispensable to differentiate these companies into two different categories:

[12] https://trends.google.com/trends/content-marketing (September 2018)
[13] https://www.marketingprofs.com/marketing/Magazine-research-2016

- Companies that actively provide contents as the main form of their business. They exploit the new media in order to deliver different forms contents and engage more and more users. They are usually media and entertaining companies and contents are their first source of profits.
- Non-media firms from different field produce content in order to better be placed into the source engines as google, and their final objective is to engage users in order to dell them something. They do not create profit directly from contents but indirectly by attracting and retaining customers.

What matters for the purpose of this work is the first category because National Geographic is a company that found its business and its soul on the remarkable stories that appear on their channels.

For these types of company this new tendency is a double edge weapon. On one hand it enhances the important and the power of those firm that have contents as their core business but on the other hand it inevitably dilutes the offer of content and hide the real value of their original contents (Pulizzi, 2012).

Media companies as National Geographic needed, and they still need, to diversify their offer in order to exploit the value provided by their stories to boost other sources of revenues.

Maintain consistency among all the messages provided is crucial for avoid losing the images built throughout the years; moreover, a product able to covey all the contents in a unique place is also desirable.

3.2 Case Project – National Geographic Brand Extension

This section deals with the design of a new brand extension for National Geographic a company that has its roots in the XIX century and it spread its influence about subjects like nature, exploration and adventure throughout the decades.

The project would be an answer to the company's concern about be perceived with an old identity due to its strong and authoritative image.

The strategy and the project have been carried out, and fully developed, by a team composed by me and another colleague student of Università Ca 'Foscari Venice. What's follow is a resume of the analysis and the ideas that we have done during the designing

process of this new brand extension. The project has been presented to National geographic Italia and it will participate to the 30^ Edition of the Premio Marketing.

With its 6.5 million magazines globally circulating around the world and with nearly forty languages editions, National Geographic is one of the most famous and recognizable brand magazines throughout the entire history of mankind.

Formally, it is the official magazine of the National Geographic Society, a non-profit organization aimed to promote sciences and the historical and environmental conservation.

The society was found in 1888 with the purpose to spread and diffuse geographic knowledge. In fact, the first members of this exclusive club were 33 explorers and scientists, the magazine was a sort of gift for who decided to enter in the Society. Since that moment the Society has financed hundreds of projects become a reference point in the field of dissemination of scientific knowledge.

The society know a shift when, in 2015, all the National Geographic activities has been merged under a join venture with 21th Century Fox, creating the "National Geographic Partners" (NGP). This strategic reorganization aims to increase brand relevance among TV channels and exploit brand possibilities building new business areas and attracting new generations.

The brand National Geographic has more than 700 million of costumer every month, counting all the business areas that the firm touches, such as magazine, social media and customer's product.

As a non-profit organization the 27% of the NGP profits are reinvested in research and explorations activities. This fact starts a virtuous circle that constantly produce thematic contents for their channel of distribution.

NGP have a clear mission:

"inspire people to take care of the planet"[14]

That would be the core of the project either.

[14] https://www.nationalgeographic.com/annual-report-2017/

Their company core strategy in to create a sort of entertainment with a purpose and it works around experimentation and taking risks. Basically, National geographic Partners wants to “inspire, enlighten, provoke and entertain.”

National geographic Partner is not defined as a common media company but rather an institution: influential and prestigious that mixes entertainment and scientific resources. The brand identity reflects the company image and it is perceived as a strong and powerful brand across all the cannels.

Before analysis NGP’s brand equity and brand extensions can be useful describe what is their current offer.

NGP’S offer is different according to the country that we are taking into consideration; our purpose is to create an extension that would be launched firstly into the Italian market, so that our country of reference will be Italy.

National geographic is present in Italy with the historical magazine, the history magazine “Storica” and the magazine for kids, NatGeo Kids. The two latter are published through a partnership with Panini Comics S.p.a. About TV channels, they are distributed by Sky television platform and produced by Fox. And entails National geographic, Nat Geo Wild and Nat Geo People.

Moreover, the company is licensing and co-branding a multitude of costumer products that entails products, events and exposition.

The company obtained a huge success because the new forma of media, they have been able to become one of the most followed profile on Facebook (+160M) and Instagram (+80M).

NGP has a high reputation and terms like “quality” and uniqueness are often related to the brand. As a result of that, it has a premium positioning in term of offer and so their products are usually classified above market standers according to quality, innovativeness and price.

Regarding the company target audience, it is equally divided by male and female, as shown in the Figure 12, and is characterized by an average age around 40 years old and belonging to the Middle/Upper social class.

Table 13 *Profiling Target Magazine NatGeo Italy (adaptation from www.premiomarketing.com)*

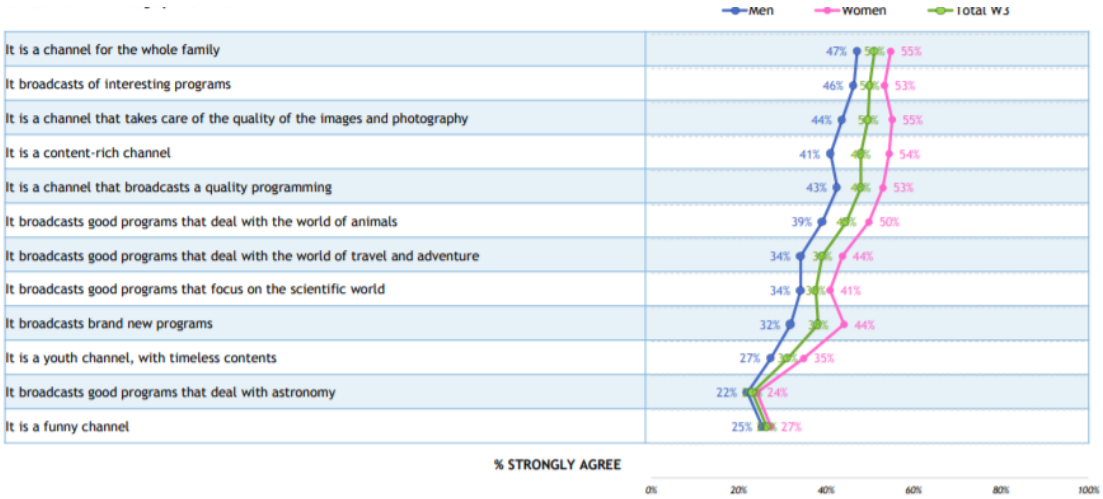
Gender	Male Female	56.3 43.7
Purchasing Manager	Yes No	39.2 60.8
Age	14-17 18-24 25-34 35-44 45-54 55-64 Over 64	7.3 12.9 19.2 18.8 18.3 11.1 12.4
Social Class	Upper Medium/Upper Medium Medium/ Lower Lower	5.7 21.2 68.0 5.0 0.2

The target audience reflect the NGP brand image and awareness. About brand image: National Geographic is one of the most recognized brands in the world thanks to its specific beliefs that it is able to raise.

The image lays on different aspects as the chromatic visual identity based on the yellow of the logo and the consistency that increase those attributes of reliability and quality. The brand is immediately linked to terms like “nature” science, exploration, beautiful content and also difficulties in provided such contents.

Furthermore, National geographic has a strong brand heritage, in fact, the iconic yellow rectangle is the symbol of the longevity of the company and its history that contributed to create a lasting relationship with the customers. National Geographic is associated to the richness and authority of the contents, to the high-quality images and to the ability to create contents suitable for all the family. Speaking of brand image, the problem is that the brand is not easily connected with young contents and in general the NGP offer seems to be much more appealing for adults (35-60) than for the younger generation.

Figure 14 "Brand Image Detection"[15]



Interesting is the analysis that made brand awareness because highlight the inner challenge of this brand extension project. According to a recent (2027) research made by Toluna National Geographic has a strong reputation and awareness, spontaneous and urged as well.

The awareness has been divided by three among TV channels, magazine and main website. Within the TV sector the memory of National Geographic is high (25%) also compared to the main competitor, in this case discovery channel. This spontaneous awareness is particularly high for young adult people between 16 and 34 years old even though they are not actually buying the services. Actually, the research also highlights how are people that buy NGP products and services and it comes up they have an age of 44 on average.

NGP' main competitor is Focus, a magazine with a younger image and a larger consumer base about magazine and web site. As we will saw the new brand extension will face this problem trying to deal with new competitors.

From this brief analysis of the company we understand what the ultimate challenge is for National Geographic Brand, change, or better, broaden the rand image in order to attract a younger target and be perceived as younger brand.

To do that brand extensions are the fastest and strategically more power devices.

[15]http://www.premiomarketing.com/MTF//Content/caso/ALL_RicercadimercatoperNationalGeographic Marzo2017.Notorieteimmaginedelbrand.pdf

Throughout its history National Geographic has used this strategy continually, especially in the recent years and using brand licensing in particular. The brand has been able to diversify the offer to face the evolution of demand provoked by the advents of new media and technologies.

This evolution brought some side effects as the crisis of publishing, as we saw in the previous chapter, but also the possibility to exploit those brand characteristics that can produce a positive impact on the business. This strategy considers the probable evolution of the entertaining sector and to exploit the potential still unexpressed of the brand.

Today National Geographic is already present on the market with several brand extensions whipped up with different partners through brand licensing. The brand ensures almost 1 billion $ of revenue from the licensed product with 1.500 partner brands all over the world. In Italy in particular they have:

- Kids games and stuffed animals licensed to Venturelli, or other educational games produced by Bresser or Garlando.
- Puzzles Clementoni
- Small videogames focused on educational field produced by Mattel
- Any kind of apparel. From Jackets to swimsuits according to different partners like the north face and MC" Saint Barth.
- All types of accessories designed for photographers and travelers. From backpack to stands for cameras.
- Tours and events with tours adventures

As we can seen the offer of National geographic is pretty crowded and it is hard to find a new product able to stimulate the younger generation and face the evolution of the entertaining sector at the sometime.

Summarizing, the three sectors that can be taken take into consideration are:

1. Tourism,
2. Consumer Product
3. Digital

The new target audience will be Italian people aged under 35, and the objective of the new strategy are:

1. Consolidate the brand awareness within the new target
2. Augment the usage of National Geographic products in general
3. Rejuvenate the brand image

The brand aim to become a reference point for all those young teenagers who are care about special social theme like global worming waste food and ambient issues in general.

National Geographic is struggling against competitors that have a younger image and propose contents able to attract new generations to scientific theme. The challenge is to create a product that would be consistent to National Geographic values, profitable and able to enhance brand awareness among younger generation becoming a sort of reference point for themes like global worming and sustainability.

3.3 The New Strategy Proposal

Now it is the time to analyze National Geographic's offer in a critical light in order to delineate where the new product can be positioned. As Just seen in the previous section, National Geographic has three main products as source of revenues: the iconic magazine, the TV programs and the web site, which acts as an aggregator of other content and costumers' products.

Since our strategic main goal is to produce something attractive for the new generations can turns handily describe the target audience of each of their services or product.

Firstly, the magazine, is the product with the highest reputation, it is crucial because gives a sense of quality and authority to all other products. It ideal target audience is represented by a wealthy, adult man who have interest in scientific arguments.

Secondly, TV programs can be viewed only with a pay-tv account, so that the target audience is represented by people who are able to afford the monthly rate of the subscription. The audience is extremely multi-faceted but the joint action of new forms of entertaining and the specific theme of NatGeo contents, tend to send away the younger generation.

The main web-site is the aggregator of all the customer's product, which are a lot, but they do not have the right communication to be successful and so that it Is normal that younger generations not only do not buy them but also, they often do not even know about them.

Honorable mention deserves the National Geographic Social Media which are extremely successful and the easiest way to arrive to the younger generation.

Starting from this first analysis of the offer we can say that there is something that all products have in common: each of them exploit and use the extraordinary visual and narrative capabilities of National Geographic. So that, the we have found the first attributes that our product should base on:

1. The new product should exploit the narrative and visual capabilities of National Geographic.

That will be the first key attribute that will build our extension.

Another important corner point of the NGP's offer is that every product is consistent to at least one of the main values of the product. Nature, Global warming, scientific breakthrough and explorations are touch almost everywhere in the offer. It is obvious that those themes will be present in our brand extension as well.

2. The product will be consistent to National Geographic Values

That fact leads us to another key aspect of our future strategy: the marketing channels of the offer. Each product is strict related to his channel: for example, the magazine is a crucial asset and it is in a way isolated to the other products. Only social media can create a sense of uniformity among all the stimuli provided by the company, telling indistinctly all kind of stories.

The issues of creating a unified family of products perceived as natural extensions of the core brand is caused by a lack of communication among channels and the offer of publishing, for example, remain disconnect to the one for TV channel.

3. The new product should coordinate the various products and entertaining content in a unique value preposition, in order to increase the image and the consistent values of National Geographic as a total brand.

Lastly, we focus our attention to the new target audience of the new brand extension. We will talk about it later, but it useful to mention it now to be consistent to the previous three points of the strategy.

In order to create a unique identity in the users' mind and to create a reference point for theme like sustainability and the global warming battle it is reasonable design a product for those people that do not know the brand yet, in this way a unique image of the brand will take root.

4. The new target does not have in mind a defined image of National Geographic in order to crate a reference point in terms of global warming and sustainability

3.3.1 Identifying the Target Audience

Starting from the base of our new strategy project, identifying the right target audience become the starting point for designing the appropriate brand extension.

As we have previously pointed out there is a sort of loophole within National Geographic offer regarding the younger generation, so that we decided to exploit this gap offering our product to people between 13 to 20 tars old. At this age they need specific forms of entertainment tailored for their needs, but they are old enough to care about theme similar to National geographic one.

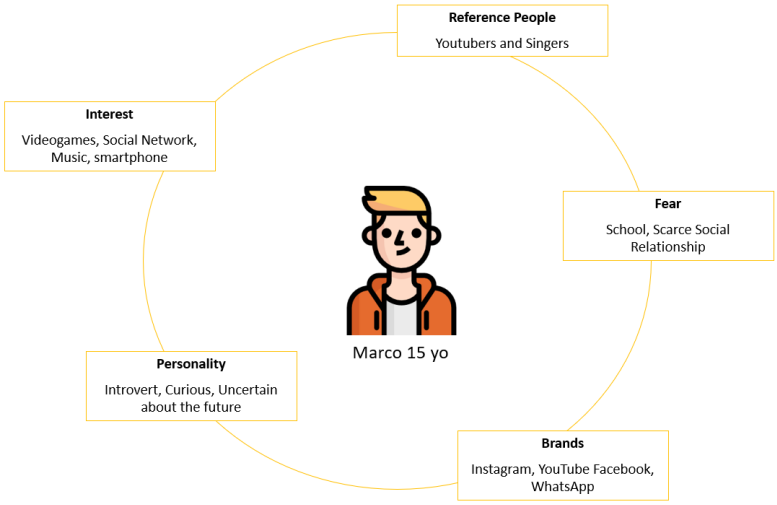
In order to exactly delineate the attributes of our marketing personas we have submitted a questionnaire to group and on-line communities. The results of this simple survey will allow us to fully understand the receivers of our product.

Nowadays, understand teenagers' needs and interests it is not easy but our product should be addressed to an audience with interests enough defined, tailored by very popular forms of entertainment as tv-series and movies.

1. They are teenagers who rely still on their parents with whom they have a constructive relationship and who are considered as their reference point together with popular public personalities.

2. Their troubles are focalized on school, both what concern grades and about classmates. It is also true that they are starting to deal with extra- scholastic problems
3. Technology and new media are their reference brand
4. They are mostly shy and introvert people with an inclination for discovery and creativity.

Figure 15 Target Audience (Personal Development)



After a deep analysis of the reference target and the strategy, we figured out a list of characteristics that allow us to create a product able to punch through teenagers' heart. The new brand extension should be able to entertain teenagers stimulating their curiosity, raise awareness about social theme without annoying, being able to give a 360° experience about the National Geographic Brand, exploiting a growing sector in order to ensure a riskless income, and finally the product should also exploit all the capabilities and the visual and narrative know how that National Geographic has developed throughout the years.

Our challenge is analyzing all the possible sector in order to find a market in which all these characteristics are met and that represent an innovative field for the company

3.3.2 The Videogame Sector

As some of you may remember, during the second chapter we analyzed how a brand with a strong reputation can design a successful brand extension that is low in fit to the parent brand. Since National geographic has a high brand reputation this strategy is the

one we have chosen to follow even if there is no other example of that within the entire set of extensions that the brand has already produce.

National Geographic is famous and known as a top brand in terms of magazines and TV Channels, so we need to find something far from these two main sectors to generate a sense of curiosity among the users and create genuine spillovers towards the parent brand.

As we saw we need to find a product that should be attractive for teenagers, able to raise the awareness towards specific social themes and it should be a sort of aggregator of national geographic contents.

Summarizing all these criteria we realized that there is only one product able to fulfill all of them and not loosing the National Geographic identity: an educational videogame.

Before analysis and designing all the aspects of the communication and marketing we e are going to analyze the situation of the video game sector in Italy during the last year.

According to the AESVI report 2017 videogames has had a turnover of about 1 billion Euro in the last year, that means a +8.2% compared to the previous year.

Software sector in general, digital plus physical, has known an overall increase of 11% mostly thanks the possibility of purchasing videogames in digital format (+32%). It is undeniable that people are more likely to buy videogame online instead of physical shops.

Always according to AESVI's research, 48% of the gamers plays at least 4 times a week, most likely with other people, on-line or off-line without distinction. Moreover, it has been identified that also the sector of "console" a known a rising in terms of units sold: +12% for what concern home console and +8,7% for "mobile" consoles.

Among all the videogames genre the one called Action Adventure is largely the most loved by Italians, in fact it covers more than the 30% of the entire market. It is clearly the most profitable and could represent a good genre for our videogames as brand extension.

During 2017 the majority of the Italian gamers are aged between 35 and 44 years old (22.4%) while our target identified represents the 7.2% (15-18 yo) plus the 12.9% (18-20 yo), so a reassuring 21%.

Speaking about a company like National Geographic and considering its particular philosophy, we should consider a particular niche within the videogame industries; the niche of educational videogames.

Educational Games or the so-called serious games are those games which have not entertainment has their primary goal. Their main aim is to rise awareness about particular social theme as can be global warming or poverty. For achieve its educational purpose the product uses basic game dynamics to stimulate players about a specific theme.

According to recent research (Ouariachi, Olvera-Lobo, & Gutiérrez-Perez, 2017) serious game can play a substantial importance in rising awareness about global warming. The researchers point their attention to this particular social issue, but they suggest the theory can be expanded to other social issues. Furthermore, they argue that so far, every method used to raise awareness younger generations around this theme have obtained scarce results and those methods need to be modernized.

As result of their analysis they state nevertheless the growing interests among this type of games, the sector is far from be mature. The so call "interactive generation" need communication channels tailored around their digital realties. Always from the article we can extrapolate the characteristics that educational entertainment should have:

- Raise awareness about the subject of the game;
- Create awareness about the results of our action as humans;
- Stimulate the development of the problem-idea process;
- Stimulate the change of habits.

Unfortunately, the majority of the serious games that are now in the market are individual games and social integration is often not requested.

No profit organizations have undertaken the path of serious game several time during the recent years. The most significant examples of educational games have been "Act in Your Consumption" created by a software developing company together with Greenpeace; Climate Challenge developed under the supervision of BBC and the famous "Fate the Word" born from the joint venture between Red Redemption Ldt and Oxford University.

In each of these videogames the plot and the game mechanisms are very similar: the protagonist of the story is decision- making unit (local or global) whose decisions will impact on the destiny of the community.

This type of serious game has been a popular brand extension especially in the years around 2010 but, excluded Fate the Word which had a discreet success, they have not a huge success due to a lack in communication and because they were hiding some side effects not tailored for the right audience. These games are characterized by some project issues:

- The graphics is not immersive, some times too simple and some times too chaotic, but always far from the market standards
- Game dynamics are always the same and often too manifest. In this way the user does not need to disclosure anything, so that the spontaneous gamers already know which the theme is and probably they are already familiar with it.
- Multiplayer, in most cases, is not supported and so attributes as the comparisons among players is limited.

Listing these problems, it is easily comparing them to how a new entrant like National Geographic can transform all these critical issues into strengths.

First of all, National Geographic has matured a huge library of stories and article that can be used to design an endearing entertaining product. Its scientific background is necessary in order to give to the game a solid and credible base. Raising awareness in the younger generations about theme like global warming and the social situation in Africa are corner stones of National Geographic values and there is no one product that can attract those people who have this sentiment still silent. Furthermore, National Geographic could ensure the multiplayer and a game in which the themes are not evident designing a plot that can entertain and arouse a sense of disclosure.

The real challenge for National Geographic will be realized a product capable to unify all its categories of contents that the firm provide everyday through its channels. We can think about this videogame as a path through a deep forest in which the player is going into. Along this path the teenager will moved by its curiosity and he will be guide by contents in order to stimulate his sensibility for distant cultures and learn how to preserve them.

Paradoxically, a young adult that has no idea of what National Geographic is the perfect target for “build” the user of tomorrow and for being able to become the reference brand for them.

3.2.3 The Ideal Partner

As we saw in the second chapter there are three main possibility to build a brand extension: develop the product in house, brand licensing and co-branding.

First, we need to discard the first option since National geographic has not specific capabilities in the field of software development; they will need a partner.

Since National Geographic started to undertake this strategy and growing its presence in the market through this strategy, the company has shown an interest for what concern brand licensing. As we mentioned this strategy hide some dangers in particular for the licensor regarding brand dilution, however it is enormously less dangerous compared to co-branding that entails also the risk and the cost of product development.

We can find the already some videogames throughout National Geographic history, but they are especially tailored for kids and made by partners specialized in such games. In those games there were not a real effort by the brand in designing something that could exploit its narrative and visual expertise.

So that, we need to find a counterpart with which design an entertaining and enjoyable videogame, in order to do that we suggest a co-branding strategy given that the process it is risky and will take a lot of resources.

The ideal partner should be one of the leaders within the videogame sector, be consistent with the values of the brand and also share some ideals with National Geographic to exploits during the communication phase.

Videogame industry is expanding during the last decades and it is extremely diverse, so that there are more than one company that meet all the criteria. In our analysis we considered:

Rockstar Game which believe in the philosophy to trying to produce always something new for the market. Its most famous series is Grand Theft Auto that alone have more than the 80% of the sales revenues, the company is one of the most influent players for action adventure games which involve both disclosure and curiosity.

Secondly, we considered **Bethesda**, a company famous for its games characterized by boundless world to explore and its gameplay visually satisfying.

Both companies are valid, but we realized they were not perfect for our purpose because we need a mindset more oriented to intercultural beliefs and with a more adequate portfolio.

For these reasons we considered **Ubisoft.** The company has not a single headquarter but different offices that allow the brand to be influenced by different cultures and become the perfect mix between variety and a unsuccess rate extremely low.

They develop a series of title very famous, just think about just dance, the Far Cry Saga or Assassin Creed. Almost every title became a huge success but is the latter that we want to take as a example, Assassin Creed.

After ten episodes, this saga has always been one of the most sold videogames of the year and that's because of its historical and enjoyable context. This game is the most relevant for our project due to the fact that Ubisoft has been able to create a entertaining game play using historical facts where action the main activity. It will be perfect if National Geographic will develop an entertaining game based on its visual and narrative skills and on Ubisoft's development skills. In this game the entertainment will not be the final purpose, but it will be a catalyst of cultural notions. A partnership with Ubisoft could benefit both brand in terms of image: National Geographic in this way can be rejuvenated by Ubisoft attributes and beliefs while the latter can obtain benefit from the authority of the other brand and enhance its identity.

Every co-branding strategy foresees a division of labor between, two parties and joining forces towards a common objective. National Geographic and Ubisoft should divide their efforts in the following way:

- National Geographic will be responsible for the plot and the marketing. That entails a good effort in reviewing all the content of the company in order to design a enjoyable plot that could be enhanced by the stunning NatGeo's visual contents. After the development the company will be in charge to promote the game through its channels and designing an impressive communication campaign

- On the other hand, Ubisoft will be responsible to the development of the game itself following Nation Geographic instructions and breaking sector entry barriers.

Having delineated the whole strategy, the sector and the partner with which it is now the time to define the product in its details. We will go through the next section analyzing the marketing mix of our new brand extension.

3.3 The Project Marketing Mix

All product development strategies come up with the design of the marketing mix at some point, and since in the previous section we define which mansion will National Geographic take

Premise: for all the projects of this section you can find a graphical mockup in the Appendix.

Figure 16 Videogame Cover Mock-Up (Personal Development)

3.3.1 Product, Price and Place

As repeatedly said the product protagonist of National geographic brand extension will be a console videogame. As such, it should have a predominant dose of entertainment but, at the same time, it needs to raise a critical sense and awareness to younger generation, about theme that National Geographic cares about.

Thinking about this videogame as a first chapter of a future saga, it should think about it as interconnected only to a single theme.

In order to explain how can be exploited the educational entertainment throughout the game, it can be useful a brief example.

First, we need to define the theme over whom we want raise awareness of and around which the plot will take place. Then we will define a brief plot in a way to covey all the National geographic content through the same channel.

- The “global warming” will be the theme over whom we want to build the plot.

About the plot we thought to set the story in a dystopian alternative future in which the living conditions are critical due to the global warming. The adventure begins when the protagonist joins a secret organization and he has been chosen as the only person who can save the planet, thanks to his capabilities. This organization will send him back in the past for changing all those decision and situations that lead the planet in such critical circumstances. The player will have the opportunity to choose his own path having the only objective to change the final situation. The protagonist will be fully customizable and every player around the word could interact with the others time travelers during the game; in this way we can create a raise of critical behaviors and thinking. In order to make everything more endearing we can think about an enemy organization with opposite purposes, and another element of advice that can be represented by National geographic itself. Throughout the gameplay the player will have the possibility to touch the real consequences that can have actions that we made every day. At the end of the first chapter the protagonist will be led to the dystopian future again where the issues have been resolved, but something else happens in the meantime and so we can lay the foundations for the next chapter of our saga.

- The main title will be "**Zetophos"**. This word born from the union of two Greek words: g zētô̂ (ζητῶ), which means "To find", and "phōs" (φως), which means "light". The title recalls the videogame's plot since the protagonists are send back in the past to "find" the "light" for the future. Moreover, recalling the ancient Greece gives to it an identity consistent to National Geographic.

Figure 17 Headline title (Personal Development)

Through the mean of videogames, we can expose what we think about educational entertaining. This concept lays on the fact that National Geographic could develop a product that teenagers can find actually enjoyable while raising their ability to reflect on what surround them.

Another corner stone of the game will be the contents. As previously pointed out the game can be a path in which the young player goes through. During this path a huge number of stimuli and "required passages" can follow one another by which the player can discover all the identities of National Geographic and enjoy editorial or visual content that the brand provided all over the years.

According a recent research carried out by Astra Ricerche for National Geographic Italia (2017), 81% of teenagers is interested about theme like waste and ambient. These teenagers do not have a real reference brand for what concern these themes, so that our product can become the reference point and become the medium by which talk a new way to intend the reality.

Beside contents, there are several more elements that need to be considered. There must be an open world in which the player can simulate the real life of an explorer and where find elements to complete the story. Multiplayer will be a core component as

well: the solo player will be able to finish only some of the missions provided while others will need a team in order to be finished.

We identify the global warming as the fist problem that the players should face but in the future chapter the enemy to defeat can be the social inequality or the massive amount garbage.

Furthermore, we though a connection to National Geographic store. The advancement during the game will lead the player collecting credits that he/she could spend inside the NatGeo Shop for buying products. That strategy will lead to an increase the affiliation of the players according to the degree of involvement within the game.

Figure 18 Educational Entertainment explained (Personal development)

The Price

Market of videogame is denominated by a huge variety of different products and, for this reason, can be a difficult process define a fair price for our videogame.

National geographic has a clear image, a strong identity and a reputation of accuracy, quality and authority. Because of that it has been always a premium positioning, in fact NatGeo product are often characterized by a premium price.

Popular videogame set a price range around 60/70 €, but prices vary according to launch date and if it is a special edition or not. Because of the high quality of the content and of the game play Zetophos can be compare to Assassin Creed and other title of action/adventure videogames. Likewise, other Ubisoft production it is reasonable think about price promotion and special offer based on events, particular occasions, or for example adding it to the purchase of a new console.

It should also be noticed that the price of the most famous videogame has not changed throughout recent years although the general quality of those game has increased enormously. The reason of this is that, in practice, companies have increased the in-game purchasing and merchandise in general to increase revenue stream.

National geographic new brand extension should follow this principle trying to design strategies able to increase the number of purchases within the game or inside the website.

The place

As we have just seen National Geographic should aim to increase the traffic on the web site, so the videogame should always be available on NationalGeographic.com. Due the collaboration with Ubisoft and the power of both brands the product should also be available in every physical and digital shop both retailer like Mediaword and Unieuro, and console-stores.

3.3.2 The Communication Strategy

Define a powerful and strong communication strategy, as we saw in the Chapter 2, is critical due to the fact our project is low in fit to the parent brand. Through the communication, the game should get the right identity in a way not to be in conflict with one of National Geographic.

The promotion of a videogame is usually something quite simple, but in our case we need to deal with some critical issues.

First, National Geographic is not a videogame distributor, so inside consumer's mind it does not have a clear positioning. Secondly the authoritative image of the brand can be an issue and focusing the communication to this point we could intercept the wrong target audience.

Lastly the balance between entertainment and education could be transparent also during the communication process.

In order to face these issues, we decided to focalize our attention on five main aspect of the Communication Mix. Advertising and event sponsorship will be supported by Guerrilla Marketing installations, so that the message could reach more people and become viral through social network.

Furthermore, we decided to create a claim for as a *fil rouge* of the campaign, that can be useful as hashtag in the social network. Our claim will be:

#SaveTheFuture

This claim will preset on every installation and manifests, not mentioning the videogame cover. The hashtag allows us to create a strong thematic link between National geographic identity and the dystopian plot of the videogame.

The communication strategy has been designed into two different ways, off line, that it is dividend in three steps in tur, and online.

The Off-line communication strategy is critical for promoting the message at 360° and maximize the market penetration. As mentioned the off-line strategy should be divided into thee main phases. [16]

- the fist phase entails a series of huge billboards in which we will show strong image about the global warming, like a "before and after" of a glacier or a barren wasteland. All the billboards should have a both the National Geographic and Ubisoft trademarks pasted on it. The billboards will be positioned on very popular streets. This fact will create a sense e of curiosity and could generate a positive word of mouth which can just transform into viral contents.
- The second phase entails the publication of another series of billboards with the claim "ora tocca a te" (it's your turn) together with the claim #savethefuture. These will be placed on busy roads, shopping mal and bus stops.
- The last step of the off-line communication should be a series of thematic events for the product paunch, which will be supported with Guerrilla Marketing. We will provide some stands in which people, using the virtual reality, will be completely immersed inside the dystopian future of the videogame, with a real microclimate warm and inhospitable.

  As pure forms of Guerrilla Marketing we thought about a huge billboard that recreate the landscape behind the billboard itself following the dystopian angle.

We have now reached the communication on-line, which will follow the same style of the off-line one.

[16] See the appendix for all the mockups.

Firstly, we should consider that National geographic has a huge on-line presence. Our strategy entails a series of targeted video by which create a progressive disclosure for the new product, so that we can create the right identity for the videogame, consistent to the NatGeo values.

In the beginning we started using video about global worming in general marked with the #SaveThefuture hashtag and starting to put together NatGeo and Ubisoft brands. Afterwards, reference to the videogame will become more persistent, until the that become the real promotion of the product. Concomitantly to the product launch, the most famous Italian videogame youtubers will be invited to an event similar to one illustrated within the off-line strategy. During the event will be given to them a copy of the game. Since our target use platform like YouTube massively, it should be easy catch them through online reviews.

About the main national geographic website, it will be provided a count down in order to create hype and the possibility to preorder the game. After the product launch will be created a new section of the website so that players could establish a community: a sort of forum where player may exchange opinions and advices.

A hybrid solution between online and off-line it is represented by the commercial on the sky pay-tv within the channels, National geographic, NatGeoWild and NatGeo People. In this case will be produce typical commercials focused on the ethical purpose of the game. That because they will target on the typical audience, 34/55 years old. This group will be the first receiver of the promotion on the thematic channels. This fact hides an opportunity if we consider that these adult users, with high income, have probably kids, and as parents they will give them a product that could be ethical and raise their sense of thinking. Just remembering that in Italy the majority of players have an average age between 20 and 40 so they can se e our product as something by which create connection and play with their sons.

The objective is to reduce the parents purchasing resistance who is normally against the massive videogame usage. In order to exploit this target fully, it can be reasonable think about a promotion that entails also the magazine subscription.

After having launched the videogame, it has been designed also a new communication strategy: a #SaveTheFutureContest. National Geographic will organize a contest around the videogame, whose prize will be a adventure trip in one of the location threatened

by the global warming. So that the young winner will have the opportunity to fully understand the problem and build a strong awareness about the real purpose of the game. A TV troupe will follow the protagonists during their trip recording all their adventures for a dedicated TV program. In this way it will create a vicious circle in which the audience of the videogame will grow and the National geographic will have new contents for their channel.

The "table 2" shows the projection of sales for the first three years after the launch of the product on the market. The figures have been designed by comparing similar videogame and markets. They are placed in this section just in order to an idea about the real market and possibilities of the product, but they do not be incurred by strong data analysis.

Table 2 "3 Years Sales Projections" (Personal Development)

Platform	Units Partition	**Year I** (units sold)	**Year II**	**Year III**
Xbox	35%	42,000	31,500	33,250
Playstation	45%	54,000	40,500	42,750
PC	20%	24,000	18,000	19,000
Total	100%	120,000	90,000	95,000

Before analysing the marketing cost projections, it is fundamental mentioned the total budget that the company will ensure for communications and marketing plans. The national Geographic will ensure budget of 500.000 € for each year.

"Table 3" describes the overall expenditure for the first year after the launch of the videogame on the market. The projections have been made considering the marketing costs just regarding Italy for the first year after launch, given that the project have been especially thought for the Italian market. Nevertheless, the videogame could be exported in different countries with the right adjustments.

Before analysing the marketing cost projections, it is fundamental mentioned the total budget that the company will ensure for communications and marketing plans. The national Geographic will ensure budget of 500.000 € for each year.

Table 3 “Marketing Costs Projections” (Personal Development)

	Costs	Details
Launch event	**€70.000,00**	Total cost location should be divided by two main events (Rome, Milan)
Location Rent	€ 20.000	Entails the rent of an exclusive location
Event general Organization	€ 50.000	All logistics equipment.
Fairs Participation	**€ 75.000,00**	For each event it has been calculated all the equipment for the dystopian stand
Milano Games Week	€ 30.000,00	3 days. Medium Price: € 250 al m^2 x $50m^2$+ sub fee + peoples for stands + equipment
Lucca Comics and Games	€ 25.000,00	5 days. Medium Price € 220 al m^2 x $30m^2$ + sub fee + people for stands + equipment
Comicon Napoli	€ 20.000,00	Price: € 200 per m^2 x $30m^2$ + sub fee + stand people + equipment
Billboard and Print	**€ 130.000,00**	Tot: 50 billboards + 10.000 poster + Guerrilla
Billboard(6x3)	€ 42.000,00	10 billboards in 5 Italian cities (Rome, Milan, Naples, Turin e Palermo) for a month.
Poster (1x0.5)	€ 55.000,00	100 posters in 100 Italian cities for a month.
Guerrilla Marketing	€ 33.000,00	Dystopian Stands and Billboards
Social and online	**€ 150.000,00**	1 moth coverage after the launch.
Facebook	€ 80.000,00	Post sponsored on National Geographic (#SaveTheFuture) + video sponsorization
Instagram	€ 40.000,00	Post sponsored on National Geographic (#SaveTheFuture) + video sponsorization
Adwords	€ 50.000,00	Related them and keywords (Videogame, ethical videogame, national geographic game)
Content sponsorship	**€ 30.000,00**	Creation of promotion material Video and Photo
TV Adv	**€ 0,00**	Using NatGeo channels inside auto promotion spaces.
TOTAL	**€ 455.000,00 (Budget 500.000,00)**	

3.4 Concluding Remarks about the Project

The project developed a co-branding strategy between two different companies: Ubisoft and National Geographic. The two firms will be involved together in the product development depending on their capabilities.

Both companies will face a sector different from those already experienced. A full videogame for console for National Geographic and an educational Game for Ubisoft. This choice can be considered extremely risky for a cost management point of view, but since both of the brands have a strong reputation and image they should experiment a low fit brand extension.

For National Geographic relying on an experienced partner will cover the company from the lack of the right experience needed to enter the new market (educational-videogame market), minimizing the entry barriers. The extension is thought to being able to generate profits by its own; earnings can rise from both royalty from licensing the brand and from the actual division of the profits as a consequence of the co-development strategy.

An ethical videogame will be consistent to National Geographic brand image and it will reinforce the awareness of the brand among a target audience that is not already covered by the company. Moreover, the new product, thanks for its nature of aggregator of contents (video, and audio) it will be able to leverage on any kind of National Geographic's contents (reportages, video, and pictures) in order to:

1. Build an interactive educational and entertaining plot for young players.
2. Raise the right image within players' mind about National geographic and its wide offer.

We are living in an always moving society, which is bombed by an enormous number of stimuli every day; kids, in particular, need a uniformity of messages in order to be guided as responsible citizens of tomorrow. Our videogame will give the chance to National Geographic to become the reference point for all those themes concerning global threats and environmental issues; designing the first real educational - videogame.

#SaveTheFuture

Conclusion

It is a matter of fact that every successful company is built on a strong brand. Due to the growing importance of communicating firms values and identity, the process of branding has been become more important now than ever before.

Globalization and the development of new technologies have led the competition up to another level: this is not the time in which people were used to buy only the items they needed no matter what logo was pasted on it. Together with markets, consumers are evolved as well and their relationship with product resemble the one among humans.

These interactions are extremely complicated, and it is crucial for companies treat them very carefully in order to prevent any form of resentment that could lead to the interruption of the relationship. Any decision, from the most irrelevant to the most significative, should be considered and evaluated according to the impact that those decisions have on how the brand is perceived (Malton, 2005).

Since the dawn of the economic enterprise, companies always seek to enlarge their turnover and overcome their opponents; due to all the transformations that occurred in the market this process has become increasingly difficult and risky. So that, companies developed a new promising strategy for minimizing the risk of new product development, reducing the cost of marketing for entering in a new market.

Brand extensions have met an increasing popularity due to their apparently facility to be managed and the ease to meet multiple players objectives. Nevertheless, managing properly brand extension is not an easy process as it seems and even though it has been written a lot throughout the recent decades we feel the need to create something that could go from a theoretical review to practice. In fact, this work would be the mix of all the knowledge that has been developed so far about branding and brand extensions together with a practical and realistic case project used as a test field for our ideas.

There is no a single method to exploit a company brand equity through a brand extension; a firm could develop a new product in house using their core capabilities or join forces with another company and make in place a new project able to satisfy both parties. Moreover, a company can undertake the way of brand licensing where the risk is lower but, on the other hand, the impact of the new product on the market as well.

The branding process, therefore, involves a series of managerial and economic issues that have a huge impact on the company's life. On one hand, brand Extensions can be considered as a way to conquer a much larger market share, but, on the other hand, also as a way to protect the company from other competitors.

By designing the new product for National Geographic, we deliberately selected a very ambitious project due to the fact we want to stress the opportunities on a realistic low fit extension for a high reputational brand, a topic that it has not been enough exploited. Communication and advertising play a crucial role within the extension game and they should be treated with the proper attention.

For what concern this aspect National Geographic never had an idyllic relationship with the communications of its extensions and so for this reason we design a huge communication plan that would benefit the entire brand. In fact, according to the results of this work and the review of the literature about the theme, the extension should be considered as a towing for all the company assets and as an opportunity to enhance brand awareness and brand equity (Chun et al., 2014).

It is undeniable that the practice of brand extensions has become a trend topic in a context economic denominated by changes in which globalization has reached its higher level; nevertheless, the collaborations between different companies have become more and more common (Lomi, 2012) and they give the perception of a new era in which firms can share knowledge and capabilities for common goals.

The aim of this work is reviewing the literature about how to design a successful brand extension, starting from the complex evolution and definition of the concept of branding, arriving to define the main strategies that could lead to a positive result. The complexity of the topic and the fuzziness of the environment in which companies work, make finding a general framework impossible. Nevertheless, this work would be a review of all the best practices and their implications in order to minimize the complexity and enhance their benefits.

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Appendix

Off-line and Online Communication Mock-ups

Figure 19 Billboard First communication Offline (Personal Development)

Figure 20 Subway Poster (Personal Development)

Figure 21 Buss-Stop Billboard (Personal Development)

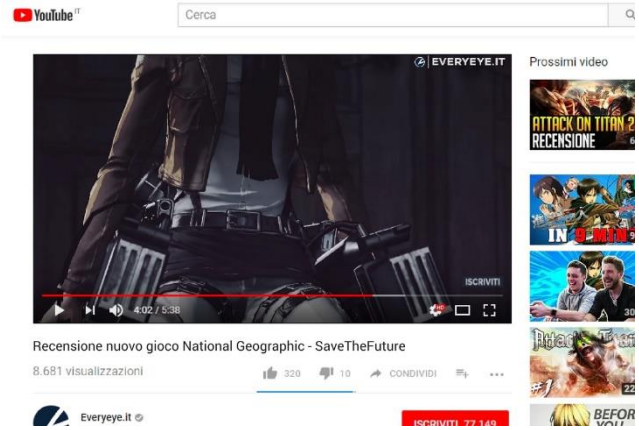

Figure 22 Influencer's YouTube Review (Personal Development)

Figure 23 Social Media Adv. (Personal Development)

Figure 24 Countdown on NationalGeographic.com (Personal Development)