

LECTURE-31

Brand Portfolios and Market Segmentation

There can be a single brand portfolio or multiple brand portfolios. The companies decide courageously to create a new brand for its growth when the existing brand does not perform satisfactorily.

There is a wide variety of consumers in terms of their behavior, economic status, tastes, genders, age groups, and preferences. If the market segmentation is too diverse, it becomes hard for a single brand to meet the demand of maximum consumers. Thus, the main objective of creating a multi-brand portfolio is to meet the demands of the segmented market in a better way.

To avoid the conflicts with the existing brand and the market segment, the companies are inclined towards creating a new brand each time it ventures into a new market segment. A multi-brand portfolio covers large market segment and can stop entry of any new competitor in the market.

Key Rules of Managing Multi-Brand Portfolio

- Place and operate the brands within a portfolio with strong coordination.
- Set clear and precise charter and identity for each brand.
- Build strong brand architecture. Position the brands to increase their appropriateness and target market.
- Focus on a particular competitor for each brand.
- Keep corporate organization and brand portfolio matched.