

Model: Brand Dilution

Type of model: Brand model (structure model)
 Author(s): Rik Riezebos
 Domain: Brand Stretching

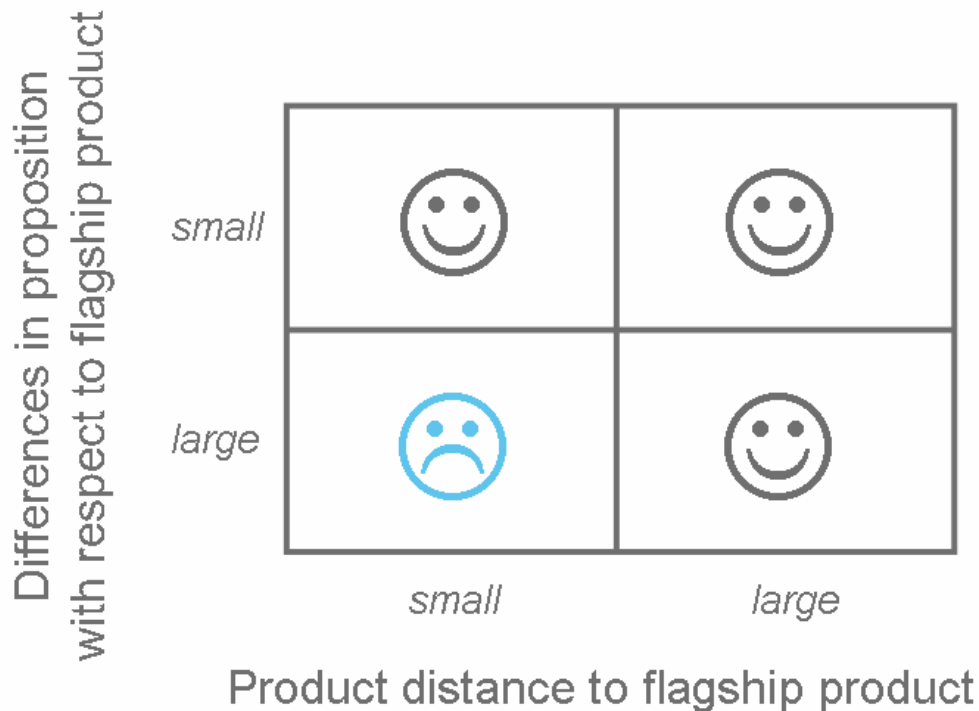


Figure 1: Rik Riezebos' brand dilution model

In his so-called *brand dilution model*, Riezebos identifies two dimensions that affect brand dilution. These are: (1) the (perceived) product distance to the flagship product and (2) the difference in proposition with respect to that flagship product. The term *flagship product* refers to the most stereotypical product of a certain brand. *Product distance* refers to the fact that consumers intuitively perceive small or large differences between products.

Consumers' brand image can be blurred and become vague when several extended products are launched carrying the same brand name. There is a risk that a brand name ceases to evoke specific (product) associations due to the presence of various extended products. Material brand image fading is referred to as *brand dilution*. Brand dilution is most concretely reflected in the moment consumers stop writing down the brand name on their shopping lists, and

instead write the product name (or even another brand name). Where consumers used to write Nivea on their shopping lists when they intended to buy skin cream, they will now probably write 'skin cream' or perhaps another brand name, because there are so many different products carrying the name Nivea.

The above could lead you to conclude that a brand loses its strength when it is slapped on two products that differ greatly from each other both in terms of their propositions and what they actually offer consumers. However, research has shown that differences in proposition only give rise to brand dilution when the perceived product distance is *small*. You might, for example, expect (cheap) Harley-Davidson aftershave to devalue the Harley-Davidson brand, but it actually turns out to hardly have any effect on the strength of the brand name, if at all, because consumers do not associate aftershave (the extended product in this case) with motorcycles (Harley-Davidson's flagship product). In other words, the product distance is too *large* here. The reason behind this phenomenon lies in the way consumers store information in their brains:

1. Bookkeeping: information relating to a brand is stored in one associative network around the brand name.
2. Subtyping: information relating to a brand is stored in two (or more) associative networks.

The basic principle here is that all brand information is stored in one associative network, unless:

- a. Consumers feel the products connected by a common brand name do not belong together (as in the abovementioned Harley-Davidson example);
- b. The advertising pressure exerted by different closely related products is so great that it leads consumers to create separate associative networks (such as in the case of Procter & Gamble, which runs ubiquitous advertising campaigns for both a laundry detergent and a washing-up liquid under the name Dreft in the Netherlands).

In short, we could say that the chances of brand dilution due to an extension strategy are greatly increased when:

- Product distance between the extended product and the flagship product is small (i.e. in the case of line extensions), and:
- The extended product's proposition differs from that of the flagship product.

Differences in proposition could include price differences, products based on different claims (in the case of laundry detergents: clean vs. fabric care) and different motivations for purchase (negative vs. positive). In the following, we will further flesh out the brand dilution model by way of the example of a Dutch

dairy brand whose launch of extended products was struck down by incompatible purchase motives; the Mona/Vifit case. The Brand Dilution Model was actually used in this case to counteract brand dilution.

The Mona/Vifit case

Mona is a dairy brand specializing in desserts that was introduced in 1970 and is currently owned by Dutch dairy giant Campina. Mona sought to position itself in consumers' minds as a dairy brand that was all about enjoying a taste sensation, with keywords being 'indulgence' and 'all you can eat'. In 1994, a new sub-brand was launched under the brand name Mona. The new addition to the Mona line, which was sub-branded Vifit, was a probiotic dairy product with added lactic acids. Two years later, this launch was followed by Mona Fysiq, a cholesterol-reducing dairy drink. And this new healthy range was topped off by the introduction of Mona Optimel, a fat-free yoghurt drink with no added sugar.



In the second half of the 1990s, the Mona brand consistently failed to generate sufficient growth (especially in the desserts segment). After the string of new product launches, the Mona brand had ended up selling dairy products in two categories: products with a positive purchase motive (tasty desserts) and products with a (slightly) negative purchase motive (Mona Vifit, Mona Fysiq and Mona Optimel for health-conscious and dieting consumers). The difference in proposition between these two categories was *large* coupled with a *small* product difference (after all, they were all dairy products). This situation made it harder for the Mona brand to credibly evoke the association with 'tasty' and 'indulgence' for its desserts; the brand had become diluted.

The solution Campina came up with to counter this dilution was to remove the Mona brand name from the products that people bought based on a negative motivation. In September 2001, Vifit was promoted from sub-brand to main brand, and no longer carried the Mona brand name. In March 2002, the Optimel brand was 'removed' from Mona to become a Vifit sub-brand, and was eventually released of its sub-brand status altogether to stand on its own two legs as the Optimel main brand (endorsed by Campina). After this 'carve out', the Mona brand refocused fully on the indulgent desserts brand; which was further reinforced by the introduction of the Mona Boordevol range in 2005, a range of creamy yoghurt-based desserts.

Reference(s)

Riezebos, R. (2002), *Merkenmanagement (theorie en toepassing van het ontwikkelen, beheren en beschermen van merken en merkenportfolio's)* [Brand management (theory and application of the development, management and protection of brands and brand portfolios)]. Wolters-Noordhoff, Groningen/ Stenfert Kroese. *

* : available from the EURIB library.