

creating an additional brand creates demand!

With a dozen people becoming overnight millionaires from innovative ideas, it seems that every second person wants to follow suit and become the next moneymaking entrepreneur. From inventing new products to re-branding or expanding business services many business owners have tried to get rich quick.

In recent times, with the ease of setting up a new business, many small businesses have watched large corporations innovating and creating multiple brands, and in turn have stimulated small businesses to follow in search of additional sources of income.

Great ideas can come from anywhere but remember one brand stands for one thing. Creating a new brand from an existing one is hard and throws off consumers from your first brand. When any small business wants to expand and create a new brand it must stand apart from its older sister brand.

Ultimately a brand is a brand. With minor exceptions, a brand can only stand for one thing in the mind of our current and potential listeners, so lets make it easier for them to understand.

A current example in Sydney's market place is General Motors who are launching their successful European car brand, Opel within Australia. General Motors are hoping to tap into the Australian market with Opel due to Australia's love of European cars.

Opel will make its splash over 17 new dealerships with the return of the Astra, better known in Australia as the Holden Astra. The Opel brand will compete with the likes of other German small cars like Volkswagen.

The fact that Opel is introducing itself with the well-known Astra, even though with a mark up in price, is a smart move; because Opel is not a well-known brand in Australia but Astra is, therefore allowing Opel to tap into an Australian market for German small cars. This clear re-branding or creation of a brand via the Astra and separating it from Holden is the smartest way to be a successful car brand within Australia.

Creating a completely different brand name avoids the confusion.

If you want to expand your business and bring new services or products in, you need to create a new brand. Once your business has already built itself up you don't want to take away reputation from it; you may end up losing both your old brand and the new one at the same time.

It also allows your business to cross sell to its current clients

Having multiple brands is an advantage to you as a small business owner as you can create more cash flow by offering mores services to the one client.

How about a real estate business opening up a property valuation business? I would say most people wanting to sell a property would love their house independently valued at the same time (outside of the banks!!). How about a financier opening up a financial opening business? (With all the right legalities of course). What about a liquor store creating an online store for "half bottles"? (www.halfbottles.com.au) How about a carpenter creating a timber polishing business? I know once my joinery is complete I want someone to come and polish it!!

A new brand makes your original brand stay stronger

Creating new brands can be a natural progression for a business. If there is demand in a business or a gap that can be filled it's just another opportunity to expand as a business.

Some great examples are a residential property valuer opening up a commercial property valuation business or a plumber opening up a pipe locating business. Or how about a freight company opening up a company specialising in international art handling or a coffee wholesaler opening and brewing his own coffee. All new services and all new brands!

The possibilities are endless and are usually always right in front of you for the taking. Just remember, to be successful in creating a new brand and generate more cash flow you must create a new and separate brand. The new brand will not succeed if it has a sister that it will always be compared to. The brand must stand alone and mean something different in the eyes of the public. This is not only important for the new brand but also the existing brand as the new brand may weaken the positive reputation of the first brand.

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