

## Six Signs of a Brand Architecture Problem



Brand architecture – how your brands are organized and relate to one another – is more than just a “marketing” concern; it is an important strategic issue. It is like staging the actors in a play: Who should be center-stage in the spotlight? Who are the supporting players? And who stays in the wings? A well-managed portfolio of brands improves performance, and supports your business strategy.

Any of the following six issues may indicate that your brand architecture is out of alignment with your business strategy:

1. **The role of your corporate brand is unclear.** Who does it speak to? How does it relate to brands you use in the marketplace? Should it apply to everything you sell? Should it be invisible to customers?
2. **Your brands hide the true scope of your business.** Do you find that customers or investors do not recognize the scope of your company? Perhaps you are known for one thing and underappreciated in other areas. Perhaps one of your product brands overshadows your corporate brand.
3. **You have brands that overlap.** Overlapping brands are when two or more different brands talk to similar audiences and have similar offerings. Do your brands compete for resources and cannibalize one another? What may seem like substantial product differences internally may be invisible to customers.

4. **Your portfolio of brands is large and unwieldy.** How many is too many? Is it difficult to bundle services and cross-sell? Are you spending too much supporting too many brands and earning too little in return?
5. **You have a hodge-podge of brands from acquisitions.** Does your company accumulate brands through acquisitions, like an athlete with a shelf full of trophies? Are these brands kept for sentimental or anecdotal reasons without a solid business case?
6. **You are expanding into new areas but don't think your existing brands can do the job.** Perhaps your product innovations or market expansion is a radical departure from your current offerings. What kind of branding do you need to support your changing business? Creating new brands is very exciting, but is it always necessary?

If you face any of the six issues above, your business would benefit from an evaluation of where you stand today, what your options are and how you should approach your brand architecture going forward. Your brand architecture should shine a spotlight on your strongest areas and help tell the story you want to the market.

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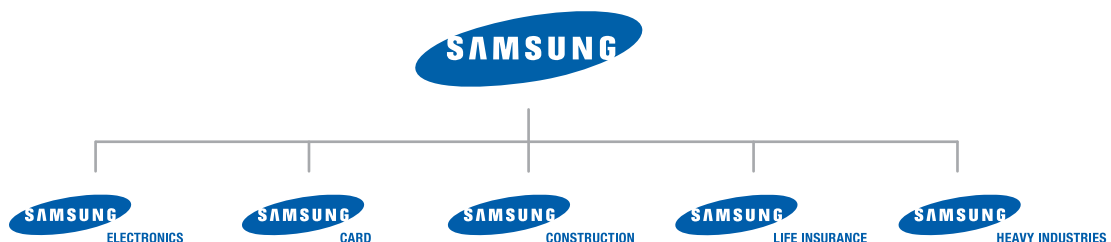
## Three Solutions for Brand Architecture problems

Your brand architecture – how your brands are organized and relate to one another – can take many forms.

While it may look complex, brand architecture is actually very simple. There are essentially three options. On one extreme you can apply a single master brand to the company and all products. Samsung is an example of that model. On the other extreme is the multiple brand model where each product has a different brand and a corporate brand that is distinct from all of the rest. P&G is an example of that model. And then there are hybrid models for everything in between. Marriott is an example of the hybrid model.

**The Master Brand Model** creates a powerful single image. Marketing is more efficient; your brand has greater visibility with less expense. Cross-selling and cooperation is easier. It works best if your business is highly focused with centralized brand management and budgets. On the other hand, this model presents significant risks. Your image may become plain vanilla. After all, it is hard for one brand to be everything to everyone. Acquisition targets may be reluctant to sell and have their brands disappear. Discontinuing acquired brands wipes out their heritage value. Your ability to move into new businesses might be limited by the elasticity of your master brand.

### Master Brand Model



**The Multiple Brand Model** is a favorite of strong brand managers in decentralized companies. You can market independent brands to address discrete audiences. Acquiring and divesting companies is relatively simple, with no loss of brand equity. This approach has risks, too. Investors don't always recognize the scope and value of such companies – Cendant was not able to realize the true value of its business following this approach. Cross-selling is much more difficult. Supporting many brands is expensive and time consuming.

### Multiple Brand Model



**The Hybrid Brand Model.** For most companies, neither extreme works. Market pressures, organizational dynamics and limited budgets often make a hybrid model more attractive. The advantages of a hybrid brand model are many, including: flexibility for acquisitions or spin-offs, protecting brand equity, providing branding options that are right for the target audiences – perhaps different for B2B than B2C. You can adopt a hybrid model with varying degrees of independence and flexibility.

#### Hybrid Brand Model



Whatever approach you pursue, it is important to understand there is no single “best” model. Instead, there is a best methodology. It all starts from your business strategy and what you are trying to accomplish. The best approach for your company depends on the story you are trying to tell.

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## Casting Your New Brand Architecture



Crafting a new brand architecture is like casting actors in a play. Who is the star and who is in the chorus line? There is a process for solving brand architecture problems. Without a structured process, it's easy to get caught in a swamp of conflicting priorities and agendas.

Brand architecture is more than organizing brands; it also involves managing people and organizational structures. That is why process is so important.

Before starting, you'll want to make sure your company leadership is on board. And get the major internal constituencies involved. Marketing may lead the project but other departments must fully embrace it, including sales, human resources, legal, IT, operations, and R&D.

**Key steps in the brand architecture process:**

1. **Audit what you have.** Begin by understanding your current range of offerings and the reasons behind the way they are structured now. Your legal group is a good place to start as they will have a list of current and pending trademarks. You might want to search websites and documents for “unofficial” brands that crop up with surprising frequency.
2. **Keep your business strategy in plain sight.** Because brand architecture must support future growth, keep the business strategy front and center. For instance, if you have a multi-channel business strategy, consolidating everything under a single brand can be counterproductive.
3. **Separate the stars from the supporting cast.** When you've got a comprehensive brand list, it is time to assess each one. You may have all necessary information at hand, but often more research is needed. Assess each brand and trademark against criteria relevant to your business strategy. Some examples include:
  - How well known is the brand among key audiences?
  - What images and associations does each brand evoke?

- Does the brand have a top three position within its category?
  - Does the brand have a unique role or does it overlap with other brands in your portfolio?
  - Is the brand appropriate for new products/services, audiences, or geographies?
  - Is the brand in a high-growth category or in a strategically important area?
  - Is it a strong revenue generator?
  - Will the company invest in the brand and product line?
4. **Consider company structure.** Your brand architecture must work within reality of the organizational philosophy and structure. You won't be able to reorganize the company around the brand architecture. If operating units are strongly independent, then a highly centralized branding system will create internal tensions. Some key considerations: Who is accountable for setting branding practices? How are the branding budgets controlled? Do the operating units have the skills to manage brands independently?
5. **Create visual prototypes.** Ideas that look good in theory sometimes don't work in practice. It helps to take brand architecture options and play them out in visual prototypes. How would this work on a package? How would it live in a user interface? How will it work in other countries? What does it look like on a salesperson's card?

Getting everyone onboard is the beginning. Having a clear process for working through the options will keep them productively engaged.

Soon you'll be ready to stage the new brand architecture in the real world. For that, you'll need a roadmap for rolling out, training and tools for measuring your progress.

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## Staging Your New Brand Architecture



**Congratulations, your new brand architecture system has gotten the green light. Now it is time to stage it in the real world.**

**You can expect bumps along the way taking your new brand architecture from script to reality. A brilliant brand architecture can fail because of unrealistic expectations, lack of budgets or simple inertia. But solid planning can minimize your bumps and maximize your results. Four parts of any plan include:**

1. **A realistic roadmap.** Plan ahead. Imagine what the world will look like with the new brand architecture in place. Then chart out a logical plan to get there. Get internal constituencies such as IT, Operations, HR to contribute to and sign-off on their part of the plan.

Identify the areas with greatest potential for disrupting business. Put the resources in place to minimize the disruption. The brand architecture should make doing business easier, not harder.

Set a realistic timeline. For some companies, it can take years because of capital costs for changing signage and equipment. In fast moving consumer goods, change can happen in a matter of months.

2. **Practice, practice, practice.** The people who will be on the front lines of staging and living with the new brand portfolio need to understand why the changes are being made. They need to learn how to migrate from their tried and true way of doing things to the new brand architecture.

Make the training practical and hands-on. Give people an opportunity to think about implications of the new brand architecture for their own jobs.

Getting new employees on board from the start requires initial training. HR should play an on-going and key role in staging the new system.

3. **Set a final change-over date.** Even with the best of plans, transitions to the new brand architecture can drag out for years. Set a firm deadline for achieving a complete change-over. Give people incentives to meet deadlines. Create consequences for neglecting them.

Some companies set a final “clean-out day” in which they walk through the buildings and throw away old materials.

4. **Measure the progress.** Go back to the original problems that you were trying to solve. Set in place metrics for assessing your progress in solving those problems. These may be a combination of qualitative and quantitative measures. For example, success may be measured by survey data that shows a decrease in customer confusion, or a business metric such as more cross-selling. Or it may be a financial metric around reductions in printing costs or legal trademark fees.

The roadmap for staging your new brand architecture is an important first step. It is only through effective staging and execution that you actually build your strong portfolio.

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