MODULE 9 OF 11 · FOUNDATIONS OF MARKETING

Branding & Positioning

LEARNING OBJECTIVE

Define a brand, explain brand equity, and describe brand extension strategy.

KEY VOCABULARY

Brand | Brand identity | Brand equity | Brand extension

WHY THIS MATTERS

A strong brand is what lets a business charge more, keep customers longer, and launch new products more easily. This module explains how that value actually gets built and protected.

WARM-UP QUESTION

“Name a brand you trust more than its cheaper competitors — why?”

DISCUSSION QUESTION

Can a brand extension ever damage the original brand? Give an example if you can think of one.

DISCUSSION QUESTION

Is brand equity something only large companies can build, or can a small local business have it too?

Core Concepts

A brand is more than a product

A brand is the name, design and associations that distinguish a product from competitors — the meaning customers attach to it, not just its features.

Example: Two identical trainers from different brands can sell at very different prices, purely because of what each brand represents.

Brand equity is the value that meaning creates

Strong brand equity lets a business charge a premium, retain loyal customers, and launch new products more easily than an unknown competitor could.

Example: A well-known brand can launch a new flavour and get trial purchases just on trust, where an unknown brand would need to prove itself first.

Brand extension stretches that equity

A trusted brand name is applied to a new product category, borrowing existing trust and awareness — but it can also dilute or damage the brand if the fit is poor.

Example: A trusted outdoor-clothing brand launching camping tents fits naturally; the same brand launching perfume might feel like a stretch.

COMMON MISTAKE TO AVOID

Assuming brand equity is permanent — it has to be actively maintained, and a bad extension or scandal can damage it quickly.

Running the Lesson

TEACHING OUTLINE

1. Distinguish a brand from a product.
2. Introduce brand equity as the added value a strong brand creates.
3. Discuss brand extension, with examples of stretches that worked and ones that didn't.

CLASSROOM ACTIVITY

Students judge whether a familiar brand could successfully extend into a new product category, and explain why.

MINI CASE STUDY

A trusted local bakery brand extended into pre-packaged supermarket bread using the same name and logo — the extension worked because the fit felt natural (same product category, same quality promise), unlike a random unrelated extension might have.

RECAP

- A brand is the meaning and associations customers attach to a product, not just its features.
- Brand equity is the value that meaning creates — premium pricing, loyalty, easier launches.
- Brand extension borrows that equity for a new product, but only works when the fit feels natural.

HOMEWORK / EXTENSION

Judge whether a familiar brand could successfully extend into a new product category, and explain why or why not.

Full lesson & free auto-marked quiz: marketingteacher.com/courses/foundations-of-marketing/lessons/brand-strategy-and-brand-positioning/