Brand Management
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So, impact, now impact means what? Impact on what? It will make an impact on the consumer, alright. Consumer means what kind of impact consumer will get. So, consumer will be clear as to if I suppose there are 5 star, 4 star, 3 star and 1 star hotel and consumer realizes that this brand within the Taj, Taj hotel, Taj hotel is a 5 star brand, Vivanta is a 4 star brand, Gateway is a 3 star brand and Ginger is a 1 star brand. The impact is very clear that okay, if I go to ginger, I get this kind of service, I go to Taj, I get this kind of service. So, it is very clear and it is the same thing it comes in clarity. So, impact and clarity go hand in hand.

Clarity from the side of the firm, clarity from the side of the organization makes an impact on the consumer and it encourages him to make a decision about the purchase or the buying of the brand and the experience. So, impact and clarity go hand in hand. Similarly, synergy and leverage also go hand in hand. So, what are you trying to do when you say that Taj, Vivanta by Taj, Gateway and Ginger? What are you doing? You are using the synergy.

What is that synergy? Synergy is of Tata group. So, Taj and Vivanta by Taj, people know that it is from the house of Taj and therefore, they expect a similar brand experience when they go to Taj and Vivanta, at least that level of experience, that quality of experience. So, synergy, what is the company doing? Company is using the brand Taj for two businesses, one is a two set of brands, two brands which is Vivanta and Taj hotel. So, synergy, so one is the synergy in terms of marketing. There could be other synergies also, which could be synergy of say people or human resources.

So, people can be transferred from one to the other. Synergy can be in terms of financial resources that money spent on this can be because economies of scale you are, when you buy media plan, when you buy media space or when you recruit people or when you create back end organizational structure, all the structure at the back will be the same for all the three or four brands. So, that will help them help the company save costs and use that money in making investments into the brand, into the properties, so that it can grow faster and further. Same thing is leverage. So, leveraging the same brand to reach out to larger number of consumers.

So, if you can make a coherent brand architecture, you will be able to gain impact, get clarity, get synergy and leverage them to reduce costs and invest more in the business and in the brand. But if you are not able to get a coherent brand architecture, what you would get is market weakness, which means that market will not really be sure how to respond to you and therefore, there will be wastage. So, people who are not sure what they will get when they come to you, they would rather go to someone where they get that clarity. So, market weakness will lead to confusion and that confusion will lead to wastage of resources, wastage of effort and missed opportunities. So, what you could have done earlier, you would not be able to do because you do not have a coherent brand architecture.

The picture that you see on this slide is that of 3M. 3M in one of the lectures you may remember, I had spoken that it is known for innovation. It elicits a unique emotional response called innovation. But in this case, you can see the brand architecture of 3M of a part of the brand of some brands of 3M and you can see that 3M is endorsing four such products. Scotch 3M, Thinsulate 3M, Posted 3M and Command 3M.

So, here what is 3M doing? There are four brands and 3M is endorsing these four brands. So, you know that these brands are independently good brands, known brands, but you also know that they come from the house of 3M. So, that way you get that credibility and you continue buying these products. So, this is what brand architecture brings to the table if you are able to express your brand architecture in a coherent manner. Now, let us move forward and try and see theoretically how this whole idea looks like.

In fact, there was an article written by the two famous marketing experts, one Professor Eric Jokimstahler and second Professor David Acker. These two are quite popular professors of marketing in various universities of the US and they wrote an article on this topic of brand architecture. The title of the article was brand relationship spectrum. In fact, in that article, they introduced this idea called brand relationship spectrum and he said that this relationship tries to create a spectrum and in that spectrum on one end you have house of brands and on the other end you have branded house and in between they created two more opportunities or strategic positions and they are called endorsed brands and sub brands. Now, what they mean we will discuss in detail as we move forward, but one thing I must state here is that it is the position and the role that is assigned to the brand driver is what determines all these four strategic positions.

Remember, these are strategic positions, they are not yet tactical positions. These are all strategic positions which decide which brand is the brand driver and when we say brand driver, it means that which brand is actually determining the purchase decision. So, suppose you have Tata, say for example Tata steel, so in Tata steel you have Tata and steel when you actually go and buy say products of Tata steel, you are buying because there is Tata or because there is steel. So, the role that the brand is playing, the component within the brand is playing on the basis of that the brand driver is decided and that brand driver determines the purchase and the user experience. So, this whole brand relationship spectrum is about assigning role of brand driver and realizing that the secondary role is what kind of role.

Is it a token role or is it a primary role or is it a secondary role, it is a linked role. So, these are the options that are created within these four strategic positions within brand architecture and within brand relationship spectrum. So, the four options are house of brands, then next comes endorsed brands, then third comes sub brands and then finally you have branded house. Let us move forward. Now, let us go once again to the previous slide before we.

So, if you see in this spectrum, essentially there are two extremes and those extremes are one house of brands and second branded house. Now, these are simple structures which all of us are familiar with. We will look at them in detail also, but before we go to the next slide, a preliminary discussion on these two. Now, house of brands is something that we have seen in the examples of say Unilever. Now, when you consume or buy a product called Lux or product called Liveboy or a product called Dove, you are not really worried that whether it belongs to P&G or it belongs to Hindustan Unilever or it belongs to anybody else because these brands on their own are quite powerful.

You are familiar with them, they are reasonably established brand, you know what is their brand promise and you can just confidently without hesitation by those brands without being aware of their connection with Hindustan Unilever. So, house of brands is that position where brands chart an independent path without being concerned or worried about their parent brand. You may not even be aware that there is a connection between say Dove and Hindustan Unilever. So, that is the position of house of brands. The other extreme is branded house.

Here, you have the driver brand present everywhere. So, for example, Tata we keep giving when we say Tata hotels, when we say Tata salt, when we say Tata software, when we say Tata motors, everywhere it is the brand Tata which is present and which is doing all the hard work. Just if you write something like motors, nobody knows which motors. So, when you say Tata motors, immediately you know that there will be cars like Safari, like Harrier, like Hexa, like Indica, like Nano and so on. So, it is the word Tata that is doing all the heavy lifting and the other is just a descriptor.

So, these two are the extreme points in brand relationship spectrum and in this article, Professor Joachim Stahler and Professor Acker, they create two more options and those two options are endorsed brands and sub-brands. Now, let us see what are these endorsed brands and what are sub-brands. Now, let us look at this slide. In this slide, it says that sub-brands and endorsed brands can play a key role in creating a coherent and effective brand architecture. If you look at the previous slide, we are saying the same thing that if we can establish a coherent brand architecture, we will be able to achieve impact, clarity, synergy and leverage.

So, let us go forward and what they are saying in this slide and in this article is that you have to think of sub-brands and endorsed brands. Because if you are able to think of these two between the two extremes of branded house and house of brands, what you will do is, you will be able to create a coherent and effective brand architecture. How? By number one, allowing brands to stretch across products and markets. So, here what you are doing is, you are creating multiple options for your brand. You are giving more options.

You are saying you can do this, you can also do that. So, this way what you are doing is, you are stretching your products and you are responding to the complexities of the marketplace. So, if you look at the example of Taj hotels and Vivanta and Gateway and Ginger, what have they done? They have taken one brand which is Taj and they have stretched it thin and stretched it thin by catering to by creating one more products. So, Taj was already there. They created one product called Vivanta, then another product called Gateway and then one more product called Ginger and this way by stretching, they are offering more services to consumers looking for hotel service, hospitality services.

So, this is what you can do when you are introducing sub-brands and endorsed brands. So, in this case, when we say Vivanta by Taj, it is Taj which is endorsing Vivanta brand. So, this is how stretching of product or stretching of brand is done through brand architecture. Second point, address conflicting brand strategy needs. Now, see within a brand portfolio, you may have some things two brands doing the same thing or more or less the same thing.

For example, you look at Procter and Gamble's products called one is Head and Shoulder which is a brand which takes care of anti-dandruff shampoo which is an anti-dandruff positioning. Similarly, it has another shampoo called Pantene which promises shine, shiny hair. Now, here it is more or less separated. You know that Head and Shoulder is for dandruff and Pantene is for shiny hair, but this clarity may not be available all the time. For example, if you have say two soaps, one is Lifeboy and one more soap say Dove is not a good example, but any other soap which works on this cleanliness or hygiene principle.

Now, when if they are very close, it is not very easy to decide either to buy this or to buy that and in such a scenario confusion happens and then your brand start cannibalizing your own brand. So, instead of buying one of your brand, someone consumer will buy another of your own brand. So, if you can distinguish between two brands which are more or less similar and create or define a role for both of them within the portfolio, within the architecture, what will happen is you can address the conflict between two brands and articulate a more coherent brand structure. Third point is conserve brand building resources by leveraging existing brand equity. So, brand building we have seen in the past that it is a very expensive affair because one you need to do a large amount of communication in the mass media and mass media is very expensive.

All of us know that in during the IPL matches, if you want to air an advertisement of 10 seconds, sometimes it costs lakhs for that 10 second of advertisement. So, brand building is a very expensive affair and if you can leverage, you can synergize all the brands under one architecture, one portfolio, what you can do is you can conserve those resources and you can make one communication which will take care of multiple brands. So, this way you can save resources and build brands simultaneously. Next point is protect brands from being diluted by over stretching. So, while you are stretching, so we were seeing the example of Taj that we have stretched, they have stretched the brand to four segments.

One brand which was a five star brand is now stretched and they are serving four different markets. But if you have an architecture which is a well defined architecture and all the brands have a very clearly defined role to play in that circumstances, you will realize that you are not really stretching them, you are simply catering to a segment which was earlier and underserved or a non-served segment. So, that is the beauty of creating a structure, beauty of creating a architecture where that stretching is not really seen as a stretch, it is seen as just another structure which takes care of the requirement of the marketplace. Think of a family which is having a two bedroom hall kitchen, two BHK flat. Now, suppose the son gets married and he brings in a wife, now you have one more family within the house.

Now, perhaps two bedroom will not serve the purpose, so you add one more room to it, so now it becomes a three BHK flat. And in such a case, you do not see it as a stretch, you see it as growing up, you see it as adapting itself, growing and adapting to the new requirement of the marketplace. Of the family, so by having an appropriate brand architecture, what you can do is you can make space for the requirement, the future requirements not only of your own organization, but also of the evolving consumer needs and of the marketplace. Next point is by using sub-brands and endorsed brands, you can also do is you can signal to the world that you are offering something new. For example, Vivanta by Taj is a new brand, it is not Taj hotel, it is something different.

Similarly, Gateway is also a new brand, it is a different offering from Taj hotels and Vivanta. So, you are signaling, you are saying that it is a new brand, while it may be a sub-brand, it may be an endorsed brand, yet it is a new brand. So, this communication also you send in the marketplace by using these two options of sub-brands and endorsed brands. Let us move further and now we will one by one go to each one of those four positions and see how they are. So, house of brands is something that we have already seen, but we must understand that within house of brands, there are two possibilities.

Now, one possibility is they are not connected. So, within the house of brands, you have several brands about which you do not know that they are actually connected to the mother brand. So, here I have this example, I have already shared with you that Pantene and Head and Shoulders, both of them have two different functions to perform and because of that, they are not connected and they do not really conflict with each other. So, that is how house of brands function when the brands within are not connected. But there is also an option within house of brands called shadow endorser.

What is this shadow endorser? This is something very interesting that you must understand. Now, here I will tell you a short story that if you think of the automobile car market in United States, you will know that the highest seller, the largest car maker in American automobile market is Toyota. It is not General Motors, it is not Ford Motors, it is actually Toyota that sells highest number of cars in American car market. Now, why Toyota sells highest number of cars because one of course, the quality is very good, everybody believes that Toyota cars are very reliable cars and so on so forth and it is also value for money, it is not very expensive. So, people, a large number of people can actually afford Toyota cars and therefore, Toyota cars are the largest selling car in the US.

Now, this is a problem for Toyota, because when Toyota launches a car which is more expensive, alright and this is also a problem that is faced by challenge faced by Maruti cars in India. So, if Maruti launches a 20 lakh car, nobody buys it because for 20 lakh, they want to buy a foreign car or some other brand, they do not want to buy a 20 lakh car from Maruti because Maruti is seen as a value for money and therefore, it is not seen as a luxury car. So, what did Toyota do to address this issue? They launched a car called Lexus. Now, Lexus is a purely luxury car and nowhere in the car, nowhere in any communication, they disclosed that this car is owned by Toyota brand. So, while some people knew about it, that Lexus comes from Toyota, but nowhere in official communication, it was shared that Lexus comes from Toyota.

So, this way, what Toyota became was a shadow endorser. So, from shadow, it is not even telling that Lexus is actually from the house of Toyota. So, this is how they launched a new car and then Lexus received very good feedback and very good response from the market and people actually started buying Lexus car even though some people at least knew that it comes from Toyota. So, within the house of brands, these are the two options that a brand manager has. If he is using the strategy or strategic position of house of brands, he can consciously take that position where the brands within the house are not connected at all.

Nobody knows that they belong to the same house and the second option is you can take a brand and hint, there is a shadow of the parent brand, but it is not disclosed clearly in any official communication that the parent brand is actually the shadow endorser. We will continue this discussion in the next class. Thank you very much. .