

Brand Management
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Hello all welcome to this lecture on brand architecture which is a part of the lecture series on brand management. We have come a long way from the stage where we try to define what is a brand. We also saw how brand is structured or created on top of a product and then we saw various abstract concepts related to brand which means that several abstract layers were added to another abstract idea called brand and those abstract layers were concepts like brand personality, brand iceberg, brand identity and so on. Today let us stop and reflect on what really are we trying to do in this course. What need a brand satisfies in the marketplace? Of course, we have dealt with this question in different forms earlier. Today again we will look at the same question in another way.

Now, if we look at the marketplace it constitutes of buyers and sellers. Buyers are looking for solutions and sellers are the solution sellers. They have solution with them and they sell it to the buyers. Now, when we come to product when a product is created we decide or we know that product is a solution to the buyers needs, buyers requirements.

It is a concrete solution. So, when we say that I go to the market and buy a camera I get a concrete camera in my hand. So, whether it is Nikon or Rolta or Kodak that is that comes later, but first it is a concrete product which is handed over to me when I try to buy a product. So, product addresses a consumer's need in a concrete fashion. Now, when I say product it does not mean only a concrete product it also means a service.

Now, for example, we have discussed this solution or this product of a bank account or a savings bank account which is also a product, but it is presented in the form of a service. So, even that bank account is a concrete solution offered to the consumer for his needs for the satisfaction of his needs. Now, when we develop that the same product as a brand what kind of need are we satisfying. We have again discussed this question in many ways, but if we try to restate or articulate it again the brand which is created over an above product satisfied the need at the symbol level. Because a human being a consumer wants his need satisfaction or satisfaction of his need not just at the concrete level, but also at an abstract level.

This is the requirement not just from the level of the consumer, but it is also a requirement or a necessity from the level of the firm as well. Because in the at the level

of symbol the requirement or the need is infinite it is in exhausting you cannot finish it. For example, the need for my identity now can I ever say that my need for identity emphasis is completely fulfilled it is not possible because in every new situation my identity unfolds itself. So, the same way companies also look at such opportunities where they offer an unlimited solution a solution that cannot exhaust itself to the consumer. So, for example, I like going to Taj hotel.

Now why do I like going to Taj hotel because the brand Taj resonates with my identity. Now in that coupling in that consonance between my identity and the identity of Taj both discover themselves which means I discover my identity in that consumption of the services offered by Taj and Taj brand also discovers itself when it offers its services to me as a consumer. So, at the level of symbol solution is provided and solution is consumed. The most important part that you as a brand manager must keep in mind that at the level of a symbol at the level of a sign the consumption is inexhaustible or consumption is inexhaustible you cannot complete it you cannot exhaust it you cannot finish it and that is why you keep going back to it again and again and again and that is why the source of brand loyalty remains in that idea of a symbol or idea of a sign. So, this is something that all of us as brand managers must keep in mind that symbol provides an inexhaustible resource both to the consumer and to the firm.

This is the second level of solution the first level of solution was a concrete solution the second level of solution is a symbolic solution. The third level of solution which we are going to talk today or talk about today is brand architecture. We have been speaking about it in the last class and before we move further I would like you to think about brand architecture also as a solution. Now this solution is not at the product level nor it is at a symbol level. It is at the level of a structure.

Now what is this structural solution or solution in the form of a structure? Again let us refer to our discussion yesterday. Yesterday we discussed that the changes in the marketplace the ever more fragmentation of the market segments the changing channel dynamics the global realities and the pressure to leverage brand assets are making the brand manager realize that he has one more arsenal at his disposal and that arsenal is a group of brands that he has in his organization. Now this group of brands can be two or more than two because only if there are more than two brands you can create relationships between those brands and then express them in the form of a structure. So what a brand architecture does is if a brand manager is able to create a coherent brand architecture he or she can respond to the changes in the marketplace through that architecture through that architecture through that structure. So he is intervening at the marketplace structurally with a structure of brand with a portfolio of brand which is expressed in the form of a structure he is able to respond and in that response he is not

only able to provide solutions in the marketplace he is not only able to bring clarity to the minds of the consumers who suddenly realize that this is what they are actually looking for not only that but he also clarifies within his own organization and within his mind what which brand belongs to which category and therefore, how it should unfold itself how it should unfold its own strengths.

Now that is what we were that is what in my view is a structural solution. So through brand architecture brand managers are responding to the challenges at the marketplace in the form of a structure and brand architecture is that structure. So with this revisiting of the idea of brand architecture as a solution to the challenges in the marketplace and as a solution to consumers who are looking for a need satisfaction let us move forward. Yesterday we saw that in a popular article by Professor David Acker and Erik Joachim Stahler an idea of brand relationship spectrum was introduced and in this idea what they offer is four strategic brand architecture positions. Now if you look at this slide you see these four strategic positions of brand architecture and as you can see on two ends you have house of brands and branded house and in between you have two more options they are endorsed brands and sub brands.

Let us move forward the main contribution of this article was to create two options between house of brands and branded house and those two options are endorsed brands and sub brands and we also discussed this yesterday that these two options of brand sub brands and endorsed brands allow products or brands to stretch across a larger variety of products and markets it can address conflicting brand strategy needs and so on so forth. We have seen this yesterday so I am not going to repeat this today. Then we started our discussion yesterday on what really is a house of brands and within house of brands this article talks about two options. Those two options are house of brands in which two brands are not connected and in the second option two brands or within two brands one or the parent brand is a shadow endorser and for the shadow endorser for the unconnected brands we have given several examples in the previous class in for the shadow endorser we discussed the example of Toyota launching a brand called Lexus without really revealing the fact that it is Toyota which is behind this brand. So Toyota acted as a shadow endorser so not many people in the marketplace know that Lexus is actually by Toyota and therefore they were willing to pay a higher price for Lexus brand compared to a Toyota brand of car.

So now we can move forward and look at the second option that they have created both Professor Acker and Professor Joachim Stahler in the brand architecture continuum and the second option is that of endorsed brands. Now endorsed brands if we go by English language and the meaning of these the word endorsed or endorse it means that there is a brand which is endorsed by someone which is supported by another brand and because it

is endorsed by someone that someone who is endorsing is perhaps more powerful more popular more known have greater strength and that is why it can endorse another brand. So in the category of endorsed brands of brand architecture what we are saying is a bigger brand endorses or supports a smaller brand. Now here we see that this endorsement or this endorsing also happens in three ways you can see the options the options are token endorsement, linked name and strong endorsement. So as it is obvious within any situation you can do it in at a very high level you can do it at a mid level and you can do it for the name saying.

So these are the three options which also exist within this category of endorsed brands. Now in this example which you see on the slide it is a Polo Jeans company all of us know about this company called Polo this jeans called Polo and we also know that it comes from the brand Ralph Lauren. Now some of you might be aware that Ralph Lauren is a luxury designer brand and it is quite luxurious popular and expensive. So what in this case we are seeing is the brand is Polo jeans and where does it come from it comes from a company called Ralph Lauren. Now Ralph Lauren is a powerful brand is a known brand and it is an expensive brand.

So Ralph Lauren is saying that when you buy Polo jeans you are actually buying a product from the house of Ralph Lauren. So it is very strong endorsement Ralph Lauren is lending its name in the logo of Polo jeans and it is saying that it is from my house. So it is a strong endorsement and then the second point you see independent yet endorsed. So you look at the logo in the logo right at the top you have Polo jeans company and then you have the map the suggestion of a map of United States and then you it says Polo jeans established in 1967 quality goods etc. and then at the bottom it is written Polo Ralph Lauren since 1967.

So here what we see is Ralph Lauren is an organizational brand and Polo jeans is an independent brand yet it is an endorsed brand. So Polo is being endorsed by Ralph Lauren which is an organizational brand. So what really is happening here Ralph Lauren is providing credibility to the brand promise that Polo jeans is making to its customer. So when you buy Polo jeans you can be rest assured that it will have the quality of Ralph Lauren the quality that Ralph Lauren is known for. Of course it will be slightly distinguished because it is not exactly Ralph Lauren it is Polo jeans but it comes from the house of Ralph Lauren.

So this is the example of strong endorsement. Now let us go and look at another example of strong endorsement. We have been talking about examples of Taj and its brand architecture or extensions of its brand. Today we will look at something similar but another brand in the same category and this one is the brand of Marriott group of

hotels. Now you can see the brand architecture of Marriott hotels.

It starts at the topmost level where Ritz Carlton is an exquisite luxury hotel. Now in the Ritz Carlton category you will not even come to know that it is from the Marriott group. So perhaps Marriott thinks that if you assign Marriott name to Ritz Carlton people may not pay such a high amount per night or for that level of service. So they have kept it kept the brand Marriott away from Ritz Carlton. It is perhaps something like Toyota Lexus where Toyota has kept itself away.

From the second level which is JW Marriott or Renaissance you start seeing the appearance of the Marriott brand and then you have Marriott courtyard and then you have Marriott residences, town place, executive apartments and then you have Marriott Fairfield. Fairfield is a value hotel and courtyard is a quality destination hotel. So you see that here Marriott is strongly endorsing these brands which are available at different price points catering to different market segments. So this is an example at least some of them are the examples of strong endorsement where Marriott is the organization brand and Fairfield Inn or courtyard is a product brand. If you look at the fourth level which is JW Marriott hotels or Renaissance at this level Marriott itself becomes a product brand.

So you can keep this in mind that this kind of structure can be understood as strong endorsement by the organization brand of the product brand. Let us move forward. Now token endorser. What is a token endorser? As the meaning suggests it is token, it is just for the name sake. So GE, I mean you can see the example, two examples on this slide.

One is GE Bulbs and second is Ginger Hotels. Now remember GE is a very large organization and it sells a large number of products and services across board which often run into millions and billions of dollar. So bulb is a very small business for GE and yet GE has put its logo in the GE bulb packaging. So what is GE doing? It is endorsing the bulb brand or LED bulb in a token manner. So it is a token endorsement of GE bulb.

Similarly, Ginger hotel even though it comes from the Taj group of hotels and it is a hotel industry or it is a hotel business in which it is into yet it is been token endorsed by Tata. So Ginger whenever you see Ginger, you will perhaps see below somewhere written that it is a Tata enterprise. So it is a token endorser and then the third point which is a linked name. So we have seen example of strong endorsement which is Ralph Lauren endorsing Polo Jeans and Marriott hotels endorsing courtyard and Fairfield. We have also seen token endorsement done by GE and Tata for some of their businesses and now we see a linked name.

Now linked name means the parent brand gives a part of its name to the endorsed brand. So many of us know when we walk into McDonald restaurant, we see that there are brands like Chicken McNuggets or Chicken McPee and McPizza and so on. So what they are doing by using M the word the letters MC you do not have to have any separate communication saying that McPizza comes from the house of McDonald's. Everybody understands when you say MC or use the letters MC that comes from McDonald's into McPizza everybody understands what is its source. So this example is the example of a linked name in the brand architecture under the category endorsed brands.

Now let us move forward and let us look at the next category that was given in the article by these two professors and the next category is sub brands. So the next strategic position that we can take in the brand architecture continuum is sub brands. Now as the word sub brands indicate that we create a sub brand that is a kind of merger between the parent brand and one more brand which is an extended brand or a new brand which perhaps indicates a product category or a new value that the new brand brings to the table. Now within the position of sub brands there are two options. One option is a co-driver that of a co-driver and second is master brand as the driver.

Now what do you mean by driver? We have discussed this earlier also driver means a brand that is driving the purchase decision and a brand that is driving user experience or that is determining user experience. So when you go into a shop and make a purchase if you think about this purchase or this transaction that you have made and if you think about it a little more carefully analytically you can you may realize that the reason for you to make the purchase is either is the driver brand the brand which is driving the value that you hope to derive from the product or the service. So it is that brand which is driving your decision to make the purchase. So purchase and that purchase because it promises an experience a user experience. So please think about it that which brand in your brand architecture is the driver brand and particularly when we are talking of sub brands is in within sub brands you always have two a combination of two where in one case there are co-drivers which means both the brands in that coupling are driving the purchase decision and in the second one it is the master brand which is driving the purchase decision and user experience.

Now for the option of co-driver one good example is Gillette Mach 3. All of us know that Gillette Mach 3 is a shaving blade and a shaving razor. Now Gillette of course is a global brand it is a very powerful brand and it is known to all. Mach 3 is also an equally powerful brand because it stands for something, it stands for smooth shave, it stands for close shave and so on so forth. So when Gillette decided to create a sub brand called Gillette Mach 3 it did not realize what it is doing because as time progressed Mach 3 became as recognizable as Gillette itself.

So today we can call Gillette Mach 3 as a sub brand rather than Mach 3 being an extension of Gillette. Of course it is an extension but Mach 3 has become so powerful and so recognizable that today it can be called a sub brand of Gillette. So Gillette Mach 3 in total is actually a sub brand. In the second case master brand as driver the example that we see is HP desk jet printer. Now when you think of HP desk jet printer you know that it is about printer.

It is an inkjet printing or laser printing that largely inkjet printing that it is talking about and it comes from which house it comes from the house of HP or Gillette Maccard. So in this category of sub brand where we call it HP desk jet, desk jet is a mere descriptor. It just tells the consumer what it is and that is all because desk jet can also be inkjet printer from any other brand. So desk jet just serves the purpose of being a description or a descriptor whereas the moment you say HP desk jet then it becomes a printer from the house of HP.

So that is how sub brands can be created. In one case the sub brand has two drivers as co-drivers and in the second case you have master brand or the parent brand as the sole driver whereas the second part is serving merely as a descriptor. Let us move forward and come to branded house. Now if you remember the primary slide where we have introduced brand relationship spectrum you will see that there are four options house of brands, endorsed brands, sub brands and branded house. We have now reached the last part which is the branded house. Now branded house we have been talking about Tata group and in Tata a large part of brands are actually branded house.

Tata is an easy example for all of us who live in India because we are always surrounded by products and services offered by Tata group. But we will in this section of the lecture we will see a couple of more examples. Of course we will see Tata but in addition we will see a few more examples. Thank you very much. .