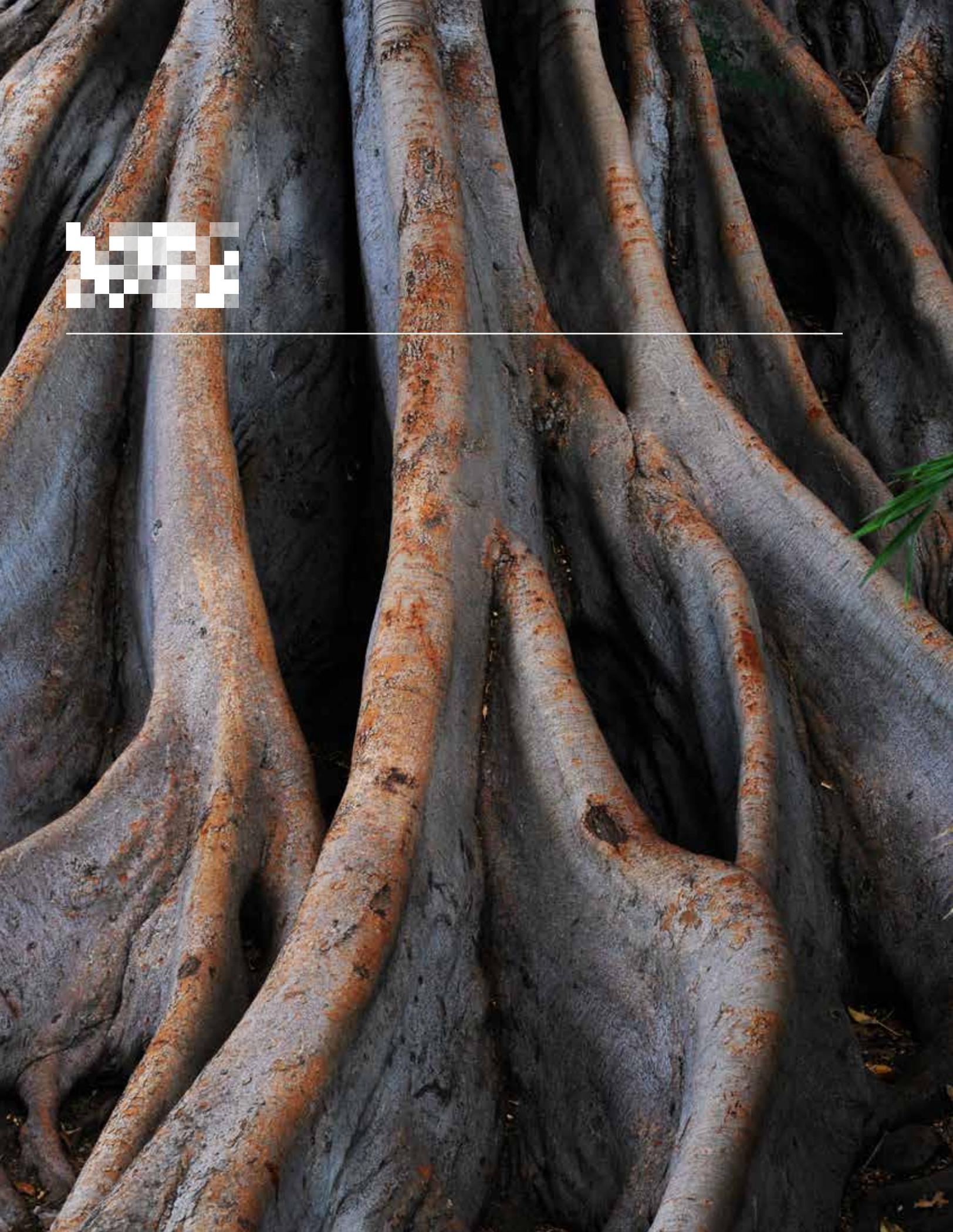




b+c
brandculture

Defining Brand
Relationships That Drive
Business Results





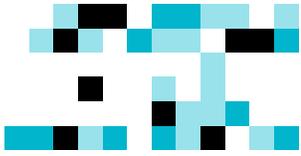
What's the Point of Brand Architecture?

First of all, let's define what we mean by Brand Architecture, a concept which probably has as many definitions as there are branding firms. Put simply, it's a model that the owner of multiple brands uses to organize them.

The typical Brand Architecture model is a hierarchical flow chart that starts with parent company brand at the top and works its way down through the various layers of the company's offerings. That model makes for a great PowerPoint slide or oversized printout. But aesthetics aside, what's the point?

The point is this.

A cohesive Brand Architecture establishes rules for positioning, naming and marketing each brand. It streamlines tactical considerations – like copywriting and design, for example. It helps sales professionals sell, cross-sell and upsell complex products and service portfolios, and it guides strategic decision making about how to launch a new product or service with an existing brand or a new one. Anything that can help accelerate and improve decisions is good for business. Here's how to turn Brand Architecture into a successful tool.



Beyond the Branded House

Descriptions of Brand Architecture usually begin with discussions of three basic models: the Branded House (in which all brands share the same basic name and logo—think FedEx), the House of Brands (in which each brand has a unique name and logo—think P&G) and the Hybrid (in which some brands share a name and others are treated independently—think Coca-Cola).

In reality, nearly every enterprise and mid-sized business should think of itself as a hybrid, because nearly all businesses of scale will have a portfolio of differing products and services for multiple markets. Sometimes a single brand can serve multiple offerings and markets well. Other times an offering's niche value proposition or market may require a unique brand.

That's why Brand Architecture is more about making many individual choices about new or existing brands than about creating an overarching framework.

So, let's see how those individual decisions can be made faster and better.

The Range of Possibilities

It's simple, though it isn't easy. You sell by getting buyers to pay for a product or service that solves a problem. The problem may be technical, operational, financial, strategic or even emotional. Often times the market may not even be aware the problem exists. Potential customers don't know about your proposed solution, and they certainly don't know why they should pay for it. It's helpful to define the potential outcomes of these individual Brand Architecture decisions. It's easy because there are only four possibilities:



The image shows the logo for EMC², consisting of the letters 'EMC' in a serif font followed by a superscripted '2' and a registered trademark symbol.

Masterbrand

The organization can apply the corporate brand to the new product, service or unit, possibly adding a descriptor. This is called using a Masterbrand.

Example: EMC Data Protection Adviser



The image shows the logo for EMC Documentum, featuring the 'EMC²' logo followed by a vertical bar and the word 'documentum' in a lowercase sans-serif font.

Sub Brand

It can create a new brand (or apply an existing one) that shares name or design elements with the corporate brand, but is not exactly the same as the corporate brand. This is called using a Sub Brand.

Example: EMC Documentum



The image shows the logo for VMware, consisting of the word 'vmware' in a lowercase sans-serif font.

Independent Brand

It can use or create a brand that is totally distinct from the corporate brand. This is called using an Independent Brand. *Example: VMware*

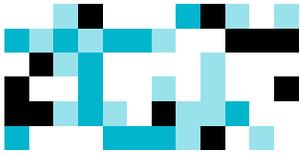


The image shows the logo for Mozy by EMC, featuring a square icon with four smaller squares inside, followed by the word 'mozy' in a lowercase sans-serif font and 'BY EMC' in a smaller font below it.

Endorse Brand

And, in the last two cases, it can decide whether or not to endorse the product, service or unit brand with another existing brand.

Example: mozy, by EMC



Better Brand Architecture Decision Making

How does an organization decide on which course of action to pursue? That requires resolving three basic issues: Is the organization prepared to commit the resources required to create and support a new brand?

NO: If not, the decision-making process is short and simple. The product, service or unit in question should adopt one of the organization's existing brands. Launching and promoting a new brand takes time, effort and money away from existing brands.*

YES: How is this product or service positioned, and is that positioning identical to, in alignment with or different from the positionings of the organization's existing brands?

If the positioning strategy is identical to that of an existing brand, the decision is again an easy one: leverage an existing brand and market in the same way.

If the positioning strategy is different from that of existing brands, the decision is easy, although executing it will take work. An independent brand is required, as is unique marketing.

If the positioning is aligned with the positioning of an existing brand, the decision is more complex. An endorsement and marketing may require some nuance to make it relevant.

If either a new sub-brand or independent brand is what's needed, what should it be named, how should the logo look and what should the marketing be like?

This is a complex decision, and one that has both strategic and creative components. The answer will be different for each brand, but it lies in a well-defined positioning and personality for the brand, strong points of differentiation from competing alternatives and a clear understanding of its target market's needs and preferences.

*See our White Paper on Launching a new Product or Service Brand for more information.



1. Is the organization prepared to commit the resources required to create and support a new brand?

NO

Adopt an existing brand



YES

Adopt an existing brand



Positioning → Alignment → Differentiate

2. How is this product or service different from or aligned with the existing brand?

Different positioning strategy required

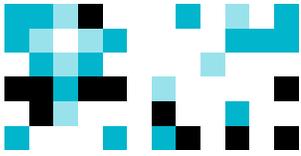


Positioning aligned with existing brand required



3. If either a new sub-brand or independent brand is what's needed, what should it be named, how should the logo look and what should the marketing be like?





Brand Architecture and the Bottom Line

The impacts of Brand Architecture decisions range from those that are immediately tangible to long-term effects that are difficult to quantify.

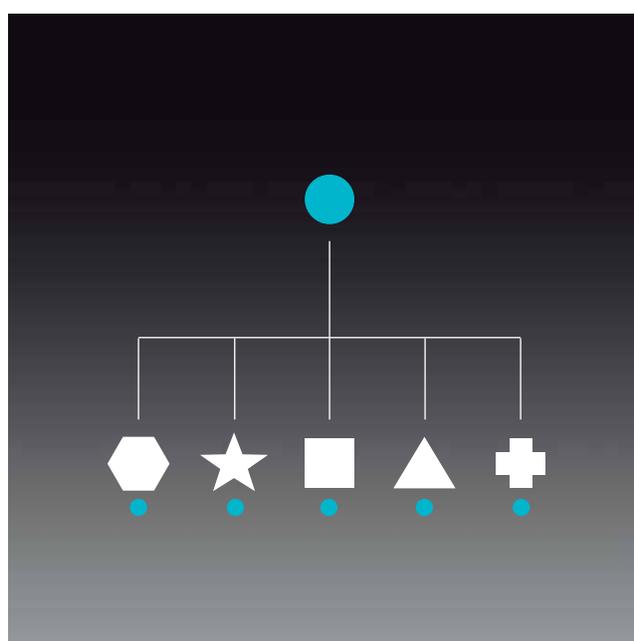
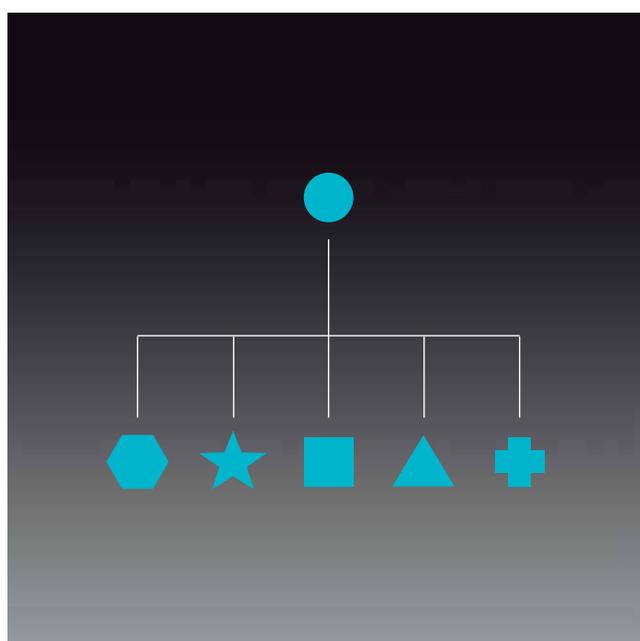
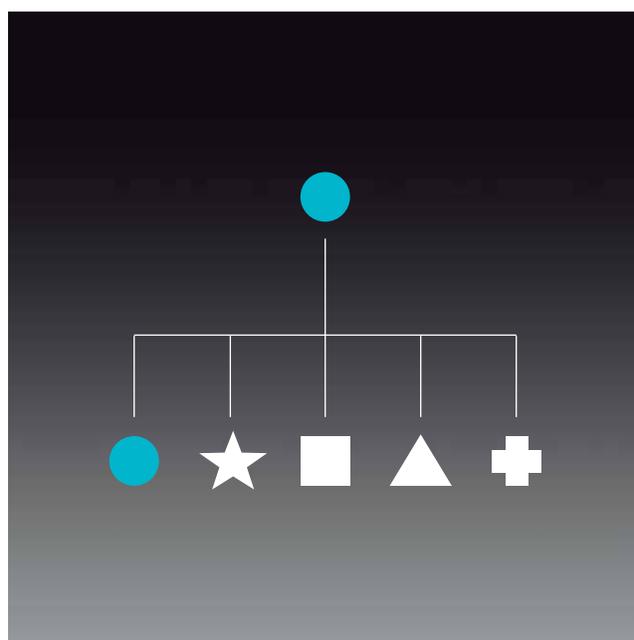
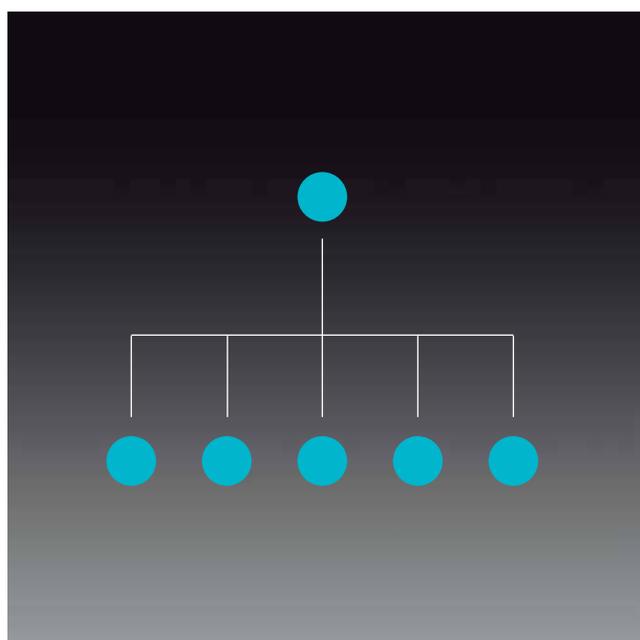
Applying an existing brand to a new product, service or unit eliminates the need to spend time and money creating a new brand. It can create instant awareness for the new offering. It can even result in greater overall brand equity as more widespread uses of a single brand reinforce each and create marketing synergies.

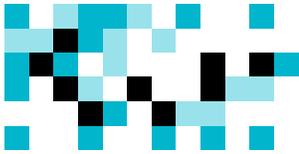
Many organizations, particularly technology companies, find themselves managing a tangled web of product and service brands, often created by overzealous development teams rather than a strategic process of deliberation. For these organizations, a simpler and more streamlined Brand Architecture, in which more products share the same basic brand, makes sense for the reasons outlined above. It takes time and effort to change existing brands without confusing the market, but in the long run it can save significant sums and simplify marketing efforts considerably.

Creating and promoting an entirely new brand takes time and investment. It means that independent brands don't reinforce each other and that marketing expenditures don't create a halo effect that benefits other products or services. It introduces complexity that marketers must manage diligently to be sure that each independent brand gets the attention and support it needs in order to thrive.

It's Not for the Faint of Heart or Light of Wallet

It also creates the opportunity for the new brand to focus, to communicate its value proposition and to target its stakeholders and to grow independently of its parent and siblings—or even to outgrow its family altogether. When an organization develops a product or service that its existing brands can't properly represent, or when that product or service has the incredible commercial potential, then the hard work it requires to create and promote a new brand can be the right choice.





The Soft Costs of Brand Architecture

There's another set of considerations that too many marketers and marketing consultants overlook when making Brand Architecture decisions.

The brand you choose for a product or service sends a message to the employee and it can set the tone for collaboration moving forward. Applying an existing brand to a product or service sets the tone for greater cohesion and can help galvanize employee efforts. Creating an independent brand invariably creates a level of internal division.

Division can be good, spurring healthy competition that some organizational cultures not only welcome but thrive on. It can help create distinct subcultures each of which can be independently optimized to the task at hand.

But division can easily become detrimental, setting the stage for fiefdoms, rivalries and breakdowns in internal communication.

Creating independent brands can be the right business decision, but it needs to be made with full knowledge of the challenges it can create and strategies to overcome them.

Our approach to solving Brand Architecture challenges involves establishing a Steering Group made up of leaders from across our client's organization. Working with a Steering Group ensures that our solutions balance product and service-level needs with corporate objectives.

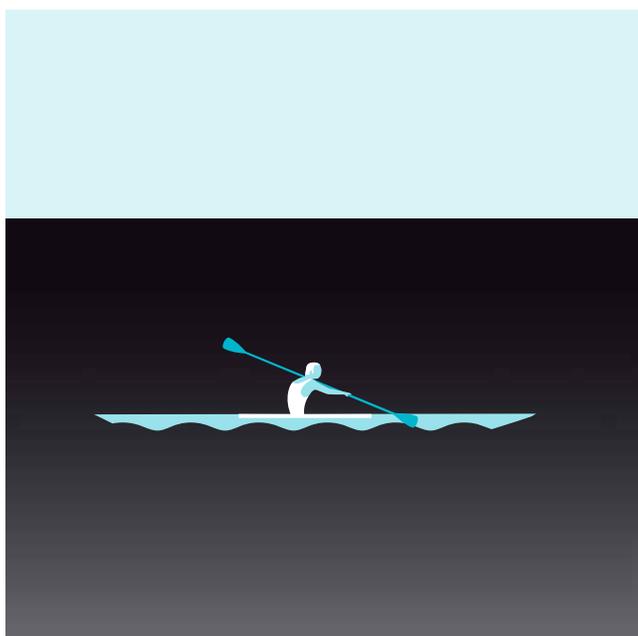
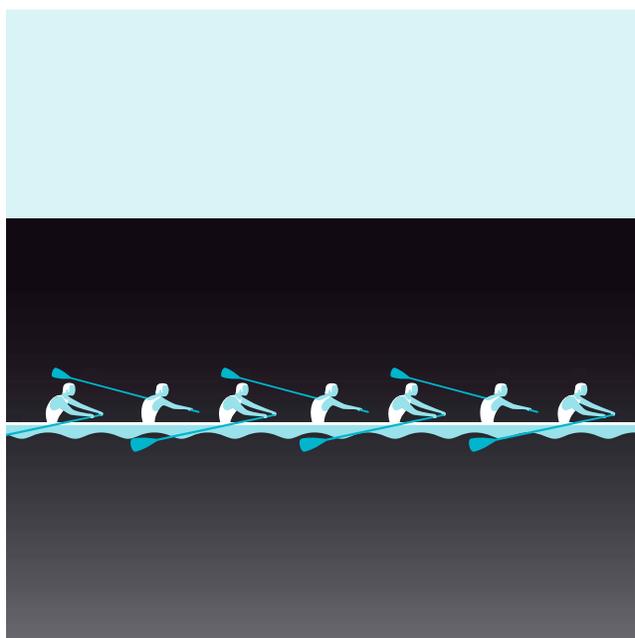
The Steering Group involves five key steps:

- + Step One: Underscoring the Value of the Effort
- + Step Two: Building a Coalition of Support
- + Step Three: Evaluating Potential Solutions
- + Step Four: Implementing Change
- + Step Five: Maintaining Momentum



What Brand Architecture is Really About

An effective Brand Architecture isn't really about a model. Rather, it's about making individual decisions that help an organization achieve its goals. Some of those decisions are simple. Some of them are more complicated. But focusing ruthlessly on the key issues involved can help you make those decisions faster and better, while creating a portfolio of brands that supports your organizational objectives and drives measurable success.



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Do you have a
complex Brand
Architecture
challenge?
We can help.
Let's talk.

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