

Brand Management
Professor Abhishek Kumar
Dept. Of Management
Army Institute of Management, Kolkata
Week - 06
Lecture – 27

Welcome to another lecture on this series called Brand Management. You would recall that in the previous lectures we have discussed brand extension and how a brand which is powerful, which is established and which enjoys certain reputation in the minds of the consumer can think of extending itself into another product category which is related or unrelated. Before that we have also looked at the role of brand managers and how they manage brands, what are the structures they create which helps them in managing and growing their brands. Before that of course we have started this whole series from a discussion on marketplace and on what really is a brand and how one helps the other which means how a brand or brands add color and value to marketplace and how marketplace becomes the site where brands can unfold themselves. They can rediscover their strength, they can realize their potential and cater to the needs and the fantasies of consumers. Today we are going to deal with something very interesting and this topic which is called brand architecture is a combination of two disciplines.

First discipline is brand which belongs to marketing and second discipline is architecture which belongs to arts and aesthetics. Now before we understand what is brand architecture, let us try and understand what is architecture. Now moment we think of architecture what comes to our mind is large buildings, maybe great temples, great bridges and if we look at something smaller it could be simple dwelling units like our flat, like our house, like our bungalows and so on. We can also think of our schools and colleges as architectural units because while they were being constructed due attention was perhaps paid or not or insufficient attention was paid to the architectural beauty of those structures.

So moment we think of architecture these are the images that come to our mind. Now if we look at it a little more in detail and a little more deeply we will understand that architecture is actually a dwelling unit, a place where ideas, people live and they live for a reasonably long period of time. So for example, if it is a house people live in the house for a reasonably long period even if you are a tenant in the house you will live there perhaps for a year or two. If it is your own house then either you will live or your tenants will live but you will continue to own that house for a reasonably long period. If it is a temple for example, then temples have a very long life, temples may survive for centuries and similarly buildings such as colleges, universities and so on so forth also survive for a long period of time.

So one aspect of architecture is dwelling that people live in those houses or in those structures and second aspect is that they live for a long period. So two characteristics one is dwelling and second is that it has a longer time span when we think of architecture. Third thing that we must think about or understand is that when people live in the house, when people live or people or if it is a house people, if it is a temple then gods and their devotees, if it is an academic institution then teachers and students and so on. So every structure will have its own users, a set of users and every structure therefore is created in such a manner that the people who use that structure are able to fulfill that purpose in a meaningful manner. Now let us look at a simple dwelling structure called a house.

A house where all of us live. Now what is the structure of a house of any house? The structure will be every house will have one or two or three bedrooms, it will have a dining hall, it will have a kitchen, it will have bathrooms, utility spaces, it will have living room, it may have a balcony and so on so forth. Now if you think of the relationship between these spaces. So is there a relationship between kitchen and dining hall? Yes there is a relationship. Is there a relationship between living room and dining hall? Again yes there is a relationship.

Then what is the relationship between bedroom and living room or bedroom and dining room or bedroom and bedrooms or living room and balcony or and so on so forth. So there are relationships that exist between these units within the house and these relationships are based on the life that people lead inside the dwelling unit. So in a family for example in a typical family you will have parents, you will have children, you may also have grandparents. Now all of them are in relationship to one another and the spatial configuration of the house will be such that these relationships find energy and intensity so that these relationships grow over a period of time. So what I am trying to say is that an architecture of a structure or the spatial layout of any architectural unit will have certain spaces, certain units and those units will be related to each other in the form of through some idea.

So for example in a family the idea is intimacy, idea is familial intimacy. So father and children, parents and children are related in a certain intimate relationship. So family, grandparents, extended family and so on. So what does architecture of a house preserve? What dwells in that architecture of a house? One is the relationship between the people who live in that house and also the idea of the family. So it is not just that the architecture preserves the family but it also preserves the idea of the family.

So both not only actual relationships are preserved but the idea, the ideal of a family is also preserved. Same thing if we extrapolate to other structures we will find similar

answers. For example, if we take a university, university structure should be such that it facilitates acquisition of knowledge, exploration of various subjects, exploration of the world and exploration of oneself. It also preserves the relationship between student and student, student and teacher, student and ideas and so on so forth. So what we have discussed so far is that an architecture has several characteristics.

First characteristic is that it is a physical structure. Second characteristic is it remains for a long period. Third thing is that it preserves relationships and that relationship could be many types but it preserves those relationships and finally it preserves the idea of that relationship also. It not only preserves but it energizes or it is expected to energize that idea of the relationship. Whether the relationship is intimate relationship within a family or relationship between a student and teacher or relationship between devotee and God.

So this is the purpose of architecture and if you see little closely you will see that the primary driver or the dominant driver of the architecture or meaningfulness of the architecture is who is the driver and driver you will see is in almost all cases idea. Idea of relationship, idea of dwelling, idea of preservation is the driver. So what is that idea? Who is that dominant driver? That is what drives architecture and that is what gives meaning to the architecture. So a temple is beautiful not because architecture is beautiful, temple is beautiful because the architecture presents the idea of the God, idea of this God that resides in the statue and that statue gives meaning to the architecture. So that is what I am trying to say that the idea is what one should focus on.

It is that idea which drives the architecture, drives the beauty, drives the utility and drives the dwelling. Now when we come to brand architecture what really are we saying? We are saying that just like architecture has structures, it has several units, brands also have several units. Let us take an example of say Tata. Now Tata is a big brand, all of us are familiar with Tata but moment I say Tata you will not stop with Tata, you will think of many brands which are under the fold of Tata which use the word Tata. So for example there is Tata steel, there is Tata salt, there is Tata coffee, there is Tata motors, there is Tata new and so on so forth.

So there is a large number of brands, there are a large number of brands that belong to the house of Tata and if we arrange them in a certain structure where there is a relationship between Tata and the subsequent brand, that relationship will, if that relationship is unfolded in a particular way that can be called brand architecture of Tata group. So there again we will have to look at not only the relationship but the idea that drives those relationships between Tata and its constituent brands. So this is what we study when we study brand architecture. Let us move forward. Now one is why do we need brand architecture that of course is a question and also this question arises because

today's brand manager faces a large number of challenges in the marketplace.

So how can brand architecture which we have just tried to understand, how can brand architecture function as a tool in the hands of brand manager to respond to the challenges of the marketplace. So let us look at the challenges that a brand manager faces. Now first challenge today he is facing is market fragmentation. Now what is market fragmentation? It means the same market which was earlier a unitary whole has now been fragmented into many parts. Now let us take a simple example of airline industry or any industry in this case airline industry because you can see the picture of Air India and Maharaja on the screen.

Now airline industry has several fragmented it is now fragmented into several parts one is a budget carrier and other is a luxury carrier. One is a domestic carrier second is an international carrier one is budget within budget also you have budget economy and you have budget luxury. So there are so many fragments within the airline industry. If we expand a little more we will see that it is not just airline it is also competing with railway railways industry because if it is a short distance or if it is say 8-10-hour journey which takes 8 to 10 hours by train people may prefer going by train rather than by air because nowadays at the airports, you are expected to reach 2 to 3 hours in advance and airports are generally far away from the city whereas railway stations are in the center of the city. So that is why airline industry is also competing against railways airline is also competing against the buses and many other ways for example now because of the COVID pandemic online interaction between people have become very easy and therefore people may avoid traveling all of us know that business travel has become very little because of COVID pandemic and companies are now allowing travel only when it is absolutely necessary.

So what I am trying to say is that brand manager is facing a large number of fragmentation within his product category and how can he respond because he belongs to one particular brand, one particular product category and to these challenges in the marketplace particularly market fragmentation which we are talking about how can he respond with these different fragments through his brand. So that is one challenge that the brand manager is facing. Second challenge that they are facing is channel dynamics. Now channels are also becoming more and more different and multiple. Earlier it was very simple a manufacturer will manufacture the product then product will move from manufacturer to stockist from stockist it will move to wholesaler from wholesaler it will go to retailer and from retailer the consumer will go and buy and consume.

So this was the conventional channel that everybody used but today there are several other channels which are available in the marketplace. Now you are selling your product

not just through retailer but you are also selling it through something called modern trade which means there are stores like Reliance Market like Spencer's like more where they take products straight from the manufacturer. It does not go the route of stockist and wholesaler and retailer. So modern trade is another channel which today's brand manager has to handle. Similarly another channel that has got developed now is online retail which means people are buying products through Amazon and Flipkart and platforms like that.

So a brand manager has to respond to this dynamics of channel distribution also and how a brand manager can respond with the help of the brands that he owns is something that he has to think about. Third thing is global realities. Now what is happening in US and what is happening in India is today not very unrelated. The technologies that are getting developed in US or in UK or France or Korea are also getting developed in India. They are not only getting developed they are also being used.

In some cases Indian companies are far swifter in using these technologies to make changes in the way consumers needs are satisfied. So a brand manager must understand global realities as well when he is responding to those challenges in the marketplace through his brands. Now all of these challenges exist and he is also under tremendous pressure to leverage his brand assets. So no matter which brand you own right now you are sitting on certain brand asset. Suppose you are in Air India you are a brand manager of Air India you can see that the brand asset of course is the Air India brand.

You can see this picture your brand asset is also a aeroplane or aircraft which has that sun at its tail so that image is also your strength. You can also see Maharaja logo that is also a brand asset that you own as a brand manager of Air India. If you look at if you extend your vision a little more you will see that it has the brand asset of Tata because now Tata has acquired Air India. It also has other brands in the airline portfolio for example Air Asia like Air India Express and like Vistara. So these are all brand assets that the brand manager of Air India is likely to own or does own and how he will respond to these challenges by working out a structure between all these brand assets and respond to these challenges.

So what will he do like all of us are hearing about Vistara and Air India getting merged. Why are they getting merged because there is a fit there is a relationship between Air India and Vistara. So how they will merge what is the new brand that will get created or will Vistara completely disappear inside Air India what will happen we are yet to see but when we take stock or when we decide these issues the discipline that we are working with is the discipline called brand architecture. So you have to create an architecture of brands within your company with which you will respond to the business challenges.

Let us move forward. Now as we have seen that new business realities have compelled brand managers to create new structures within their teams. So what they do because now they have so many I mean I have just given you an example of Air India. Now Air India has so many brands. Now what will you do with those brands and who will manage those brands. So what a brand manager does he creates complex and intricate brand teams.

So maybe one brand manager will deal with Maharaja and it will deal with the Rising Sun another brand manager will deal with the aircraft as a brand as the site of brand another brand manager will deal with perhaps the colors and so on. Third brand manager may deal with Vistara, fourth with Air Asia and they will see how their reporting will be managed so that these economies of scale can be leveraged and so on so forth. So this becomes necessary because all brand managers are nowadays dealing with multiple brands. Even Google when we look at the ubiquitous Google where all of us go to search for something we see that under Google itself there are so many brands. I have given this example under Google you can see Gmail is a brand Google Drive is a brand brand YouTube is a brand Google Maps is a brand G plus and Google Calendar.

These are all brands under Google itself and imagine if each one of them have a brand manager what kind of relationship they will have among themselves so that they not only grow their own brand but they also contribute to Google as the mother brand. Another aspect that all brand managers are being forced to create or they are thinking about creating is aggressive brand extensions. Now see we may not have thought of Gmail, Google Map, Google Drive as brand extension but they are actually brand extensions. They are of course product extension because Google is a search whereas Google Map may not exactly be a search or YouTube is a video. Similarly Calendar is a calendar but they are all related to Google.

So these are aggressive brand extensions that have been made by the brand manager in order to counter competitors and in order to leverage opportunities that exist in the marketplace. Similarly, what brand managers do is they create complex structure to involving sub brands and endorsed brands. So it is not just a brand that they work with they also have something called sub brands so this idea we will deal with in detail little later and endorsed brands. So they create this complex structure where they look at the varying intensity of relationship between the mother brand and the extended brand and then they call it either a sub brand or an endorsed brand. So all of this brand managers are creating so that they can respond to new and changing business realities in the marketplace.

So all of this they do and when they do this what happened was a new discipline got created and that the name of that new discipline was called brand architecture. So this is how the new discipline of brand architecture was created. Now let us move forward and see the definition of brand architecture. So brand architecture is a structure of the brand portfolio that specifies brand roles and the nature of relationships between brands. Now something similar we were talking about earlier that it is a structure of the brand portfolio.

So what we have to keep in mind is one there is a brand portfolio. A brand portfolio means what? It is a portfolio which has a number of brands. It is not one nor it is two it will be three or more than three. So that is when it will constitute a portfolio.

Then second a portfolio which has a structure. So it is not that randomly brands are strewn around the portfolio. They are organized in that portfolio in a certain structure. Something comes above, something comes below, something comes first, something comes last or later, something is more important, something is less important and so on so forth. So there is a structure in which brands are kept in the portfolio. Now that structure, the position that is assigned to brand in that portfolio depends on the role that the different brands are performing.

So some brand is a driver, some brand is a follower, some brand is just there, it is mere descriptor, some brand is making a promise and so on so forth. So all the brands in the portfolio, the way they are structured, they are structured around the role that they are performing in that portfolio. So it is important to understand when you are trying to study and apply brand architecture, you must think that there is a portfolio of brands and those brands in the portfolio are organized in a structure. They are placed at certain locations in a structure deliberately given the role that they are playing in the structure and then because they are playing certain role, there is a relationship between the brands within the portfolio. Just like a family where there is a relationship between father and mother and children and uncles and aunts and grandparents and so on and nature of relationships are different.

The nature, the relationship between mother and father is different from the relationship between parent and children. Similarly, the relationship that parents and children have is different from the relationship that grandparents have with their grandchildren. So it is important that a brand manager understands that brand architecture is nothing but a brand portfolio where the brands are organized in a structure basis on the basis of roles that they are playing and the relationships that they have between one another. Now if you can create a coherent brand architecture, what is the meaning of coherent brand architecture? It means these relationships are clear. It means the way the brands are positioned in the

portfolio

is

clear.

Anybody who looks at it are able to clearly see what is the relationship, what is the place, what role different brands are playing. If it is clear, then you can say that the brand architecture is coherent and if you are able to create a coherent brand architecture, what it can lead to is impact, clarity, synergy and leverage. What do all these words mean? Let us look at them one by one. Thank you very much.