

# Stelios and Telegraph will prove blinkered extensions don't work



**You need a brand to engage in an extension and easyGroup has no such thing**

Two stories from the cover of last week's *Marketing* demonstrated the continuing confusion exhibited by British business leaders when it comes to brand management.

EasyGroup announced that it plans to launch an easy4men range of male grooming products in 2005. The products are to be positioned as a no-frills range of male cosmetics. EasyJet founder Stelios Haji-Ioannou admitted that this was an unexpected brand extension, but pointed out that the range would be 40% cheaper than leading competitors such as Gillette.

Of course, there's no chance easy4men will be successful.

You need a brand to engage in a successful brand extension strategy and easyGroup has no such thing. It has an unusual business model built on a stripped-down product offering and dynamic pricing. It has an inspirational founder. It has a recognisable orange logo. But to enter new markets through extension takes more than brand awareness. A brand must also have brand equity in the form of positive, valuable and extendable brand associations.

Firms such as easyGroup and Ryanair have confused differentiation with branding. They have succeeded in a market, but that doesn't mean they have created powerful brands. The easyGroup move is what *Brand Stretch* author David Taylor calls "brand ego-tripping" – believing your brand is more powerful than it actually is.

*Marketing* also reported last week that *The Daily Telegraph* will soon launch a compact edition of its newspaper. The move was sparked by the successful launches of compact editions of *The Independent* and *The Times*. Both compact newspapers have increased market share at the expense of *The Guardian* and the *Telegraph*, which have retained their broadsheet formats. Telegraph Group managing director Hugo Drayton announced that a compact version of the *Telegraph* would be on sale within a few weeks.

Unfortunately, Drayton seems to be under the impression that what works for one newspaper will work for any other. Of course, it all depends on brands, not products. It's reasonable to expect *The Independent*, a younger, different and more contemporary newspaper brand, to make the transition to a new, more contemporary format. But *The Daily Telegraph* is a different brand altogether. It is tradition, it is conservatism, it is quality. It is all the things that a compact edition is not.

Ironically, Drayton could have taken a lesson from the other end of the political spectrum, where *The Guardian* has correctly recognised that its brand doesn't fit with the switch to compact form. Editor Alan Rusbridger explained: "*The Independent* is a better tabloid than it was a broadsheet. I don't think the same would be true of *The Guardian*. We won't go down the me-too route. We'll do something distinctive in our own time."

Brands are funny things. In the case of easyGroup, it will fail in a new market because it doesn't have a brand in the first place. In the case of *The Daily Telegraph*, its product innovation will fail because it does have a brand, but that brand doesn't fit with the new strategy.

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