

Brand foundations and frameworks

Brand architecture is often discussed but little understood. Although it is one of the most important areas of business strategy and management, it rarely gets the focus or recognition it deserves.

The generally accepted definition of brand architecture is that it is an organising structure for how a company manages its brands. It specifies certain brand roles and the nature of relationships between brands.

For many companies, the first stage of creating brand architecture is simply to compose a document setting out a brand charter that provides relevant guidelines to the marketing managers. But true architecture needs to go much deeper to have a real impact on the bottom line.

Models of brand architecture

There are certain key types of brand architecture now used in firms across the world.

A house of brands: this involves a set of stand-alone brands and sub-brands, each maximising the parent firm's impact on a market. It clearly positions brands with functional benefits and attempts to dominate niche segments.

Within the house of brands, there are a number of subcategories:

Mother brand: The mother brand is the primary name and image for a company. It can then be stretched by sub-brands but remains the organisation's overall reference for all other brands or products.



Shadow endorsers: A shadow endorser brand is not connected visibly to the main or endorsed brand, but many consumers know about the link. This subcategory provides some of the advantages of having a known organisation backing the brand, while minimising any association contamination. The relationship between confectionery company

Cadbury and its organic brand Green & Black's is a good example.

Even when the brands are not visibly linked, the relationship makes a statement about each brand, especially when the link is discovered. It makes clear that the parent organisation realises that the shadow-endorsed brand represents a totally different product and market segment.



Token endorser brands: This is a portfolio of brands pulled together by the endorsement of a common organisation or body. The role of the token endorser is to provide some reassurance and credibility. An example is a logo such as the GE light bulb or The Soil Association mark on organic goods.



Linked brand names: This is where a name with common elements creates an implicit or implied endorser. For example, McDonald's prefaces its products with 'Mc', such as McNugget or McPotato. A linked name provides the benefits of a separate brand name without having to establish a second name from scratch and link it to a master brand.



But as well as the house of brands style of architecture, there is also another type of overarching strategy:

A house brand: A house brand uses one single master brand to span a set of product offerings and sub-brands. Any sub-brands do not have their own specific brands but merely have descriptive names to explain their function.

International expansion and consumer needs for reassurance about product quality and reliability are resulting in a shift toward this type of corporate endorsement of product brands. It helps to forge a global corporate identity for the firm and gathers its products under a worldwide umbrella – generating potential cost savings through promotion of the corporate brand rather than multiple independent product names.

Corporate endorsement of product-level brands is increasingly used as a mechanism to integrate brand structure across country markets. For example, Cadbury uses the Cadbury name on all its confectionery products alongside product brands such as Dairy Milk. Equally, a house brand is sometimes used on a product business worldwide. For example, Akzo Nobel places the Sikkens name on all its paint products.



Increasingly, new products and variants are launched under existing brand names to take advantage of their strength and consumer awareness. Mars, for example, has launched an ice-cream line as well as a soft drink under the Mars brand name. Cadbury's Milk Tray has been extended to desserts, leveraging the brand's association with 'creaminess'.

Strong international brands often have high visibility and are prime candidates for brand extensions, especially for entry into new and emerging markets

Research Brand architecture

such as Eastern Europe or China. In some cases, a well-known brand name is used on a product line which is marketed under another brand name elsewhere. For example, Nestlé's Maggi brand, used on sauces and seasonings, had high recognition in Eastern Europe and so was extended to other categories.

The brand architecture process

Stage one

A firm may choose to develop the 'brand as reference' for its first stage of the brand architecture process as competitive pressures require differentiation measures to help compete with other companies. This involves describing functional, utilitarian values as instrumental in making buying decisions because they enable consumers to reach higher levels of satisfaction derived from owning or using the object.

Stage two

This is where marketers may begin to shape their 'brand personalities'. This idea comes from the concept that in contemporary society, people value personal relationships. They appreciate an emotional connection. In terms of Maslow's hierarchy of needs, these brands are moving up the ladder from providing for basic needs to trying to communicate love, belonging and esteem.

It is important, however, for the firm to communicate this clearly to consumers. An example of this is Escudo anti-bacterial soap, which is a Latin American Procter & Gamble brand. It has been established by creating a personality for itself of a 'caring mother'; the firm has injected emotion into the product. It attempts to pull closer to the consumer through this bond that goes beyond functionality.

Stage three

After creating an appealing personality, the firm can then develop the 'brand as icon' for consumers to keep in the top of their minds. At this stage, the brand may be confident that it is 'owned' by customers. An example could be Marlboro cigarettes where ads depict the iconic, rugged cowboy representing 'a man standing against the odds'.

Similarly, Nike sports apparel has primary associations with Michael Jordan's

athletic prowess and secondary associations with teams such as the Chicago Bulls. The larger the number of associations that a brand creates, the greater is the 'network' in consumer's brand recall process. This helps strengthen the iconic stature of the marque.

Some of the processes seen in creating a successful brand using these stages can be seen in Figure 1 (below).

Stage four

The brand may now be described as a synonym to the company. As the 'brand equals the company', all stakeholders may now perceive the parent business and brand in the same fashion. The organisation must have integrated communications throughout all of its operations.

This is also the stage where communication should no longer be uni-directional. It needs to flow between the firm and the customer in both directions so a dialogue exists between the two.

An example is Ford cars seeking collaboration in the design process so that customers can customise the interiors of the cars. The customer now sees the Ford brand as the company rather than a product. Consumers are believed to react more strongly to communications

directly using a brand rather than those offering services with no branding.

Stage five

Few firms reach the fifth stage of the brand architecture, which is distinguished by an alignment of the company with ethical, social and political causes. Before moving into this stage, organisations have to consider both the risks and credibility of their brand as their company.

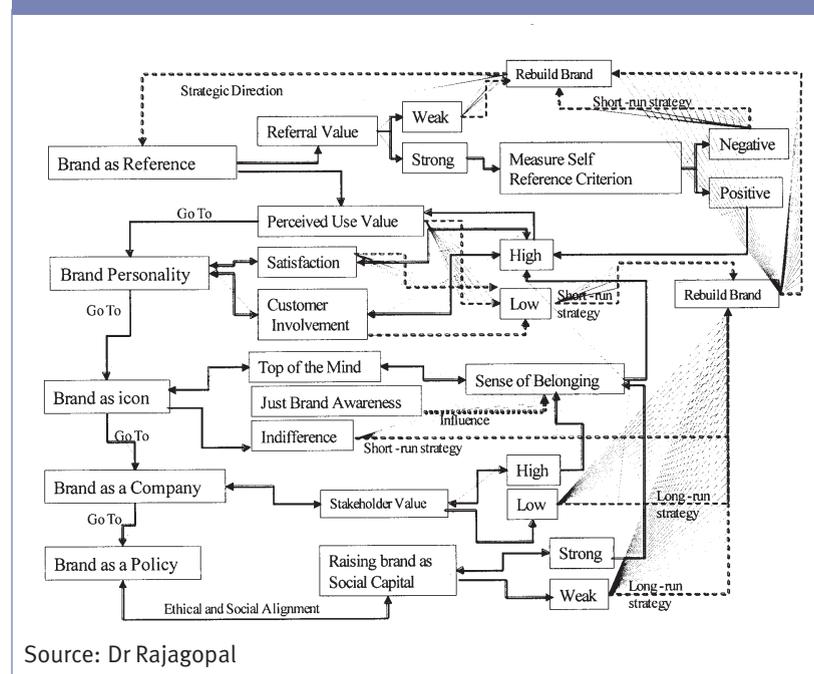
New brands can now enter the market at any stage of development as long as other companies have already laid the groundwork of consumer understanding so that customers can correctly interpret the new brand.

This is the stage where we meet French academic Kapferer's conceptual model of the brand. He indicates that brands have a physique, personality, culture, relationship, reflection and provide a self-image of the consumer. No brand can attain all these things without first passing through the above stages of development.

Brand architecture audit

Brand architecture is not a static framework. It needs to be monitored and modified continually. The systems in place

Figure 1: Brand architecture control process



Source: Dr Rajagopal

can help ensure that an individual brand is managed in a consistent fashion across multiple countries. But given the dynamic nature of international markets and changing competitive environments, the structure must be reviewed at least annually.

A brand architecture audit should be performed. This needs to take place on two levels. First, the degree to which individual strategic brands have adhered to established guidelines needs to be assessed. Second, the entire portfolio of brands has to be examined in terms of whether the overall brand architecture requires modification.

The first stage or 'compliance audit' may be defined as a bottom-up analysis of the individual brands that allows an assessment of how well each functions as part of the overall brand architecture of the firm. The key steps are:

- Collection of information that establishes how the brand has been used in each country where it is marketed.
- Assessment of any deviations from its established position in the structure and reasons why.
- Evaluation of the brand's performance.

Deviations are particularly interesting. They may suggest poor management of the brand globally or, more importantly, fundamental changes in the underlying market dynamics. In either case, there needs to be changes to improve management or modify the overall architecture. After this, the audit should culminate in a face-to-face meeting of key participants, including the brand custodian, to establish guidelines for the coming year.

The second phase of a strategic audit is conducted on multiple levels. Once brands have been assessed for their compliance to established guidelines, senior management needs to evaluate the overall structure of international brand architecture to determine the fit at different levels across multiple countries.

Again, a key factor is how the underlying drivers of brand architecture have

changed. In addition to market dynamics, an important consideration is how the firm itself has evolved, particularly with respect to acquisitions or market expansion initiatives. If the end result of the strategic audit is that the firm's brand architecture no longer fits underlying drivers, steps should be taken to revise systems so they reflect the new realities of the marketplace.

Managerial implications

Product markets change incredibly rapidly. Firms need to consider how to modify their architecture and look for opportunities to reduce the number of brands and improve efficiency. Focusing on only a limited number of strategic brands in international markets enables the firm to consolidate and strengthen its position and enhance brand power.

The brand architecture should provide a good framework for consolidation in order to reduce the number of brands and strengthen the role of individual brands. Brands that are acquired need to be merged into the existing structure, especially where these brands occupy similar market positions to those of existing marques. Equally, when the same or similar products are sold under different brand names or have a different positioning in each market, companies should explore how to harmonise these.

A balance needs to be struck between the extent to which brand names serve to differentiate product lines, or alternatively, establish a common identity across different products. Establishing strong and distinctive brand images for different product lines helps to create separate identities and lower risk of negative associations (for example between food and chemicals). Conversely, use of a common brand name consolidates effort and can produce synergies.

But whatever system of brand architecture that brands use, simply considering and auditing actions will shine light on a difficult area. It will be of critical importance for future researchers and practitioners to understand the increasingly complex variety of factors underlying and influencing the relationships between brands. ■

Suggested reading list for brand architecture

Authors: Craig, C. Samuel and Douglas, Susan P

Title: *Responding to the Challenges of Global Markets: Change, Complexity, Competition and Conscience*

Publisher: Columbia Journal of World Business, 31, 1996, 6-18.

Author: Keller, L Kevin

Title: *Strategic Brand Management – Building, Measuring and Managing Brand Equity*

Publisher: New Jersey: Prentice Hall, 2003, 409-411

Author: Kapferer, Jean-Noel

Title: *Strategic Brand Management*
Publisher: Second edition, London, Kogan Press, 2000, 125-140

Authors: Rajagopal and Sanchez R

Title: *Conceptual Analysis of Brand Architecture and Relations within Product Categories*

Publisher: Journal of Brand Management, 11 (3), (2004) pp 233-247

Authors: Sam Hill and Chris Lederer

Title: *The Infinite Asset – Managing Brands to Build New Value*

Publisher: Harvard Business School Press, Boston, 2001, 6-9

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