



Designing & Implementing Brand Architecture Strategies

Brand Architecture

Brand Strategy or **Brand Architecture** for a firm tells marketers which brand name, logos, symbols and so forth to apply to new and existing products

- ▶ We often distinguish branding strategies by whether a firm is or should be employing an umbrella corporate or family brand for all its products (As a branded house) or a collection of individual brands all with different names (House of brands)

Defines both the brand boundaries and brand complexity.

- ▶ Which different products should share the same brand name?
- ▶ How many variations of that brand name should we employ?

So in understandable terms...

- ▶ Brand architecture is the relationship between/among the company's product, services and divisions.
- ▶ A.k.a the public face of the brand offers



Brand architecture of a simple brand

- ▶ Basic rules of good brand architecture of a simple brand
- ▶ Empathize with the customers; organizing the portfolio based on the customer's demand
- ▶ Distill i.e remove everything that is unessential to the decision making process, leaving only those things that are critical
- ▶ Clarify i.e to use the tools at your disposal for marketing such as language, design etc to communicate those relationships clearly and simply

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Trade Networks



- ▶ Tide (tough cleaning job)
- ▶ Cheer (all temperature cleaning)
- ▶ Bold (fabric softener)
- ▶ Dash (concentrated powder)



House of Brands



Endorsed



Super Brand



Branded House

P&G



Marriott



Virgin

- Virgin Atlantic
- Virgin Mobile
- Virgin Megastore
- Virgin Books
- Virgin Wines
- Virgin Media
- Virgin America
- Virgin Healthcare

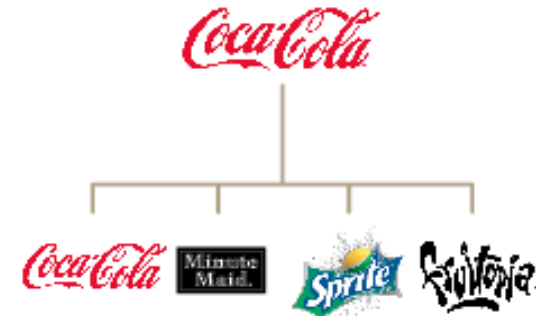
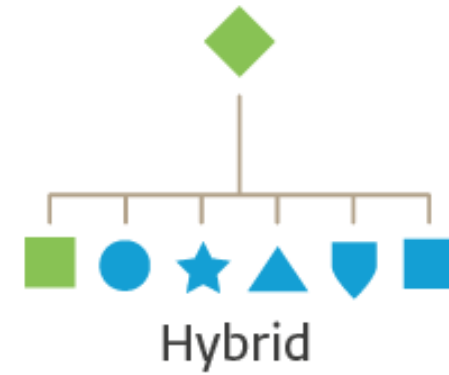
For illustrative purposes



Branded House: all sub-brands use the same master brand and only differentiate in their descriptions. Eg. Google



House of Brands: consist of various brands, each sub-brand operates independently and obtain separate market share and profits. Eg. Procter & Gamble



Hybrid: Some companies combine the two types mentioned above, such as Coca Cola and GE. This type enjoys the advantages of both; however it requires higher brand management standards and more resource inputs.

Dove Real Beauty Campaign



みなさまにHAPPYなお目覚めを。

AXE WAKE-UP SERVICE INC.

2008年
2月4日(月)
サービススタート!



夢のようなモーニングコールをおとどけます☆



Brand Architecture

The role of defining branding strategies and brand architecture is to:

1. **Clarify - Brand Awareness:** Improve the customers understanding and communicate the similarities and differences between individual products
2. **Motivate - Brand Image:** Maximize transfer of equity to/from the brand to individual products to improve trial and repeat purchase

The Brand-Product Matrix

Must define:

- ▶ **Brand-Product relationships (rows)**
 - ▶ Line and category extensions
- ▶ **Product-Brand relationships (columns)**
 - ▶ Brand portfolio

Brands

	Products			
	1	2	3	4
A				
B				
C				

The Brand-Product Matrix

The matrix has the brands of the firm as rows and the corresponding products as columns

- ▶ The rows of the matrix represent the brand-product relationships and capture the brand extension strategies (Line Extension & Category Extension) of the firm in terms of number and nature of the products sold under the firms different brands
- ▶ The columns of the matrix represent the brand portfolio strategy in terms of the number and nature of the brands to be marketed in each category.

The Brand-Product Matrix

- ▶ A **product line** is a group of products within a product category that are closely related because they function in a similar manner, are sold to the same customer groups, are marketed through the same type of outlets, or fall within given price ranges
- ▶ A product line may include different brands, or a single family brand or individual brand that has been line extended.
- ▶ A **product mix** is a set of all product lines and items that a particular seller makes available to buyers. Thus product lines represent different sets of columns in the brand - product matrix that in total make up the product mix
- ▶ A **brand mix** (brand portfolio) is the set of brand lines that a particular seller makes available to buyers

Breadth of a Branding Strategy

Being broad in scope.

- ▶ Carrying items in many different product categories.
- ▶ Offering several different types of service under one roof.
- ▶ This means that you try to offer everything a customer might want, even if it's only remotely related to your product or service offering.





Depth of Branding Strategy

This is the number and nature of different brands marketed in the product class sold by a firm.

- ▶ Why does a firm have multiple brands in the same product category?
 - ▶ Market coverage
 - ▶ Pursue different price segments, different channels of distribution, different geographic boundaries etc.
 - ▶ To create internal competition within the firm
 - ▶ To attract consumers seeking variety who may switch
 - ▶ To yield economies of scale in terms of merchandising, sales, advertising
- ▶ Poorly differentiated brands can also result in cannibalization
- ▶ Brands portfolio should cover all major market segments however minimize brand overlay



Yaris Corolla Previa LandCruiser Corolla Verso Aygo Prius Avensis

	Yaris	Corolla	Previa	LandCruiser	Corolla Verso	Aygo	Prius	Avensis	
Headlights									
-wide-open eyes	●	●		●	●	○	●	●	13
-three curves	●	●	○	●	●	●	●		13
Tail lights									
-wide-open eyes	●	●			○	○	○	●	9
-following contour of trunk hatch	●	●		●	●	●	●	●	14
Nose tip on hood		●	○		●	●	●	●	11
Large sloped windshield		○	●		●	●	●	○	10
Emblem as front bridge	○	●		●	●	●		○	10
Discreet shields	○	○	●				○	○	6
Hood line continuing	●	●		●	●			○	9
Door handles		●	●	●	●		●	●	12
Large, clean side surfaces	●	○	○		●	●	●	●	12
	14	19	9	12	19	14	16	16	

Designing a Brand Portfolio

Basic principles:

- ▶ Maximize market coverage so that no potential customers are being ignored
- ▶ Minimize brand overlap so that brands aren't competing among themselves to gain the same customer's approval

Brand Roles in the Portfolio

- ▶ Flankers
- ▶ Cash cows
- ▶ Low-end entry-level
- ▶ High-end prestige brands

Flankers or Fighters

A flanker brand is a new brand introduced into the market by a company that already has an established brand in the same product category.

The new brand is designed to compete in the category without damaging the existing item's market share by targeting a different group of consumers.



Flankers or Fighters

- ▶ These are protective brands with lesser profit margins
- ▶ These brands build strong points of parity with competing brands so that stronger brands can sustain their positioning
- ▶ Many firms are introducing discount brands as flankers to better compete with store brands or private labels and protect the high priced brand companions.
- ▶ Some firms are repositioning existing brands in their portfolio to play that role
- ▶ Fighter brands must not be so attractive that they take the sales away from their higher priced comparison brands
- ▶ At the same time if fighter brands are connected to other brands in the portfolio in ANY way, they must not be designed so cheaply that they reflect poorly on these other brands



TM

 TIME SQUARE Restaurant & Party Centre 15% on Lunch Buffet & 20% on Dinner Buffet Dhanmondi	 CREAM & FUDGE 10% on Total Bill Barani, Dhanmondi, JFP	 GLAZED THE DONUT EXTRAORDINAIRE 10% on Total Bill Gulshan, Dhanmondi	 my donuts 20% on Cake Dhanmondi
 spicy pizza 888 Buy 1 Large & Get one Small Pizza Narayanganj	 ORION FOOTWEAR 12% on Total Bill Gulshan, Barani, Bashundhara City, JFP, Wari, Mirpur, Hazrapara, Banasree, Jyhet, Chittagong	 ARTISAN OUTFITTERS LIMITED 10% on Total Bill Gulshan, Barani, Dhanmondi, Bally Road, JFP, Uttara, Chittagong	 AMIN JEWELLERS 35% on Diamond Jewellery Gulshan, Bashundhara City, JFP, New Market, Baitul Mukarram
 Rahmania Auto Workshop 10% on Total Service Charge (up to 5,000) Nilunja	 INTRACO CNG/LPG Conversion 15% on CNG Conversion 15% on Cylinder Re-festing Dhanmondi, Kuli, Savar, Bardhara (Re-test Only), Chittagong	 alvira's A Different Touch of Passion 20% on Total Bill (except hair color) Dhanmondi, Barani	 FunFest WHERE THE FUN NEVER SETS 20% on All Rides Cox's Bazar
 SATELLITE WORLD SEA SPORTS 20% on All Rides Cox's Bazar	 STAR CRUISES The Leading Cruise Line In Asia-Pacific 5% on Packages Liaison office at Barani	 GoBDgo.com BOOKS - TRAVEL - CHARITY 5% on Visa Services & International Air Ticket Barani	 SUNSHINE EXPRESS TRAVEL INC 5% on International & 2-4% on Domestic Air Ticket Paltan
 WASHOUT 15% on Total Bill Gulshan, Barani, Dhanmondi, Uttara, Barishaha, Niketon, Old Dhaka, Narshad + 13 Branches	 MULTI SPORTS THE FUTURE OF FITNESS 10% on Total Bill Tejgaon	 Sports World Established Since-1930 6% on Total Bill Gulshan, Dhanmondi, Barani, JFP, Cantonment, Gulistan	 Zaara Xeha fashions mall 10% on Total Bill Gulshan
 LAZZ PHARMA LTD. 5% on Total Bill & 15% on Sports Items Kalabagan, Panthapath, Uttara, Rupnagar Mirpur 1 & 10	 viand BANQUET/ASSERBLAGE 15% on Total Catering Bill or, 30% on Hall Rent Dhanmondi	 Arosh 20% on Total Bill Basundhara City, Bally Road	 CRYSTAL MOMENTS 20% on Total Bill Basundhara City

Cash Cows

- ▶ Sales may be decreasing however still have a considerable share
- ▶ Market is not growing, new products/brands are cannibalizing
 - ▶ i.e. Gillette still sells its older Trac 2, Atra and Sensor brands because withdrawing these brands may not result in consumers upgrading and also these brands still have a considerable sales volume to support the brand



Low-End, Entry-Level or High-End Prestige Brands

- ▶ Low-End/Entry Level brands are generally traffic builders
- ▶ They are not meant to be significantly profitable
- ▶ These brands reel in potential customers into the brand franchise
- ▶ These brands are the stepping stone to attract customers
- ▶ High end brands ensures maximum Customer Lifetime Value (CLV) by giving the option for customers to upgrade



ZARA

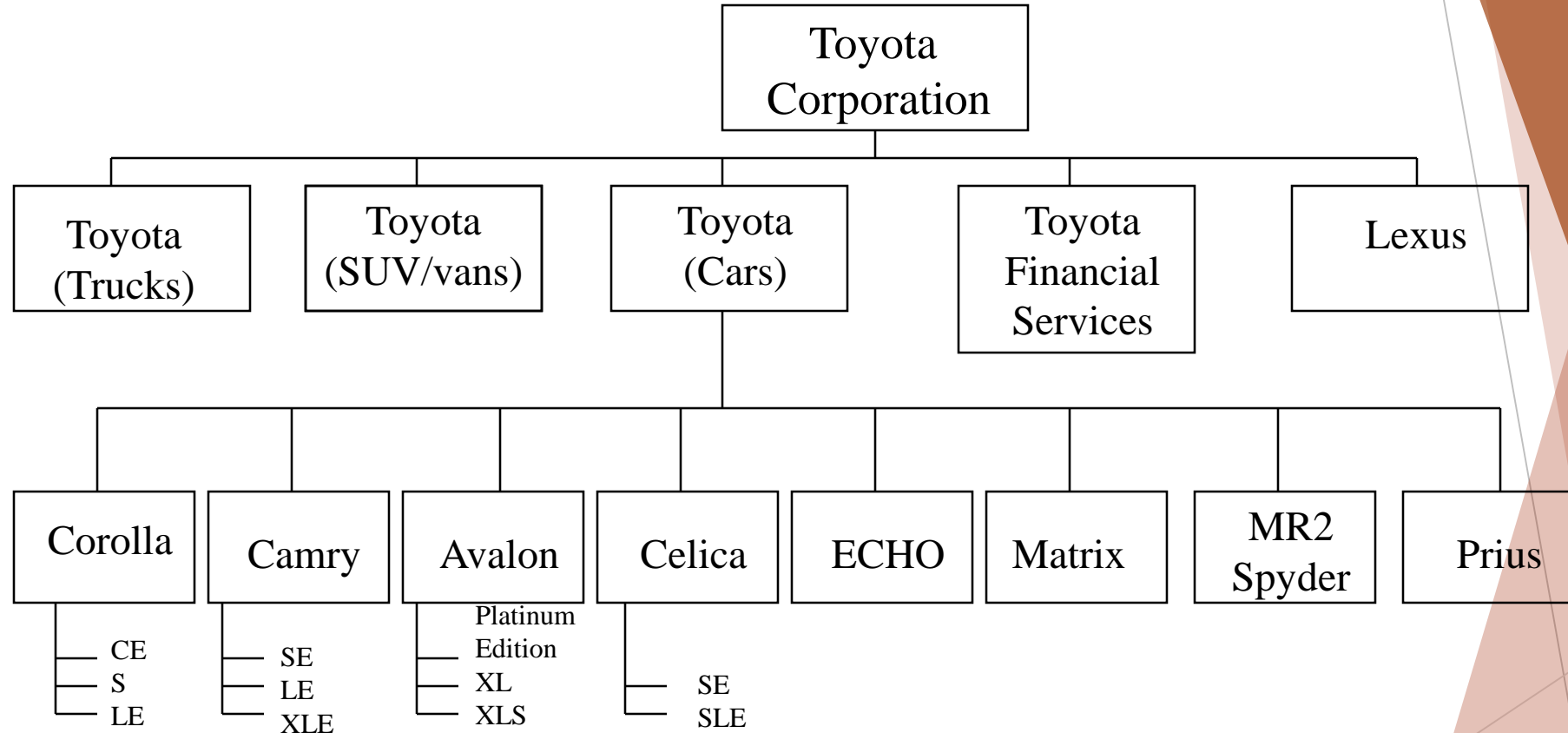


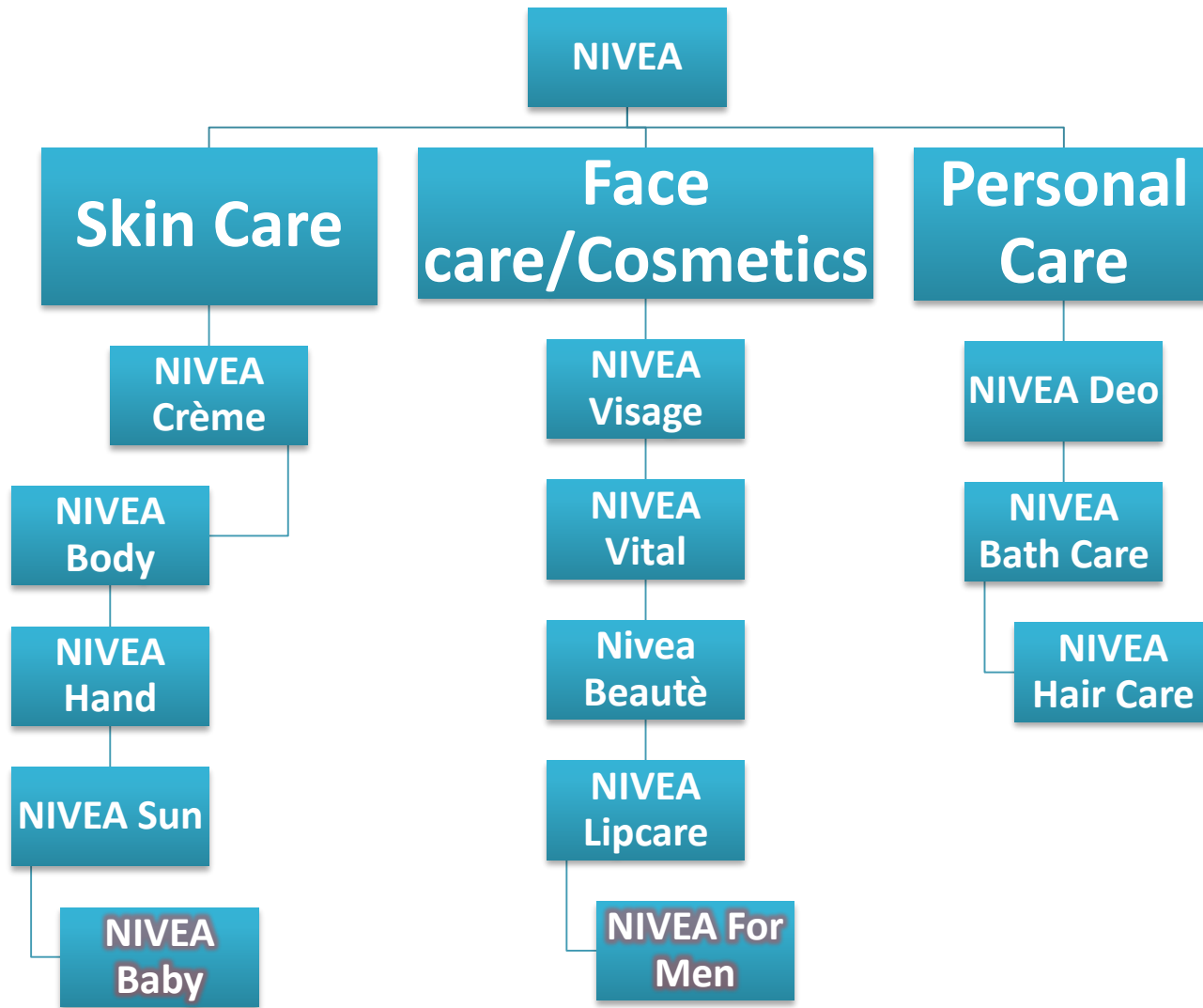
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Brand Hierarchy

- ▶ A means of summarizing the branding strategy by displaying the number and nature of common and distinctive brand elements across the firm's products, revealing the explicit ordering of brand elements
- ▶ A useful means of graphically portraying a firm's branding strategy

Brand Hierarchy Tree: Toyota





Brand Hierarchy Levels

Corporate Brand (General Motors)



Family Brand (Pran)



Individual Brand (Park Avenue)



Modifier: Item or Model (Ultra)

Corporate Brand

Corporate branding is the practice of using a company's name as a product brand name. It is an attempt to use corporate brand equity to create brand recognition.

▶ Example - IBM, Heinz, Hershey, Coca-Cola, etc....





Family Brands

When a group of products are given the same brand name i.e. different products of company are marketed under one brand name.

- ▶ Company level associations are less salient
- ▶ The cost of launching new products can be reduced through family branding
- ▶ The failure of one product may have adverse effects on the family brand
- ▶ The pro's and con's will determine whether a “Branded house” or a “House of brands” is the more appropriate strategy





Unilever



Individual Brands

Individual branding, also called individual product branding or multi branding. It is the marketing strategy of giving each product in a portfolio its own unique brand name.

- ▶ The advantage of individual branding is that each product has an image and identity that is unique.
- ▶ The disadvantage are difficulty, complexity & expense involved in developing separate marketing programs to build sufficient levels of brand equity.

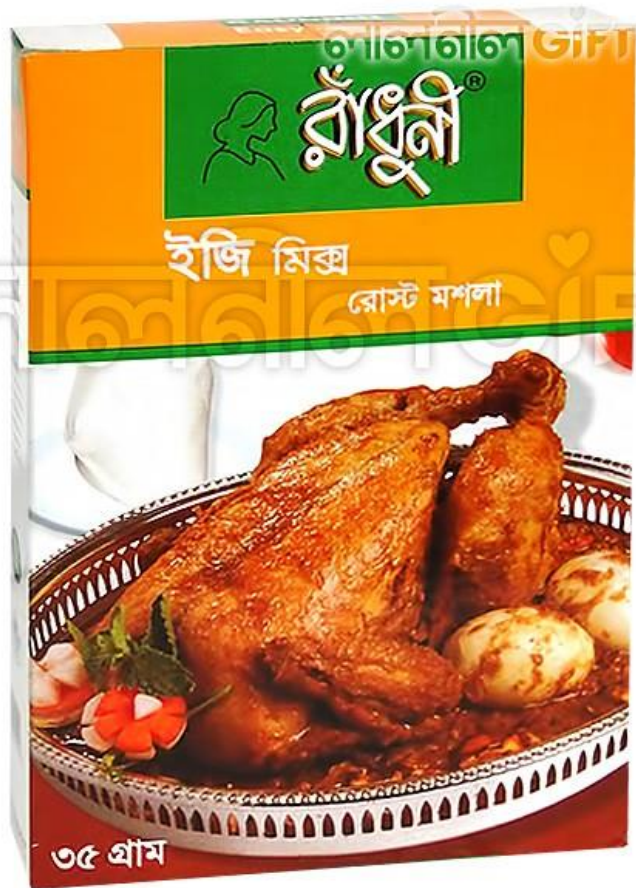
P&G



Modifiers

Modifier refers to word, phrase or clause that functions as an adjective or adverb to qualify the meaning of other word.

- ▶ **Regardless of whether corporate, family or individual brands are employed it is often necessary to further distinguish brand according to the different types of items or models involved.**
- ▶ **Modifiers help communicate how different products within a category that share the same brand name differs on one or more significant attributes or other in the same brand family**



Using Cause Marketing to Build Brand Equity

“Cause Related Marketing” or “Cause Marketing” is “the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue providing exchanges that satisfy organizational and individual objectives.”

Advantages of Cause Marketing

- ▶ Building brand awareness
- ▶ Enhancing brand image
- ▶ Establishing brand credibility
- ▶ Evoking brand feelings
- ▶ Creating a sense of brand community
- ▶ Eliciting brand engagement

Designing Cause Marketing Programs

- ▶ CSM is **not** only done through advertising
- ▶ Product development can also be done, i.e. develop a product purely associated with a cause, a % of sales go out to support this cause.
- ▶ Some brands position themselves around causes i.e. Women's Aid has been working with The Body Shop since 2004, as part of their long-running 'Stop Violence in the Home' campaign. The campaign aims to raise funds to develop projects that tackle the problem of domestic violence and raise awareness of the issue amongst their customers.

Green Marketing

A special case of cause marketing that is particularly concerned with the environment

Explosion of environmentally friendly products and marketing programs