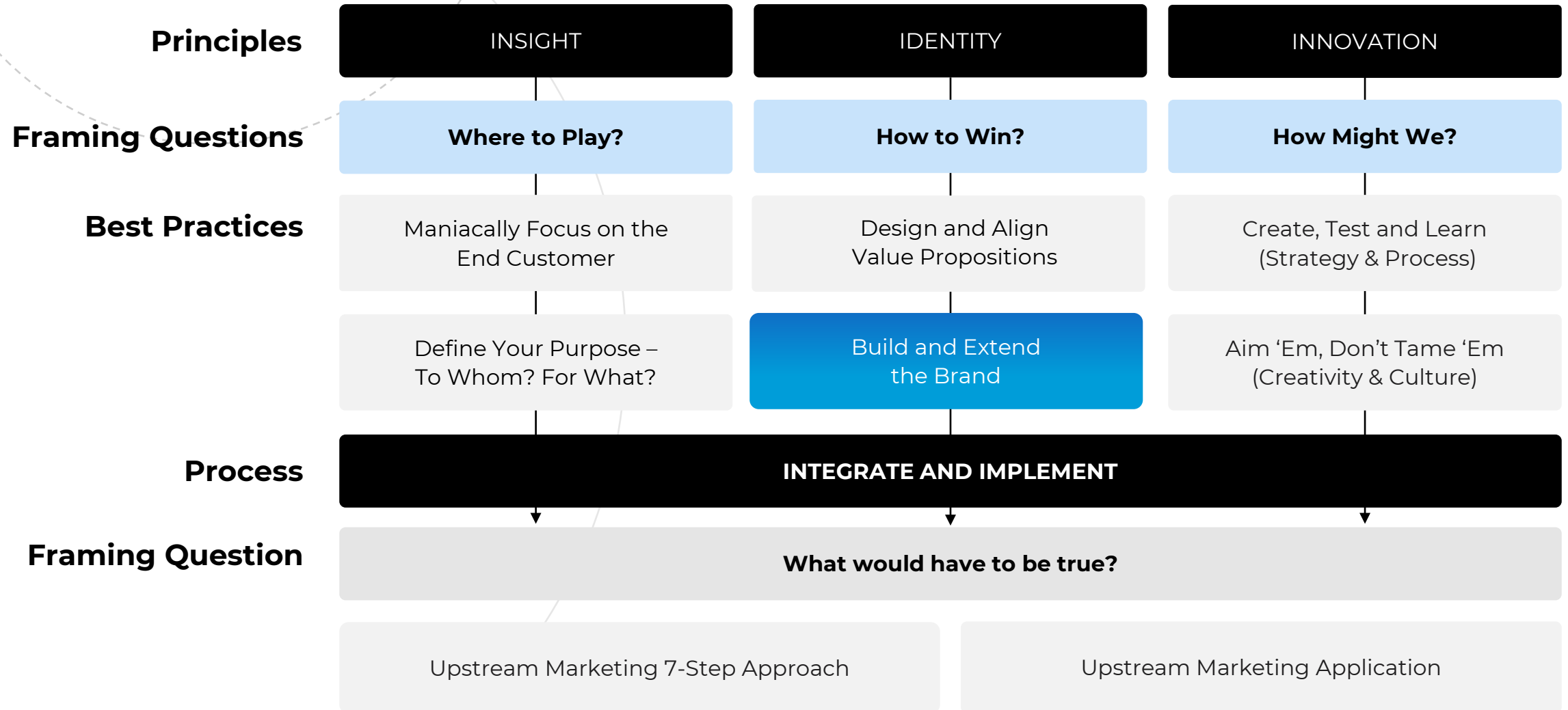
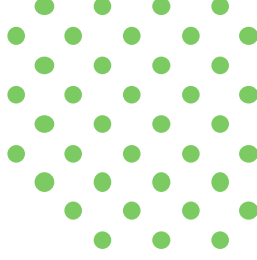


A woman in a blue sweater is sitting at a desk, holding a pen to her chin in a thoughtful pose. She is wearing white earbuds. In front of her is a laptop and a notebook. The background shows a desk with various items, including a white mug and a plant. A large, faint circular graphic with dashed lines is overlaid on the image. Two small blue dots are visible: one on the woman's chin and another on the laptop keyboard.

BUILD AND
EXTEND THE BRAND

Build and Extend the Brand





The strongest brands are built upstream

The strongest, most enduring brands result from the disciplined alignment of brand strategies and plans with customer requirements.



“Your brand is what people say about you when you’re not in the room.” **Bezos**

The strongest brands are built upstream



“We look at **the brand** not as a piece of advertising, but **everything we do communicates who Starbucks is**. The place, the physical environment really has become an extension of the brand and it’s very important to the success of the company.”

“Starbucks is not an advertiser; people think we are a great marketing company, but in fact we spend very little money on marketing and more money on training our people than advertising.”

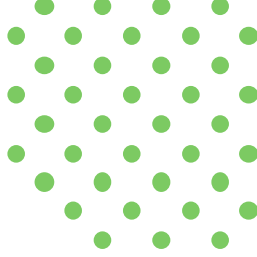
“**Authentic brands** don’t emerge from marketing cubicles or advertising agencies. They **emanate from everything the company does**.”

The strongest brands are built upstream



“When Southwest undertook a massive rebranding effort across the company, its leadership was quick to point out what didn’t change. “Southwest unveils its **new look, same heart**,” was the title of the press release.

CEO Gary Kelly said, “The Heart emblazoned on our aircraft, and within our new look, symbolizes our commitment that **we’ll remain true to our core values** as we set our sights on the future. **Southwest’s core remains, updated with a new brand look and feel.**”



What is a brand? There are numerous ways to define a brand

1. At the corporate level, consider the brand as **the face you put on your business strategy**.
2. A more academic definition is that a brand is comprised of **associations** that individuals **attribute to a product or service or company**.
3. A brand is **a relationship** a company has with its customers.

Products



- Functional benefits
- Made in a factory
- Can be objectively measured and evaluated

Brands



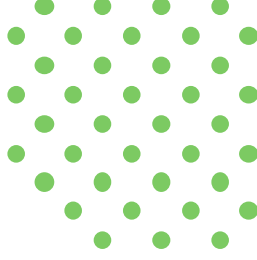
- Functional and emotional benefits
- Exists in the minds and hearts of customers
- Difficult to objectively evaluate

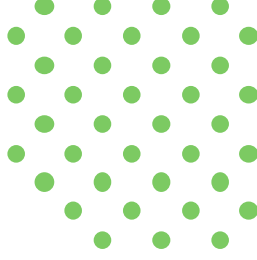
Violin vs. Fiddle

Fiddle



Violin





Why invest in brand building?

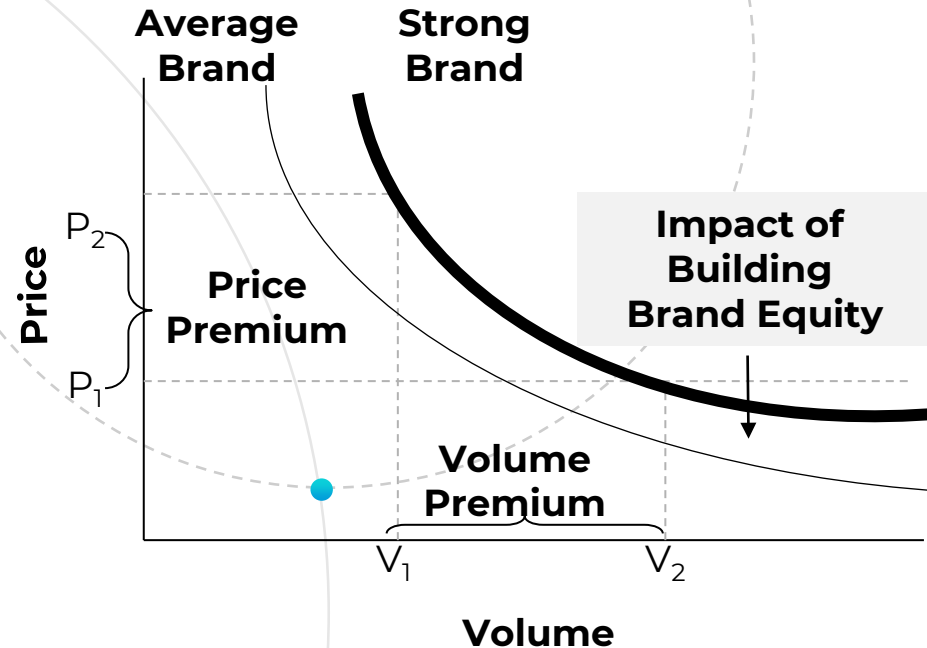
A brand is one of the few things a company can own forever

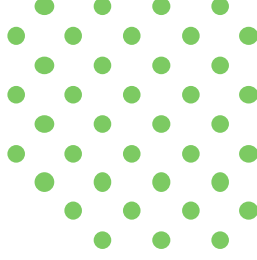
Brands Add Value to Products ...

Consumer Product Test Results

	<u>Unbranded</u>	<u>Branded</u>
Prefer Brand A	51%	23%
Prefer Brand B	44%	65%
No Preference	5%	12%

... Shifting the Demand Curve

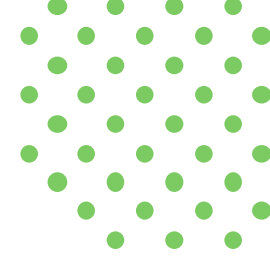




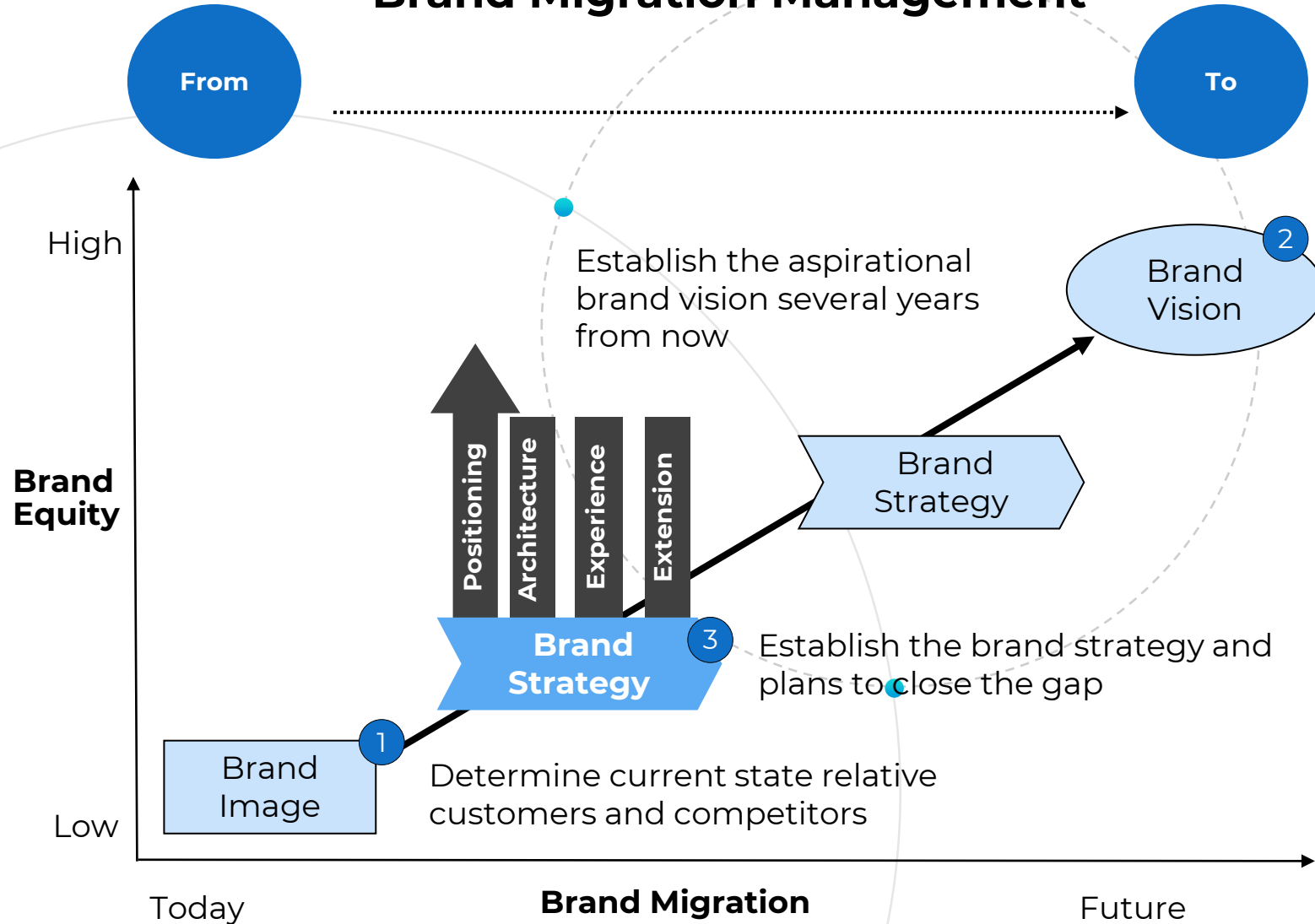
Benefits of brand?

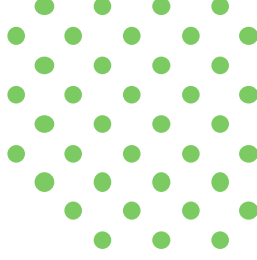
For customers, brands provide choice, simplify decisions, provide quality assurance, and facilitate risk avoidance

Internally, brands serve as a guiding light to make strategic recommendations for where to allocate resources.



Brand Migration Management

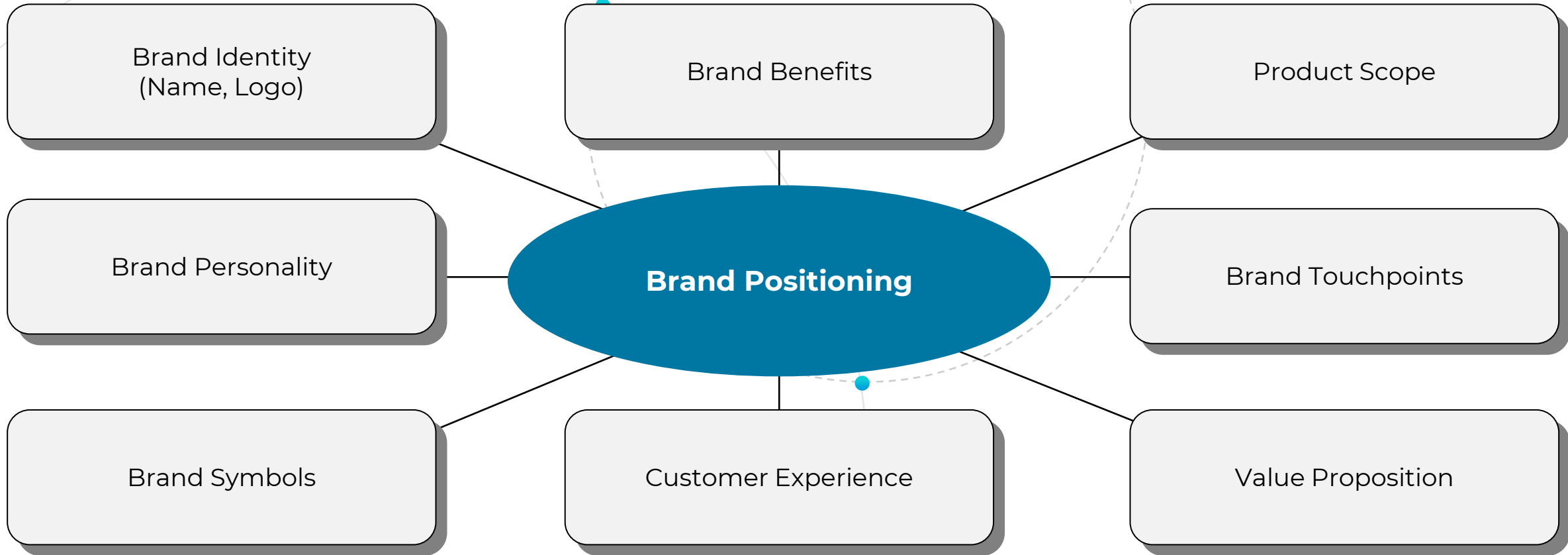
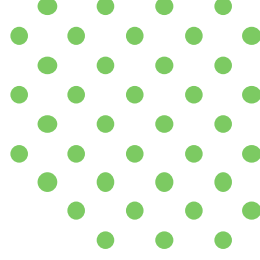


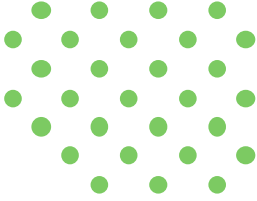


Four Key Strategy Components Of Brand Management

1. **Brand positioning** is the conceptual place you want to own in the target customer's mind—the benefits you want them to think of when they consider your brand
2. **Brand-customer experience** represents the totality of how customers interact with your business and brand—the touchpoints they encounter within their journey.
3. **Brand architecture** is the logical, strategic, and relational structure of all products and brands in the portfolio
4. **Brand extension** results from stretching established brand names into new products or new product categories

Brand positioning is an internal statement used to inform and reflect internal decision-making and external associations





BRAND POSITIONING

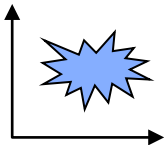
Brand Positioning Examples

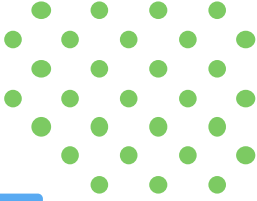
		 Mercedes-Benz	 ACURA
"Performance"	"Comfort"	"Luxury"	"Smart Choice"

Brand Positioning Statement

- To (target audience), (Product X) is the only (frame of reference) that (benefits delivered) because (reasons to believe)

Four strategic choices underlie positioning development

Definition of Targets Who is the brand being built for?	Frame-of-Reference What is the competitive context?	Benefits Delivered What benefits should the brand stand for?	Proof Points What are the reasons-to-believe the positioning?
			✓ ✓ ✓



Four Alternative Positioning Strategies

Position and own the
category benefit

Disney: The Happiest Place on Earth

Position the product and the
consumer

Nike: Just Do It

Position how the company does
business

Southwest: Transfarency

Position against the competition

Apple: Think different

Customer Journey Mapping

Elements of the Customer Journey →

		Awareness	Interest	Consideration	Purchase	Retention	Advocacy
Customer Need/ Situation							
<ul style="list-style-type: none"> • Thinking • Doing • Feeling 							
Brand- Touchpoints	Advertising						
	Website						
	Phone						
	In-Person						
	Email						
	Other						
Ideas for Improvement							
		Prepurchase		Purchase		Post purchase	

APPLE invests before during and after a purchase

Brand-Customer Experience

Pre-Purchase



Purchase



Post-Purchase

Evolution of the Apple ecosystem (how everything is designed to work together and complement other products)



- Including quality cues



Brand-Customer Experience



Five senses

See

Hear

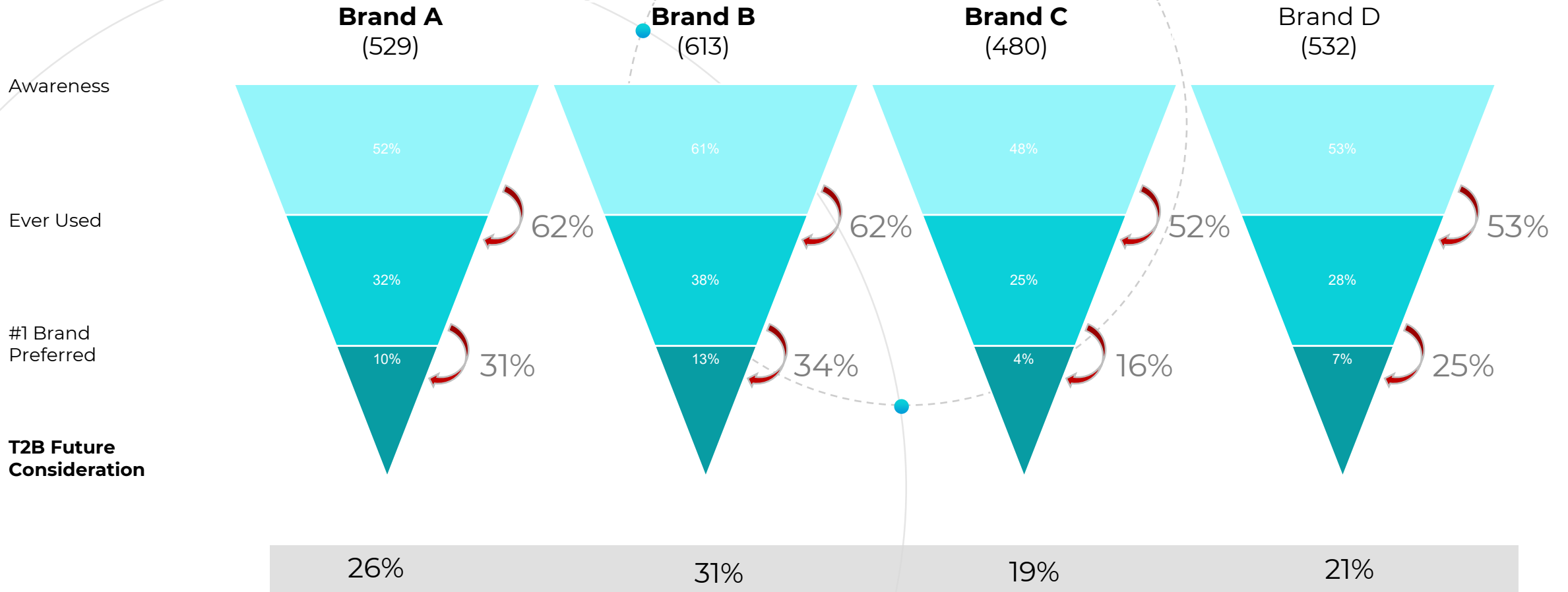
Touch

Smell

Taste

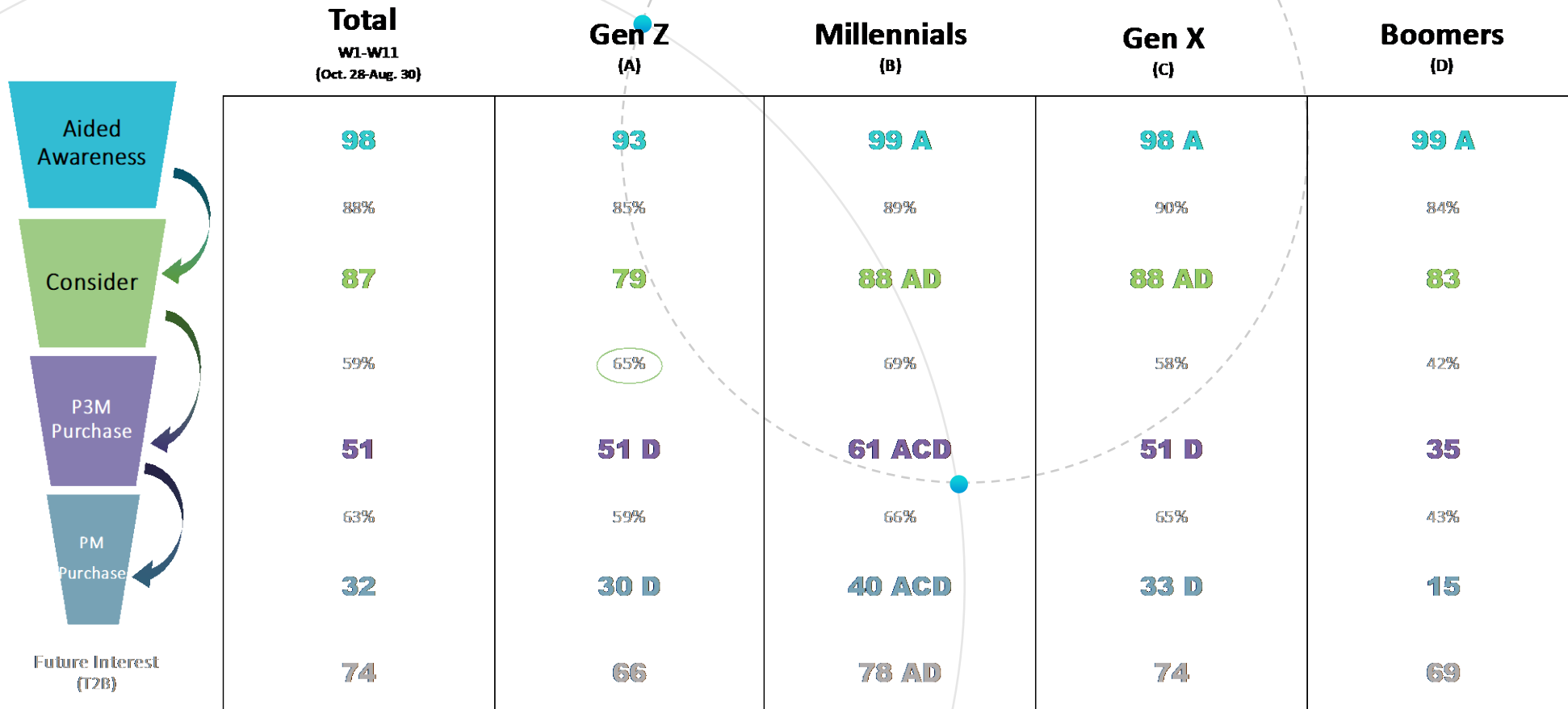
Conversion metrics – diagnose conversion metrics

Brand-Customer Experience



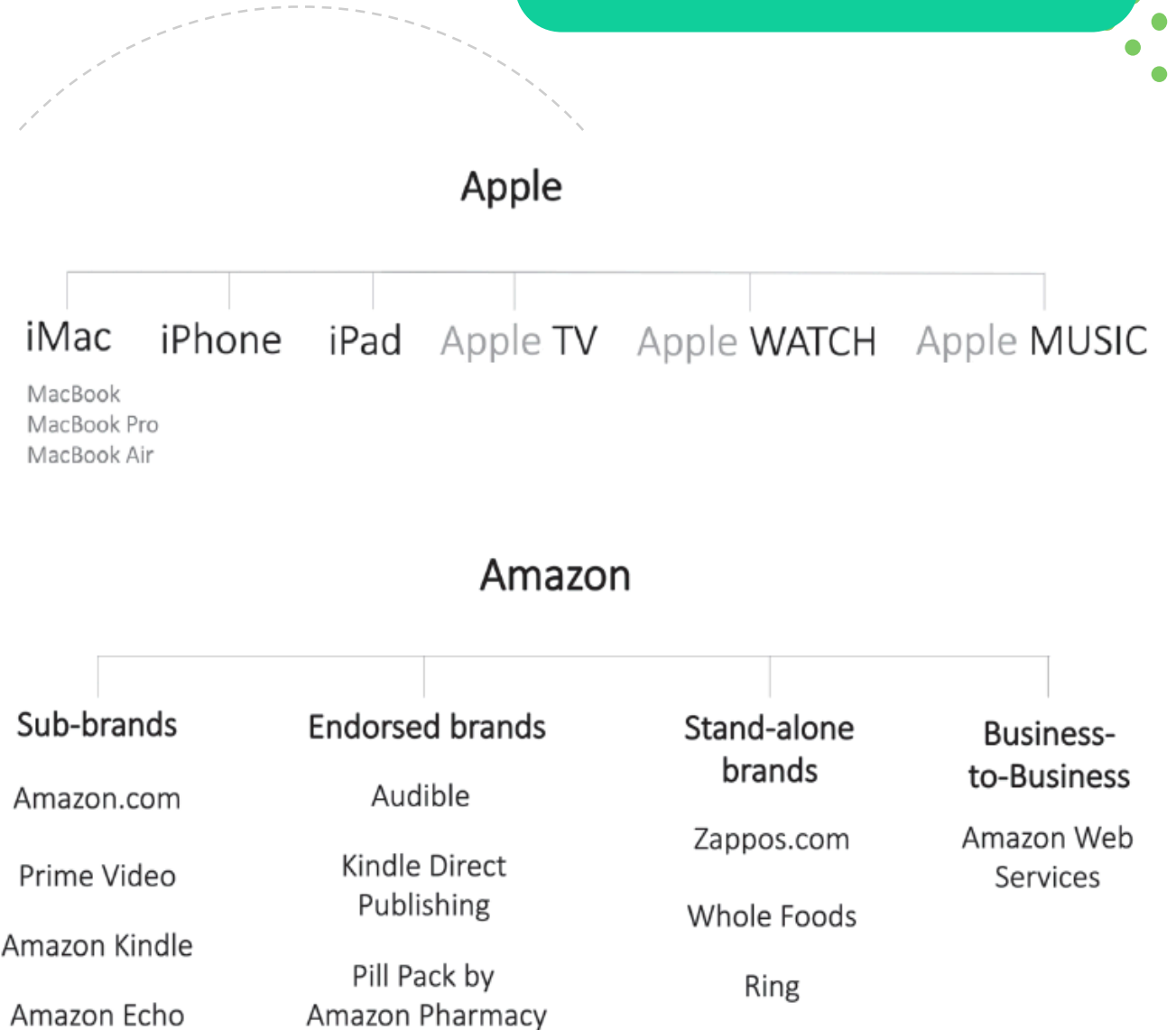
Conversion metrics – by customer segment

Brand-Customer Experience

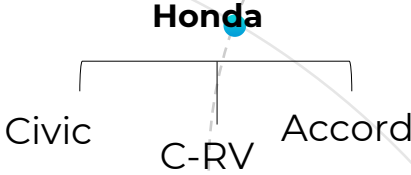


Three goals: clarity, synergy and leverage

Brand architecture overview



Four primary brand architecture models

Branded House	Sub-brand	Endorsed Brands	House of Brands
<p>BMW 3 Series 7 Series BMW X1</p>	 <pre> graph TD Honda --> Civic Honda --> C-RV Honda --> Accord </pre>	<p>BMW MINI</p>	<p>Chevrolet GMC Cadillac Buick</p>
<p>Uses a single master brand and descriptors</p> <ul style="list-style-type: none"> • Leverages established brand equity with minimal investment behind new offerings • Strong potential for economies of scale <p>Typically, the default, go-to strategy.</p>	<p>Sub-brands add to or modify associations of the master brand</p> <ul style="list-style-type: none"> • They may have a different value proposition, positioning and brand identity • A sub-brand can stretch the master brand, to new arenas 	<p>Endorser brands provide credibility to the endorsed brand</p> <ul style="list-style-type: none"> • An endorsed brand is linked with the endorser, but has freedom to develop product associations and a brand identity different from that of the endorser 	<p>Contains a set of stand-alone brands, each focusing on a market segment</p> <ul style="list-style-type: none"> • Can position clearly on desired benefits and dominate niche segments • Useful for avoiding incompatible associations
<ul style="list-style-type: none"> • BMW is the master brand with models denoted as BMW 3, BMW 7, BMW X1, BMW M, etc. 	<ul style="list-style-type: none"> • Honda Accord and Toyota Camry are examples 	<ul style="list-style-type: none"> • Mini is associated with BMW though has perceptual distance 	<ul style="list-style-type: none"> • General Motor brands include Chevrolet, Buick, GMC, Cadillac

Brand architecture and naming – best practices and considerations

A common goal is to invest in the **fewest number of brands** needed to meet business goals

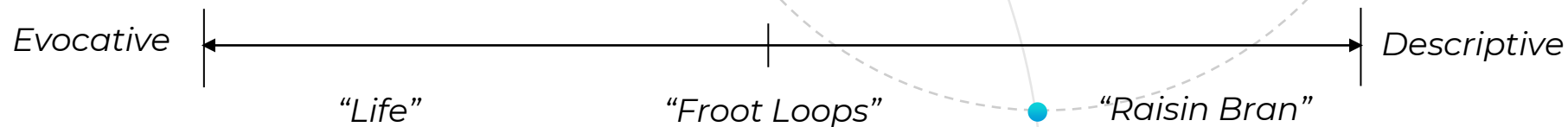
- This will maximize the resources behind any one brand (i.e., **“put more wood behind the arrow”**) and minimize brand confusion and unnecessary proliferation
- In this case, it is typically better to **name** vs. **brand** products and services

Names are simple descriptors that serve to identify the tangible value the consumer receives

vs.

Brands require investment and management, and represent value greater than the functionality of the offering alone

Brands and names can further be broadly classified as either *evocative* or *descriptive*



Nobody sets out to create a confusing product architecture. Confusion results from acquisitions or individual business managers wanting to create news and excitement, leading to **“empty vessel”** brands

Brands can be very personal – strive for the **common good of the organization** vs. individual brand managers

There are cases when a brand portfolio makes sense to address **brand compatibility** issues

Brand extension – also called brand stretch – is the final component of brand strategy

Brand Extension

Brands are valuable assets that can and should be strategically and selectively extended in order to:

- Further strengthen and build the brand franchise
- Enhance the chance of success of new business development
- Reduce the cost of new business development

Examples

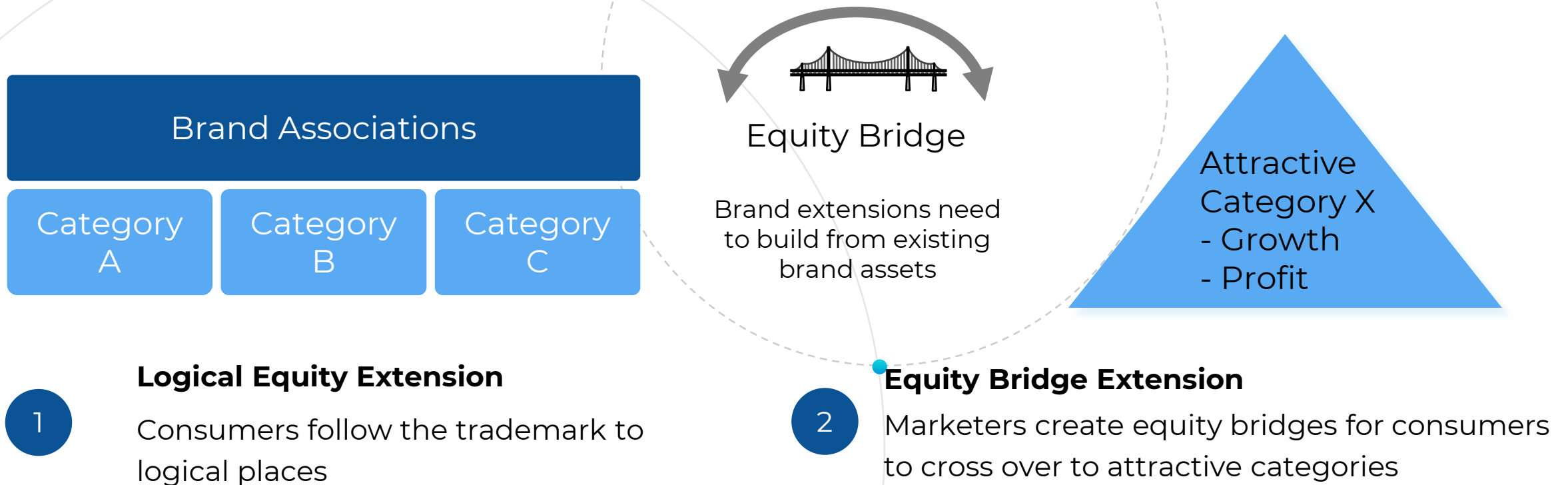
Original brand	Extended to
Disney animation	Disney merchandising, music, publishing, filmed entertainment, theme parks, vacation, resorts and property management, broadcasting, live entertainment and digital properties.
Starbucks coffee	Starbucks hot chocolate, mugs, tumblers, and presses Frappuccino drinks and other food and beverage products
Apple computers	Apple phones, tablets, watches, peripheral products
Nike running shoes	Nike footwear, apparel, and equipment across numerous categories
Amazon	Amazon Prime, Kindle, Echo, Basics (private label)

Efficiencies of brand leverage vs. new brand creation

Immediate awareness and recognition, trust/comfort, accelerated trial, competitive

Brand extension is a process that allows companies to define new and attractive business opportunities for existing brands

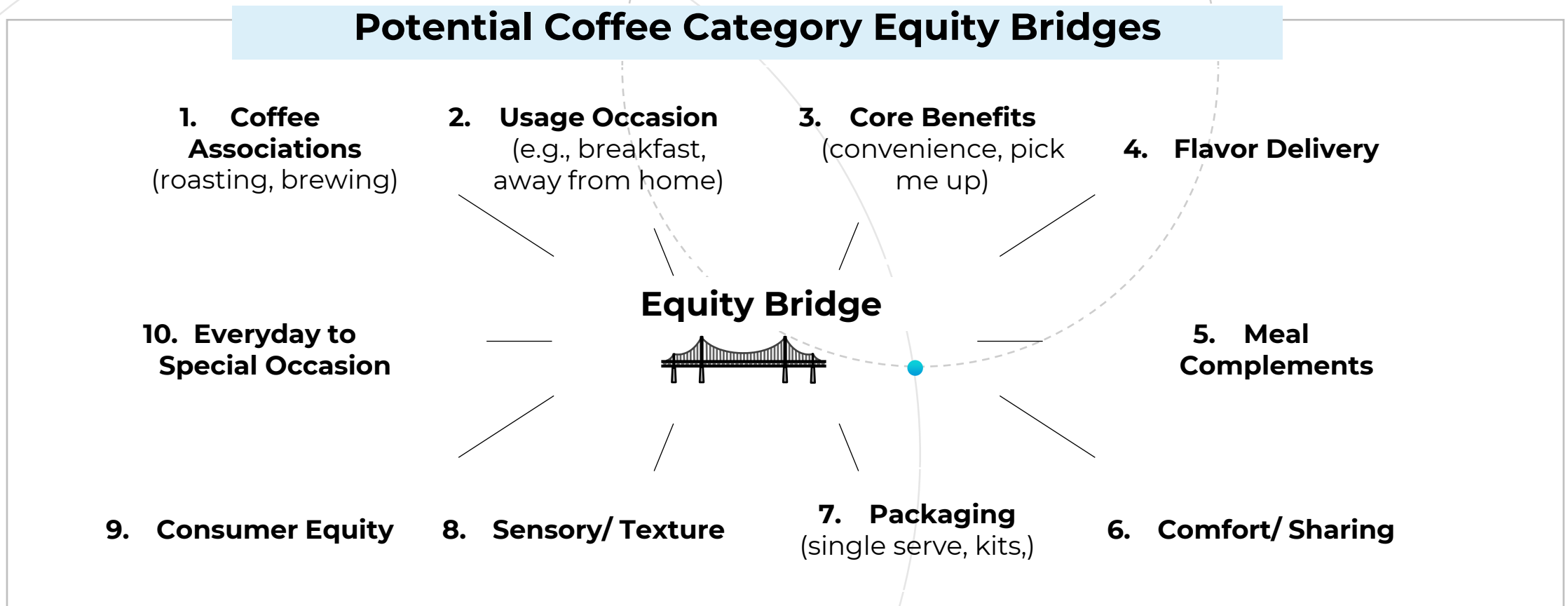
Two Basic Approaches to Brand Extension



Brands can be highly elastic – the key is not to violate the inherent benefit essence of the brand

Brand extension involves assessing brand associations as potential equity bridges

The benefit hierarchy discussed earlier can help inform equity extension areas



A brand-category attractiveness screen can identify strategic opportunity areas



Does the existing brand fit the new category?

No

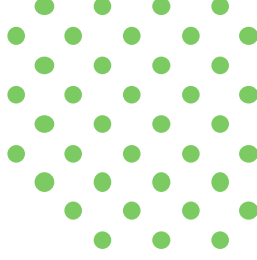
Yes

Are there unmet new category needs?

Yes

No

		High potential brand extensions



Build and Extend the Brand

Questions to Consider

1. Is brand strategy a **senior-level, boardroom topic** in your organization?
2. Have you clearly established a **relevant and differentiated brand positioning**?
3. Are you making it easy for customers to buy from you, including aligning **brand touchpoints** with the customer decision process?
4. Do the various brands and products **fit together** in a way that makes it clear to customers what you offer?