

CHAPTER 11: DESIGNING AND IMPLEMENTING BRANDING STRATEGIES

Kevin Lane Keller
Tuck School of Business
Dartmouth College

Branding strategy

- Branding strategy is critical because it is the means by which the firm can help consumers understand its products and services and organize them in their minds.
- Two important strategic tools: The *brand-product matrix* and the *brand hierarchy* help to characterize and formulate branding strategies by defining various relationships among brands and products.

Branding Strategy or Brand Architecture

- The *branding strategy* for a firm reflects the number and nature of common or distinctive brand elements applied to the different products sold by the firm.
 - Which brand elements can be applied to which products and the nature of new and existing brand elements to be applied to new products

The role of Brand Architecture

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

Brand-Product Matrix

		Products			
		1	2	3	4
Brands	A				
	B				
	C				

- Must define:
 - Brand-Product relationships (rows)
 - Line and category extensions
 - Product-Brand relationships (columns)
 - Brand portfolio

Important Definitions

- Product line
 - A group of products within a product category that are closely related
- Product mix (product assortment)
 - The set of all product lines and items that a particular seller makes available to buyers
- Brand mix (brand assortment)
 - The set of all brand lines that a particular seller makes available to buyers

Breadth of a Branding Strategy

- Breadth of product mix
 - Aggregate market factors
 - Category factors
 - Environmental factors
- Depth of product mix
 - Examining the percentage of sales and profits contributed by each item in the product line
 - Deciding to increase the length of the product line by adding new variants or items typically expands market coverage and therefore market share but also increases costs

Depth of a Branding Strategy

- The number and nature of different brands marketed in the product class sold by a firm
- Referred to as *brand portfolio*
- The reason is to pursue different market segments, different channels of distribution, or different geographic boundaries
- Maximize market coverage and minimize brand overlap

Ford Brand Portfolio



Designing a Brand Portfolio

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

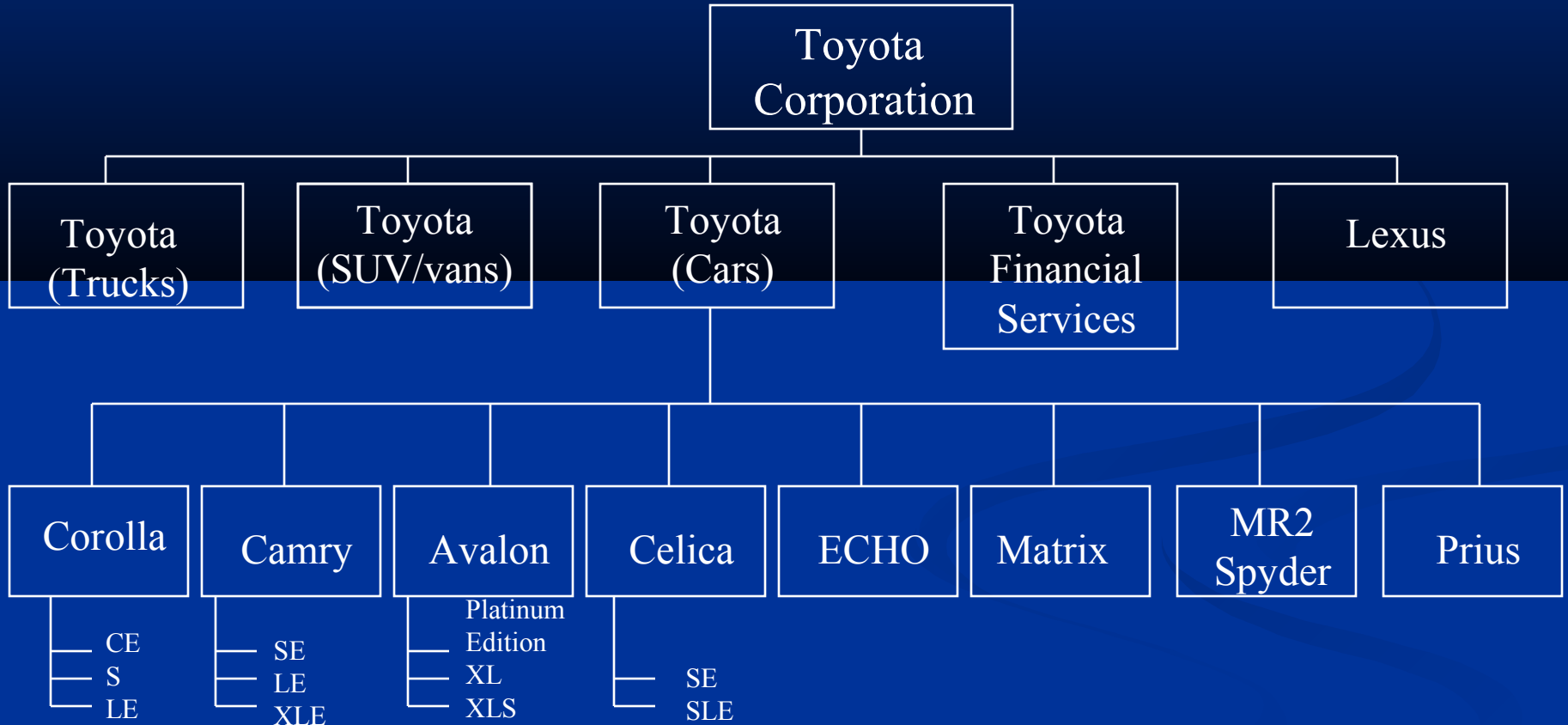
Brand Roles in the Portfolio

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

Brand Hierarchy

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

Brand Hierarchy Tree: Toyota



Brand Hierarchy Levels

Corporate Brand (General Motors)

```
graph TD; A[Corporate Brand (General Motors)] --> B[Family Brand (Buick)]; B --> C[Individual Brand (Park Avenue)]; C --> D[Modifier: Item or Model (Ultra)];
```

Family Brand (Buick)

Individual Brand (Park Avenue)

Modifier: Item or Model (Ultra)

Corporate Brand Equity

- Occurs when relevant constituents hold strong, favorable, and unique associations about the corporate brand in memory
- Encompasses a much wider range of associations than a product brand

Family Brands

- Brands applied across a range of product categories
- An efficient means to link common associations to multiple but distinct products

Individual Brands

- Restricted to essentially one product category
- There may be multiple product types offered on the basis of different models, package sizes, flavors, etc.

Modifiers

- Signals refinements or differences in the brand related to factors such as quality levels, attributes, functions, etc.
- Plays an important organizing role in communicating how different products within a category that share the same brand name are

Corporate Image Dimensions

- Corporate product attributes, benefits or attitudes
 - Quality
 - Innovativeness
- People and relationships
 - Customer orientation
- Values and programs
 - Concern with the environment
 - Social responsibility
- Corporate credibility
 - Expertise
 - Trustworthiness
 - Likability

Brand Hierarchy Decisions

- The number of levels of the hierarchy to use in general
- How brand elements from different levels of the hierarchy are combined, if at all, for any one particular product
- How any one brand element is linked, if at all, to multiple products
- Desired brand awareness and image at each level

Number of Hierarchy Levels

- Principle of simplicity
 - Employ as few levels as possible
- Principle of clarity
 - Logic and relationship of all brand elements employed must be obvious and transparent

Levels of Awareness and Associations

- Principle of relevance
 - Create global associations that are relevant across as many individual items as possible
- Principle of differentiation
 - Differentiate individual items and brands

Linking Brands at Different Levels

- Principle of prominence
 - The relative prominence of brand elements affects perceptions of product distance and the type of image created for new products

Linking Brands Across Products

- Principle of commonality
 - The more common elements shared by products, the stronger the linkages

Brand Architecture Guidelines

- Adopt a strong customer focus
- Avoid over-branding
- Establish rules and conventions and be disciplined
- Create broad, robust brand platforms
- Selectively employ sub-brands as means of complementing and strengthening brands
- Selectively extend brands to establish new brand equity and enhance existing brand equity

Corporate Brand Campaign

- Different objectives are possible:
 - Build awareness of the company and the nature of its business
 - Create favorable attitudes and perceptions of company credibility
 - Link beliefs that can be leveraged by product-specific marketing
 - Make a favorable impression on the financial community
 - Motivate present employees and attract better recruits
 - Influence public opinion on issues

Using Cause Marketing to Build Brand Equity

- The process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives

Advantages of Cause Marketing

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

Green Marketing

- A special case of cause marketing that is particularly concerned with the environment
- Explosion of environmentally friendly products and marketing programs

Crisis Marketing Guidelines

- The two keys to effectively managing a crisis are that the firm's response should be swift and that it should be sincere.