

Strategic Brand Roles Create Post-Acquisition Advantage

When companies merge, retaining both the legacy and acquired brands often makes strategic sense, especially if each carries market value. But overlapping product portfolios can lead to confusion, internal competition, and missed growth opportunities. Product development becomes the key lever to differentiate and build complementary rather than conflicting brands over time. Five key steps are required to create market value.

1. Define Brand Roles Strategically

Establish distinct, complementary roles in the market. Consider:

- Deciding if one brand leads or if both operate independently.
- Aligning each brand to specific segments (e.g., industry, size, geography).
- Assigning each brand to an application or functional outcomes.

2. Audit & Rationalize

Eliminate duplication and identify gaps.

- Create a matrix of overlapping products and features.
- Look at customer adoption, growth rates, and profitability.
- Determine how loyal users are to each brand/product and why.

3. Develop Divergent Roadmaps

Evolve each brand's products to reinforce strategic differentiation.

- One brand may push new tech, while the other focuses on robustness and legacy integration.
- Target different industries or functional roles.
- Differentiate via routes to market; direct vs. indirect, enterprise sales vs. e-commerce.

4. Build & Communicate Brand-Specific Enhancements

Create features or services that are marketed to build identity over time. Consider:

- Reflecting each brand's tone and promise in user interface (UI) and/or user experience (UX)
- Offering unique capabilities aligned with each brand's strategic role.
- Creating value bundles that appeal to different buyer personas.

5. Track, Learn, and Adjust

Avoid brand cannibalization and evolve based on real-world outcomes.

- Track KPIs like cross-brand churn, segment share, and brand confusion.
- Use a product council or steering group to resolve portfolio conflicts as they arise.

Conclusion

Done well, product development becomes the engine that turns overlapping portfolios into a powerful, complementary, branded market presence.

If you believe that product launches are important to your organization and the sales growth you are seeking, then FL&A can help. Feel free to contact Stephen Martin at smartin@franklynn.com for further discussion.

