Commentary

Designing and implementing brand architecture strategies

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ABSTRACT **Given the importance of brands as intangible assets for organizations, the ability to strategically manage those brands is critical. A well-designed and well-implemented brand architecture strategy can provide a product roadmap to the future for a brand, clarifying where it can go and how it can get there. The brand architecture strategy of a firm determines which brand elements a firm should apply across new and existing products and services. It is virtually impossible to manage and maximize the value and equity of a brand without a clear, compelling brand architecture strategy, whether explicitly written down or not. Toward that goal, we outline a three-step process by which a firm can design and implement their brand architecture strategy. Throughout our discussion, we introduce key concepts, provide insights and guidelines, and offer illustrative examples.**

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INTRODUCTION

For long-term financial prosperity, the successful launch of new products and services is of paramount importance to firms. Firms must maximize brand equity across all the different brands and products and services they offer. The *brand architecture strategy* for a firm provides guidance as to which products and services a firm should introduce and how they should be branded in doing so.

Specifically, the brand architecture strategy determines which brand elements – brand names, logos, symbols and so forth – a firm should apply across new and existing products and services. Brand architecture strategy is critical because it is the means by which the firm can help consumers understand the products and services it offers and organize them in their minds. Brand architecture strategy defines both brand breadth or boundaries and brand depth or

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complexity. Which different products or services should share the same brand name? How many variations of that brand name should we employ? The role of brand architecture is twofold:

- *Clarify – Brand awareness*: Improve consumer understanding and communicate similarity and differences between individual products and services.
- *Motivate – Brand image*: Maximize transfer of equity to/from the brand to individual products and services to improve trial and repeat purchase.

Brand names may consist of multiple brand name elements (Volvo XC60) and may be applied across a range of products (Volvo cars and trucks). Many firms employ complex brand architecture strategies. What is the best way to characterize a firm's brand architecture strategy? What principle or guidelines exist to choose the right combinations of brand names and other brand elements to best manage brand equity across the entire range of a firm's products?

Developing a brand architecture strategy involves three key steps: (i) defining the potential of a brand in terms of the extent of its 'market footprint', (ii) identifying the types of product and service extensions that would allow a brand to achieve that potential and (iii) specifying the brand elements and positioning associated with the specific products and services associated with the brand. We next outline key considerations in each of these three steps.

STEP 1: DEFINING BRAND POTENTIAL

The first step in developing an architecture strategy is defining the brand potential. There are three important considerations in defining the potential of the brand: (i) articulating the brand vision; (ii) defining the brand boundaries; and (iii) crafting the brand positioning.

Articulating the brand vision

Brand vision is a point of view on the long-term potential of a brand. It is impacted by how well the firm is able to recognize the current equity of the brand, as well its possible future brand equity. Many brands have latent brand equity that is never realized because of the inability or unwillingness of a firm to consider what the brand could and should become in the broadest sense.

There are numerous examples of brands that have transcended their initial market boundaries to become much more. Waste Management has a goal of transforming itself from a 'trash company' to a 'one-stop green environmental services shop' that does a lot more than just collect and dispose of garbage. Their new tag line 'Think Green' signals the new direction they are taking to find ways to extract value from the waste stream through materials recover facilities that enable 'single-stream recycling' (Gunther, 2010). Google is clearly in the process of being much more than a search engine as it offers more and more services.

A brand that has already transcended its traditional boundaries is Crayola. Crayola, known for its crayons, first sought to expand its brand meaning by making some fairly direct brand extensions into other drawing and coloring implements, such as markers, pencils, paints, pens, brushes and chalk. The company has further expanded the brand beyond coloring and drawing into arts and crafts with extensions, such as Crayola Chalk, Crayola Clay, Crayola Dough, Crayola Glitter Glue and Crayola Scissors. These extensions established a new brand meaning for Crayola as 'colorful arts and crafts for kids.'

Without a clear understanding of the current equity of a brand, however, it is difficult to understand what the brand could be built on. A good brand vision has both a

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'foot in the present' and a 'foot in the future'. Brand vision obviously needs to be aspirational so that the brand has room to grow and improve in the future. Yet, at the same time, the vision cannot be so removed from the current brand reality that it is essentially unobtainable. The trick in developing a brand vision is to strike the right balance between what the brand is and what it could become and to define the right series of steps to get it there.

Fundamentally, brand vision relates to the 'higher-order purpose' of the brand based on keen consumer and customer understanding. Anchored in consumer aspirations and brand truths, the vision of a brand transcends its physical product category descriptions and boundaries. P&G's legendary former CMO Jim Stengel (2011) maintains that successful brands have clear 'ideals' – such as 'eliciting joy, enabling connection, inspiring exploration, evoking pride or impacting society' – and a strong purpose to build customer loyalty and drive revenue growth (Neff, 2012; WARC, 2012). Keller and Lehmann (2009) offer a comprehensive framework of how firms can maximize the long-term value of a brand according to a vision of its potential (Keller and Aaker, 1992; Raggio and Leone, 2007; Bahadir *et al*, 2008; Damoiseau *et al*, 2011).

Defining the brand boundaries

Some of the world's strongest brands have been stretched across multiple categories, for example, GE, Virgin and Apple. Defining brand boundaries involve deciding, based on the brand vision and positioning, the products or services the brand should offer, the benefits it should supply and the needs it should satisfy.

Although many product categories may seem to be good candidates for an extension for a brand, marketers would be wise to heed the 'Spandex Rule' espoused by Scott Bedbury (2002), former VP-Advertising for Nike and VP-Marketing for Starbucks: 'Just because you can … doesn't mean you should!' Marketers must evaluate extending their brands carefully and only launch new products selectively.

A 'broad' brand is one with an abstract positioning that is able to support a higher order promise that is relevant in multiple product settings. It often has a transferable point-of-difference (POD) because of a widely relevant benefit supported by multiple reasons to believe or supporting attributes. For example, Nivea has transferred its abstract brand associations of 'mild', 'gentle', 'caring' and 'protective' to a broad range of skin care and personal care product categories where those benefits are relevant. Delta has taken its core brand associations of 'stylish' and 'innovative' and successfully expanded the brand from faucets to a variety of kitchen and bathroom products and accessories.

Nevertheless, all brands have boundaries. Although Delta has been extended across a range of products, it would be very difficult for the brand to introduce a car, tennis racquet or lawnmower. Japanese carmakers Honda, Nissan and Toyota chose to introduce their luxury brands in North America under new brand names, Acura, Infiniti and Lexus, respectively. VW found it difficult to enter the American luxury market in 2002 with its US$85 000 VW Phateon sedan. Despite having invested development costs exceeding $1.3 billion, the brand was pulled from the market in 2006 (Automotive News Europe, 2010; Newmark, 2010).

To improve market coverage, companies employ multiple brands in a brand portfolio in a category to target different market segments. Companies have to be careful to not over brand, however, and attempt to support too many brands. The trend in recent years by many top marketing companies is to focus on fewer, stronger brands. Each brand should be clearly differentiated and appealing to a sizable enough market segment to justify its marketing and production costs.

The hallmark of a well-designed brand portfolio is the ability of each brand to maximize equity in combination with all the other brands in the portfolio. Marketers generally need to trade off market coverage with costs and profitability. If they can increase profits by dropping brands, a portfolio is too big; if they can increase profits by adding brands, it is not big enough.

There are many different considerations in developing a brand portfolio that extend beyond the scope of this article. The most basic principle in designing a brand portfolio is to maximize market coverage so no potential customers are being ignored, but minimize brand overlap so brands are not competing for customer approval. For example, Unilever, partnering with PepsiCo, sells four distinct brands of ready-to-drink iced tea. Brisk Iced Tea is an 'on ramp' brand that is an entry point and a 'flavor-forward' value brand; Lipton Iced Tea is a mainstream brand with an appealing blend of flavor and tea; Lipton Pure Leaf Iced Tea is premium and 'tea-forward' for tea purists; and Tazo is a super-premium, niche brand (Elliott, 2013).

Crafting the brand positioning

Brand positioning puts some specificity into a brand vision. Positioning is the act of designing the company's offering and image to occupy a distinctive place in the minds of the target market. Positioning a new brand requires that similarities and differences between brands be defined and communicated.

There are four key components to a superior competitive positioning: (i) a *competitive frame of reference* in terms of the target market and nature of competition; (ii) the *points-of-difference* (PODs) in terms of strong, favorable and unique brand associations; (iii) the *points-of-parity* (POPs) in terms of brand associations that negate any weaknesses or existing or potential PODs by competitors; and (iv) a *brand mantra* that summarizes the essence of the brand and key PODs in three-to-five words.

The competitive frame of reference defines which other brands a brand competes with and therefore which brands should be the focus of analysis and study. A good starting point in defining a competitive frame of reference for brand positioning is to determine the products or sets of products with which a brand competes and which function as close substitutes. For a brand with explicit growth intentions to enter new markets, a broader or maybe even more aspirational competitive frame may be necessary to reflect possible future competitors.

PODs are strong, favorable and unique brand associations. In other words, they are attributes or benefits consumers strongly associate with a brand, positively evaluate and believe they could not find to the same extent with a competitive brand. Examples in the automobile market are Volvo (*safety*), Toyota (*quality and dependability*) and Mercedes-Benz (*quality and prestige*). There are three key criteria that determine whether or not a brand association can truly function as a POD:

- *Desirable to consumer*: The brand association must be seen as important and personally relevant to consumers as well as believable and credible.
- *Deliverable by the company*: The company must have the internal resources and commitment to be able to actually feasibly and profitably create and maintain the brand association in the minds of consumers. Ideally, the brand association would be preemptive, defensible and difficult to attack.
- *Differentiating from competitors*: Finally, the brand association must be seen by consumers as distinctive and superior compared with relevant competitors.

POPs, on the other hand, are associations that are not necessarily unique to the brand

but may in fact be shared with other brands. These types of associations come in three basic forms: category, competitive, and correlational.

- *Category POPs* are associations that consumers view as essential to a legitimate and credible offering within a certain product or service category. In other words, they represent necessary – but not sufficient – conditions for brand choice.
- *Competitive POPs* are designed to negate competitors' PODs – areas where other brands are perceived more favorably.
- *Correlational POPs* reflects the fact that to some consumers, 'if you are good at one thing, you must be bad at something else'. Inverse product relationships in the minds of consumers are pervasive across many categories. For example, it might be difficult for consumers to see a brand as 'inexpensive' and, at the same time, assert that it is 'of the highest quality'.

Regardless of the particular type of POP, if a brand can 'break even' in the eyes of consumers in those areas where the brand is weak or where competitors are trying to find an advantage *and* can achieve advantages in other areas, the brand should be in a strong – and perhaps unbeatable – competitive position.

Finally, a brand mantra is a short three-to-five word phrase that captures the essence of the brand. The brand mantra in particular can be very useful to help establish product boundaries or brand 'guard rails'. Brand mantras must clearly delineate what the brand is supposed to represent and therefore, at least implicitly, what it is *not*. Brand mantras typically are designed to capture the brand's key PODs, that is, what is unique about the brand. Brand mantras should be simple, descriptive and inspiring.

An ideal brand mantra would offer rational and emotional benefit underpinning and be sufficiently robust to permit growth, relevant enough to drive consumer and retailer interest, and differentiated enough to sustain longevity. Nike's brand mantra of 'Authentic Athletic Performance' and Disney's brand mantra of 'Fun Family Entertainment' provided invaluable guardrails as those brands expanded into new product categories for greater growth.

STEP 2: IDENTIFYING BRAND EXTENSION OPPORTUNITIES

Determining the brand vision, boundaries and positioning in Step 1 helps to define the brand potential and provides a clear sense of direction for the brand. Step 2 is to identify new products and services to achieve that potential through a well-designed and well-implemented brand extension strategy.

A brand extension is a new product introduced under an existing brand name. Extensions can be distinguished between *line extensions*, new product introductions within existing categories (for example, Tide Total Care laundry detergent), and *category extensions*, new product introductions outside existing categories (for example, Tide Dry Cleaners retail outlets).

It is important to carefully plan the optimal sequence of brand extensions to achieve brand potential. The key is to understand equity implications of each extension in terms of POPs and PODs. By adhering to the brand promise and growing the brand carefully through 'little steps', brands can cover a lot of ground.

For example, through a well-planned and well-executed series of new product introductions in the form of category extensions over a 25-year period – and guided by its mantra – Nike evolved from a company selling running, tennis and basketball shoes to mostly 12–29-year-old males in North America in the mid-1980s

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to a company now selling athletic shoes, clothing and equipment across a wide range of sports to men and women of all ages in virtually all countries.

Several principles help guide brand extension decisions. The *principle of growth* maintains that investments in market penetration or expansion versus product development for a brand should be made according to ROI opportunities. In other words, firms must make cost-benefit calculations as to investing resources in selling more of a brand's existing products to new customers versus launching new products for the brand.

For example, in seeing its traditional networking business slow, Cisco decided to bet big on new Internet video products. Although video has become more pervasive in almost all media (cell phones, Internet and so on), its bulky size can cause transmission challenges. Cisco launched TelePresence technology to permit high-definition videoconferencing for its corporate customers and is infusing its entire product line with greater video capabilities through its Medianet architecture (Fortt, 2010).

Two other principles address the dynamics of brand extension success and will be elaborated more below. The *principle of survival* states that brand extensions must achieve brand equity in their categories. In other words, 'me too' extensions must be avoided. The *principle of synergy* states that brand extensions should also enhance the equity of the parent brand.

Launching a brand extension is harder than it might seem. Given that the vast majority of new products are extensions and the vast majority of new products fail, the clear implication is that too many brand extensions fail. Some of the world's most successful brands have introduced unsuccessful brand extensions, for example, Campbell's tomato sauce, Bic perfumes, Levi's Tailored Classic suits and Coke C2 cola to name just a few.

Where did these companies go wrong? Although many factors may come into play, one common problem with failed extensions is that marketers mistakenly focus on one or perhaps a few brand associations as a potential basis of extension fit and ignore other, possibly more important, brand associations in the process. All of consumers' brand knowledge structures must be taken into account in judging the viability of an extension. Bic perfumes failed because whether or not the brand extension had a sufficiently compelling POD (small and disposable) was largely irrelevant given that it badly lacked a key POP (image).

Extensions fail when they do not create sufficient relevance and differentiation in their new product or service categories. An increasingly competitive marketplace will be even more unforgiving to poorly positioned and marketed extensions in the years to come. Specifically, marketers must judge each potential brand extension by how effectively it leverages existing brand equity from the parent brand, as well as how effectively, in turn, it contributes to the parent brand's equity. Crest Whitestrips leveraged the strong reputation of Crest and dental care to provide reassurance in the teeth-whitening arena, while also reinforcing its dental authority image.

Marketers should ask a number of questions in judging the potential success of an extension (see Völckner and Sattler, 2006; Yorkston *et al*, 2010; Mathur *et al*, 2012; Meyvis *et a*l, 2012; Monga and Guhan-Canli, 2012; Spiggle *et al*, 2012; Cutright *et al*, 2013).

- *Does the parent brand have strong equity?* If the parent brand does not have sufficiently strong, favorable and unique PODs and POPs, then those should be addressed first.
- *Is there a strong basis of fit?* There are many bases of fit – product similarity, common users or usage situations, consistent

imagery and so on. Consumers must feel the extension is logical in some way and makes sense.

- *Will the extension have necessary POPs and PODs?* The farther removed the extension category is from existing parent brand categories, the more likely it is that PODs and POP will not be seen as sufficiently strong, favorable or unique enough to function properly.
- *How can marketing programs enhance extension equity?* One common mistake with extensions is to fail to devise sufficiently effective, sustained marketing programs. Although brand extensions are designed to leverage parent brand equity, supporting marketing activities are still necessary to establish the right image and positioning in the extension category. Extensions require adequate investment.
- *What implications will the extension have on parent brand equity and profitability?* The closer the brand is seen to 'fit' with the parent brand, the more the parent brand equity affects perceptions of extensions and vice versa. Dilution of parent brand equity is typically limited only to when the extension has fundamental performance problems and the extension category is seen as highly related to the parent brand category.
- *How should feedback effects best be managed?* As will be shown below, extension feedback effects can be managed, in part, by the particular branding strategy that is adopted.

To help answer these questions, Table 1 offers a sample scorecard with specific weights and dimensions that users can adjust for each application. The specifications in this scorecard are intended to offer a starting point; particular items or the weights applied to these items can be adjusted based on the specific marketing context or marketer's personal point of view or preferences. The key point is that, by adopting some type of formal model or scorecard, systematic thinking can be applied to judge the merits of a proposed extension to increase its likelihood of success.

STEP 3: BRANDING NEW PRODUCTS AND SERVICES

The final step in developing the brand architecture strategy is to decide on the specific brand elements to use for any

Table 1: Brand extendibility scorecard

Allocate points according to how well the new product concept rates on the specific dimensions in the following areas:
Consumer perspectives: Desirability
10 pts. _ Product category appeal (size, growth potential)
10 pts. _ Equity transfer (perceived brand fit)
5 pts. _ Perceived consumer target fit
Company perspectives: Deliverability
10 pts. _ Asset leverage (product technology, organizational skills, marketing effectiveness via channels and communications)
10 pts. _ Profit potential
5 pts. _ Launch feasibility
Competitive perspectives: Differentiability
10 pts. _ Comparative appeal (many advantages, few disadvantages)
10 pts. _ Competitive response (likelihood, immunity or invulnerability from)
5 pts. _ Legal/regulatory/institutional barriers
Brand perspectives: Equity feedback
10 pts. _ Strengthens parent brand equity
10 pts. _ Facilitates additional brand extension opportunities
5 pts. _ Improves asset base
Total _ pts.

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particular new product or service associated with the brand. New products and services must be branded in a way to maximize the brand's overall clarity and understanding to consumers and customers. What names, looks and other branding elements are to be applied to the new and existing products for any one brand?

One way brand architecture strategies can be distinguished is by whether a firm is employing an umbrella corporate or family brand for all its products (known as a 'branded house'), or a collection of individual brands all with different names (known as a 'house of brands').

- Firms largely employing a branded house strategy include many business-to-business industrial firms, such as Siemens, Oracle and Goldman Sachs.
- Firms largely employing a house of brands strategy include consumer product companies, such as Procter & Gamble, Unilever and ConAgra.

The reality is most firms adopt a strategy somewhere in between these two end points, often employing various types of sub-brands. *Sub-brands* combine two or more of the corporate brand, family brand or individual product brand names. Kellogg employs a sub-brand or hybrid branding strategy by combining the corporate brand with individual product brands as with Kellogg's Rice Krispies, Kellogg's Raisin Bran and Kellogg's Corn Flakes. Many durable goods makers, such as Honda, Sony and Hewlett-Packard use sub-brands for their products. The corporate or family brand name legitimizes, and the individual name individualizes, the new product.

A good sub-branding strategy can facilitate access to associations and attitudes to the company or family brand as a whole, while also allowing for the creation of new brand beliefs to position the extension in the new category. For example, Hershey's Kisses taps into the quality, heritage and familiarity of the Hershey's brand but has a much more playful and fun brand image than the typical Hershey brand at the same time.

Sub-branding thus creates a stronger connection to the company or family brand and all the associations that come along with that. At the same time, developing sub-brands also allows for the creation of brand-specific beliefs. This more detailed information can help customers better understand how products vary and which particular product may be the right one for them. Sub-brands play an important brand architecture role by signaling to consumers to expect similarities *and* differences in a new product.

Sub-brands also help to organize selling efforts so that salespeople and retailers have a clear picture of how the product line is organized and how best to sell it. For example, one of the main advantages to Nike of continually creating sub-brands in its basketball line with Air Max Lebron, Air Zoom Hyperdunk and Hyperfuse, as well as the very popular Jordan line, is to generate retail interest and enthusiasm.

To realize these benefits, however, sub-branding typically requires significant investments and disciplined and consistent marketing to establish the proper brand meanings with consumers. In the absence of such financial commitments, marketers may be well-advised to adopt the simplest brand hierarchy possible, for example, using a branded house type approach with the company or family brand name with product descriptors. Sub-branding should only be employed when there is a distinctive, complementary benefit; otherwise, marketers should just use a product descriptor to designate the new product or service.

Marketers can employ a whole host of brand elements as part of a sub-brand. Nomenclature, product form, shape,

graphics, color and versioning are all some of the means to help develop the sub-brand. As will be developed below, by skillfully combining new brand elements with existing parent brand elements, sub-branding can be an effective way to signal the intended similarity or fit of a new extension with its parent brand.

We next review a series of principles that help to guide the development of the brand hierarchy associated with sub-branding. A *brand hierarchy* outlines the different levels associated with how a company could brand its products. Perhaps the most complete representation from top to bottom might be:

1. corporate or company brand (General Motors)
2. family brand (Buick)
3. individual brand (Regal)
4. modifier (designating item or model) (GS)
5. product description (midsize luxury sport sedan automobile).

Sub-brands combine different brands from different levels in different ways to create the right awareness and image for individual products.

Number of levels chosen

The *principle of simplicity* is based on the need to provide the right amount of branding information to consumers – no more and no less. The desired number of levels of the brand hierarchy depends on the complexity of the product line or product mix and thus on the combination of shared and separate brand associations the company would like to link to any one product in its product line or mix.

With relatively simple low-involvement products – such as light bulbs, batteries and chewing gum – the branding strategy often consists of an individual or perhaps a family brand combined with modifiers that describe differences in product features. For example, GE has three main brands of general purpose light bulbs (Edison, Reveal and Soft White) combined with designations for functionality (Standard, Reader and 3-way) and performance (40, 60 and 100 watts).

A complex set of products – such as cars, computers or other durable goods – requires more levels of the hierarchy. Thus, Sony has family brand names, such as Cyber-Shot for its cameras, Bravia for TVs and Handycams for its camcorders. (Bulik, 2005)

A company with a strong corporate brand selling a relatively narrow set of products, such as is the case with luxury automobiles, can more easily use non-descriptive alphanumeric product names because consumers strongly identify with the parent brand, as Acura found out.

It is difficult to brand a product with more than three levels of brand names without overwhelming or confusing consumers. A better approach might be to introduce multiple brands at the same level (multiple family brands) and expand the depth of the branding strategy.

Meaning at different levels

How much awareness and what types of associations should marketers create for brand elements at each level of the brand hierarchy? Achieving the desired level of awareness and strength, favorability and uniqueness of brand associations may take some time and call for a considerable change in consumer perceptions. Assuming marketers use some type of sub-branding strategy for two or more brand levels, two general principles – relevance and differentiation – should guide the brand knowledge creation process at each level.

The *principle of relevance* is based on the advantages of efficiency and economy. Marketers should create associations that are relevant to as many brands nested at the

level below as possible, especially at the corporate or family brand level. The more an association has some value in the marketing of products sold by the firm, the more efficient and economical it is to consolidate this meaning into one brand linked to all these products. For example, Nike's slogan (Just Do It) reinforces a key POD for the brand – performance – that is relevant to virtually all the products it sells.

The more abstract the association, in general, the more likely it is to be relevant in different product settings. Thus, benefit associations are likely to be extremely advantageous associations because they can cut across many product categories. Brands with strong product category and attribute associations, however, can find it difficult to create a robust enough brand image to permit successful extensions into new categories.

For example, Blockbuster struggled to expand its meaning from 'a place to rent videos' to 'your neighborhood entertainment center' in hopes of creating a broader brand umbrella with greater relevance to more products. It eventually declared bankruptcy before being acquired via auction by satellite television provider Dish Network in April 2011.

The *principle of differentiation* is based on the disadvantages of redundancy. Marketers should distinguish brands at the same level as much as possible. If marketers cannot easily distinguish two brands, it may be difficult for retailers or other channel members to justify supporting both, and for consumers to choose between them.

Although new products and brand extensions are critical to keeping a brand innovative and relevant, marketers must introduce them thoughtfully and selectively. Without restraint, brand variations can easily get out of control.

A grocery store can stock as many as 40 000 items, which raises the question: Do consumers really need nine kinds of Kleenex tissues, Eggo waffles in 16 flavors and 72 varieties of Pantene shampoo, all of which have been potentially available at one point in time? To better control its inventory and avoid brand proliferation, Colgate-Palmolive began to discontinue one item for each product it introduces.

Although the principle of differentiation is especially important at the individual brand or modifier levels, it is also valid at the family brand level. For example, one of the criticisms of marketing at General Motors was that the company had failed to adequately distinguish its family brands of automobiles, perhaps ultimately leading to the demise of the Oldsmobile, Pontiac and Saturn brands.

Linking brands at different levels

If we combine multiple brand elements from different levels of the brand hierarchy to brand new products, we must decide how much emphasis to give each brand element. For example, if we adopt a sub-brand strategy, how much prominence should we give individual brands at the expense of the corporate or family brand?

The *prominence* of a brand element is its relative visibility compared with other brand elements. The prominence of a brand name element depends on several factors, such as its order, size and appearance, as well as its semantic associations. A name is generally more prominent when it appears first, is larger and looks more distinctive. Assume PepsiCo has adopted a sub-branding strategy to introduce a new vitamin-fortified cola, combining its corporate family brand name with a new individual brand name (say, 'Vitacola'). We could make the Pepsi name more prominent by placing it first and making it bigger: PEPSI *Vitacola*. Or we could make the individual brand more prominent by placing it first and making it bigger: Vitacola BY PEPSI.

The *principle of prominence* states that the relative prominence of the brand elements determines which element or elements become the primary one(s) and which become the secondary one(s). Primary brand elements should convey the main product positioning and PODs. Secondary brand elements convey a more restricted set of supporting associations such as POP or perhaps an additional POD. A secondary brand element may also facilitate awareness.

For example, with the Droid by Motorola series of smart phones, the primary brand element is the Droid name, which connotes its use of Google's Android operating system. The Motorola name, on the other hand, is a secondary brand element that ideally conveys credibility, quality and professionalism. According to the principle of prominence, the more prominent a brand element, the more emphasis it will receive from consumers in forming their brand opinions. The relative prominence of the individual and the corporate brands will therefore affect perceptions of product distance and the type of image created for a new product.

Consumers are very literal. If the corporate or family brand is made more prominent, then its associations are more likely to dominate. If the individual brand is made more prominent, on the other hand, then it should be easier to create a more distinctive brand image. In other words, Marriott's Courtyard would be seen as much more of a Marriott hotel than Courtyard by Marriott by virtue of having the corporate name first. With Courtyard by Marriott, the corporate or family brand is signaling to consumers that the new product is not as closely related to its other products that share that name. As a result, consumers should be less likely to transfer corporate or family brand associations. At the same time, because of the greater perceived distance, the success or failure of the new product should be less likely to affect the image of the corporate or family brand. With a more prominent corporate or family brand, however, feedback effects are probably more likely to be evident.

In some cases, the brand elements may not be explicitly linked at all. A *brand endorsement strategy* is in operation when a brand element appears on the package, signage or product appearance in some way but is not directly included as part of the brand name. Often this distinct brand element is the corporate brand name or logo. The brand endorsement strategy presumably establishes the maximum distance between the corporate or family brand and the individual brands, suggesting that it would yield the smallest transfer of brand associations to the new product but, at the same time, minimize the likelihood of any negative feedback effects.

For example, General Mills places its 'Big G' logo on its cereal packages but retains distinct brand names, such as Cheerios, Wheaties, Lucky Charms and so forth. Kellogg, on the other hand, adopts a sub-brand strategy with its cereals that combines the corporate name with individual brands, for example, Kellogg's Corn Flakes, Kellogg's Special K and so on. Through its sub-branding strategy and marketing activities, Kellogg should be more effective than General Mills in connecting its corporate name to its products and, as a result, creating favorable associations to its corporate name.

Marketers can use a branding strategy screen to 'dial up' or 'dial down' different brand elements. If a potential new product or service is strongly related to the parent brand such as there is a high likelihood of parent brand equity carryover and if there is little equity risk, a product descriptor or parent-brand-first sub-brand may make sense.

On the other hand, if a potential new product or service is more removed from the parent brand such that there is a lower

likelihood of parent brand equity carryover or if there is higher equity risk, then a parent-brand-second sub-brand or even a new brand may be more appropriate. In these latter cases, the parent brand may be just used as an endorser.

These pros and cons will help determine whether a 'branded house' or 'house of brands' is the more appropriate strategy. In creating sub-brands, it is also important to recognize what consumers know about and want from the brand and appreciate how they will actually use the sub-brand. Although using multiple sub-brands as part of a detailed brand family may seem to provide more descriptive details, it can easily backfire if taken too far.

For example, when one-time technology hotshot Silicon Graphics named their new 3D work station 'Indigo^2 Solid Impact', their customers chose to simplify the name by calling it simply 'Solid'. Creating equity for a low-level brand modifier (Solid) would certainly not be called good branding practice. Brand equity ideally resides at the highest level of the branding hierarchy possible where it can benefit more products and services.

Linking brand elements to multiple products

So far we have highlighted how to apply different brand elements to a particular product – the 'vertical' aspects of the brand hierarchy. Next, we consider how to link any one brand element to multiple products – the 'horizontal' aspects of the brand hierarchy. The *principle of commonality* states that the more common brand elements products share, the stronger the linkages between the products.

The simplest way to link products is to use the brand element 'as is' across the different products involved. Adapting the brand, or some part of it, to make the connection offers additional possibilities.

- Hewlett-Packard capitalized on its highly successful LaserJet computer printers to introduce a number of new products using the 'Jet' suffix, for example, the DeskJet, PaintJet, ThinkJet and OfficeJet printers.
- McDonald's has used its 'Mc' prefix to introduce a number of products, such as Chicken McNuggets, Egg McMuffin and the McRib sandwich.
- Donna Karan's DKNY brand, Calvin Klein's CK brand and Ralph Lauren's Double RL brand rely on initials.

We can also create a relationship between a brand and multiple products with common symbols. For example, corporate brands like Nabisco often place their corporate logo more prominently on their products than their name, creating a strong brand endorsement strategy.

Finally, it is often a good idea to logically order brands in a product line, to communicate how they are related and to simplify consumer decision making. We can communicate the order through colors (American Express offers Red, Blue, Green, Gold, Platinum and 'Black' or Centurion cards), numbers (BMW offers its 3-, 5- and 7-series cars) or other means. This strategy is especially important in developing brand migration pathways for customers to switch among the brands offered by the company. The relative position of a brand within a brand line may also affect consumer perceptions and preferences.

BRAND ARCHITECTURE GUIDELINES

Brand architecture is a classic example of the 'art and science' of marketing. It is important to establish rules and conventions and be disciplined and consistent. Yet, at the same time, it is also important to be flexible and creative. There rarely are pure solutions to a brand architecture challenge. The fact is

that no uniform agreement exists on the one type of branding strategy that all firms should adopt for all products. Even within any one firm, hybrid strategies often prevail, and marketers may adopt different branding strategies for different products.

For example, although Miller has used its name across its different types of beer over the years with various sub-brands like Miller High Life, Miller Lite and Miller Genuine Draft, it carefully branded its no-alcohol beer substitute as Sharp's, its ice beer as Icehouse, and its low-priced beer as Milwaukee's Best, with no overt Miller identification. The assumption was that the corporate family brand name would not be relevant to or valued by the target market in question.

The brand hierarchy may not be symmetric. Corporate objectives, consumer behavior or competitive activity may sometimes dictate significant deviations in branding strategy and the way the brand hierarchy is organized for different products or for different markets.

Brand elements may receive more or less emphasis, or not be present at all, depending on the particular products and markets. For example, in an organizational market segment where the DuPont brand name may be more valuable, that element might receive more emphasis than associated sub-brands. In appealing to a consumer market segment, a sub-brand such as Dacron may be more meaningful and thus received relatively more emphasis when they owned the brand.

In evaluating a brand architecture strategy, a number of questions should be asked, such as:

- For the brand portfolio, do all brands have defined roles? Do brands collectively maximize coverage and minimize overlap?
- For the brand hierarchy, does the brand have extension potential? Within the category? Outside the category? Is the brand overextended?
- What are the brand equity implications in terms of the transfer (both positive and negative) from the parent brands to individual products? What feedback exists from the individual products to the parent brands in return?
- What are the profit streams that result from different branding arrangements? How much revenue does each brand generate? At what cost? What other cross-selling opportunities exist between brands?

In answering these questions and in devising and implementing the optimal brand architecture strategy, the following five guidelines should be kept in mind:

1. *Adopt a strong customer focus*: Recognize what they know and want and how they will behave.
2. *Create broad, robust brand platforms*: Strong umbrella brands are highly desirable. Maximize synergies and flow.
3. *Avoid over-branding and having too many brands*: High-tech products, for example, are often criticized for branding every ingredient so that that the overall effect is akin to a NASCAR race car where there are logos and decals everywhere.
4. *Selectively employ sub-brands*: Sub-brands can communicate relatedness *and* distinctiveness and are a means of complementing and strengthening brands.
5. *Selectively extend brands*: Brand extensions should only be introduced when they establish new brand equity and enhance existing brand equity.

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