

2327 Brand Management

Dr. Sofia Kousi

Week 7

Session 7

Brand Architecture & Extensions Brand Types

What is brand Architecture?
How is it connected to brand Extensions?
Are there different brand types?

António Champalimaud
Auditorium







Duolingo
@duolingo

Language learning is hard... so we made it soft.

It's time to turn your bathroom into a classroom with our latest innovation: Duolingo Roll – toilet paper (yes, toilet paper) that teaches you phrases in new languages! 📄

bit.ly/DuolingoRoll #DuolingoRoll



Duolingo · Apr 1

Replying to @duolingo

Studies have found that the average person spends up to 14 minutes a day on the toilet. In other words: plenty of time to get some language practice in! 🕒

You might be OK with ignoring Duo's push notifications – but it's *a lot* harder to ignore nature's call. 🤔



22

267

2.8K



Yo evito el amor
para evitar
el estrés.
I avoid love to avoid stress.

o no va a
ir nunca.
never going to die.

o más
read,

No, I am not fine.
いいえ、私は元気では
ありません。

Excuse me,
I am an apple.
すみません、
私はりんごです。

I am behind you.
私はあなたの後ろに
います。

Why is this
clown here?
どうしてこのピエロが
ここにいるのですか?

Is this a pigeon?
これはハトですか?

I have a party for
twenty-four hours.
二十四時間パーティーを
します。

I want to talk to
the manager.
Eu quero falar com
o gerente.

My pillow does
not speak.
Meu travesseiro não fala.

In the end,
all are alone.
No final, todos
estão sozinhos.

The shark does
not have a house.
O tubarão não tem
uma casa.

What if I drink
ten liters of juice?
E se eu tomar
dez litros de suco?

I don't want to
share this piece
of cake with you.
我不想跟你分享
这块蛋糕。

There are 1,500
cat photos in my
cell phone.
我的手机里有一千
五百张猫的照片。

I love you,
but not a lot.
Eu te amo, mas não muito.

If you are lazy,
Duo will cry.
如果你很懒，多儿会哭。

She does not
want to work,
but she wants
to become rich.
她不想工作，但是
想发财。

Do you think this
is an accident?
你觉得这是一个
意外吗?

I love my fat
cat.
(Yo amo a mi gato gordo.)

My mum was
dancing with
a big rat.
Mi mamá bailaba con
una rata grande.

I would like
new soft
for my bed.

It is
very
good.
(Es un
muy guapo.)



Dan Lyle @DanLyle9 · Apr 1

Replying to @duolingo

I know that today is April 1st, but I actually want this 🤔🤔



7



132



Melissa Flagg, COA, OSC @MelissaFlaggCOA · Apr 1

Dude me too!!



2



barbie 🇺🇸 @medicineblakey · Apr 1

Replying to @duolingo

this is actually a cool idea tbh shshshshs



5



Christina Sobran @ChristinaSobran · Apr 1

Replying to @duolingo

I love you @duolingo 🥰 And happy April 1



4



Eduardo MT 🇪🇸🇧🇷 @edumontenegrot · Apr 1

Replying to @duolingo

That'd be pretty cool actually hahaha I'd buy it



1



4



Hannah @Hannah45092498 · Apr 1

I'd buy it too



1



Wangxian hair strands 🇰🇷 @XZdeadskincells · Apr 1

Replying to @duolingo

I'd buy it kdkdkdkd



4



Melodie Ha 哈美琳

@melodieha

...

Wow it's like Duolingo just knows that I always spend 10 min on the toilet learning Korean every day #bless



Duolingo @duolingo · 9h

Language learning is hard... so we made it soft.

It's time to turn your bathroom into a classroom with our latest innovation: Duolingo Roll – toilet paper (yes, toilet paper) that teaches you phrases in new languages! 🇰🇷

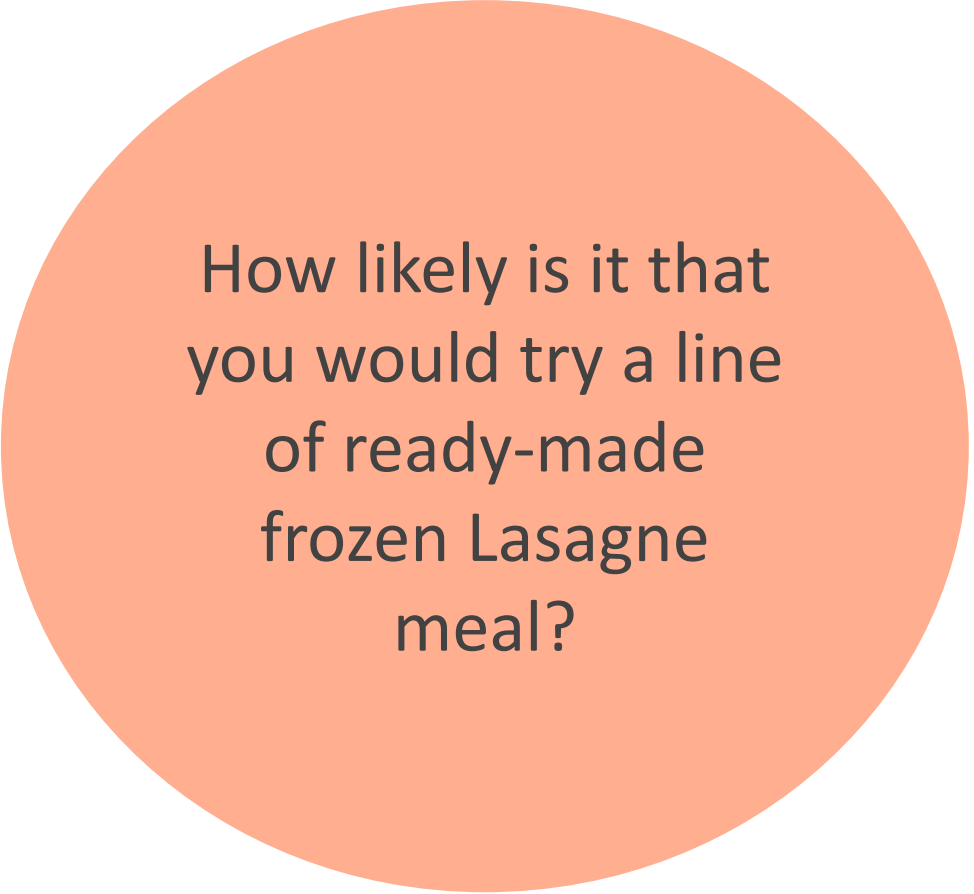
bit.ly/DuolingoRoll #DuolingoRoll

[Show this thread](#)



GIF

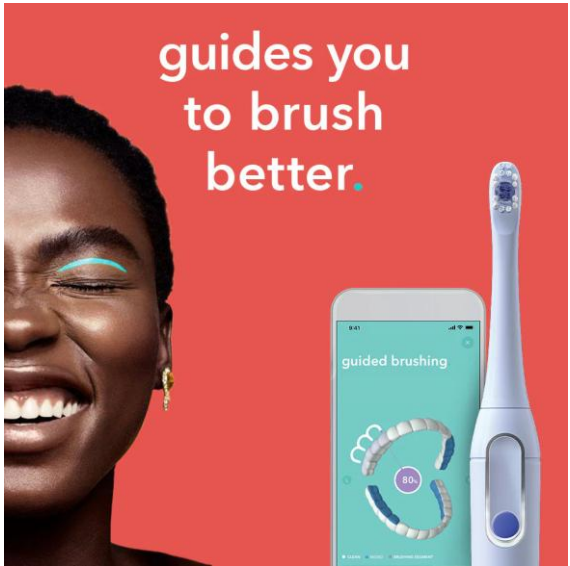
6:39 AM · Apr 1, 2021 · Twitter for iPhone



How likely is it that
you would try a line
of ready-made
frozen Lasagne
meal?











- platino
- smeraldi 10017871
- diamanti tondi
- diamanti marquise
- smeraldi cabochoné
- pavé





*“Brands have become the barrier to entry,
but they are also the means to entry”*

Edward Tauber

Extensions

- A brand extension is when a firm uses an established brand name to introduce a new product
- A brand that creates an extension is called the Parent Brand
 - If the parent brand is already associated with several products through extensions, then it may be called a Family brand
- Main reasons for extensions (Kwun, 2010)
 - Growth with diminished risk
 - Expand into various geographic locations and segments
 - Diversify financial risks
 - Economies of scale
 - Enhance effectiveness and efficiency in marketing and operations
 - Synergies increase the value of individual brands and of the overall portfolio
 - Individual brands within a portfolio become more powerful when they are interrelated

Extensions



Facilitate new product acceptance

- Improve brand image
- Reduce perceived risk
- Increase probability of gaining trial and distribution
- Increase efficiency of promotional expenditures
- Reduce costs of introductory and follow-up marketing campaigns
- Avoid cost of developing a new brand
- Permit customers to seek variety

Provide feedback to the parent brand

- Clarify brand meaning
- Enhance the parent brand image
- Bring new customers into the brand franchise and increased market coverage
- Revitalize the brand
- Permit subsequent extensions

Extensions



Diluting existing brand associations

- E.g. Cadbury: from fine chocolate associations, to mainstream food (mashed potatoes, dried milk, soup)

New undesirable attribute associations are created

- E.g. Black & Decker small appliances hurt its power-tool image
- Less likely to happen if
 - The parent brand associations are very strong
 - There is distinct difference between the original brand context and the extension
 - The difference in the context of the two brands is not so extreme as to appear incongruous



The brand fails to deliver on its promise

The brand franchise is cannibalized

Extensions & success factors

Major contributors in driving brand extension success (Völckner & Sattler, 2006):

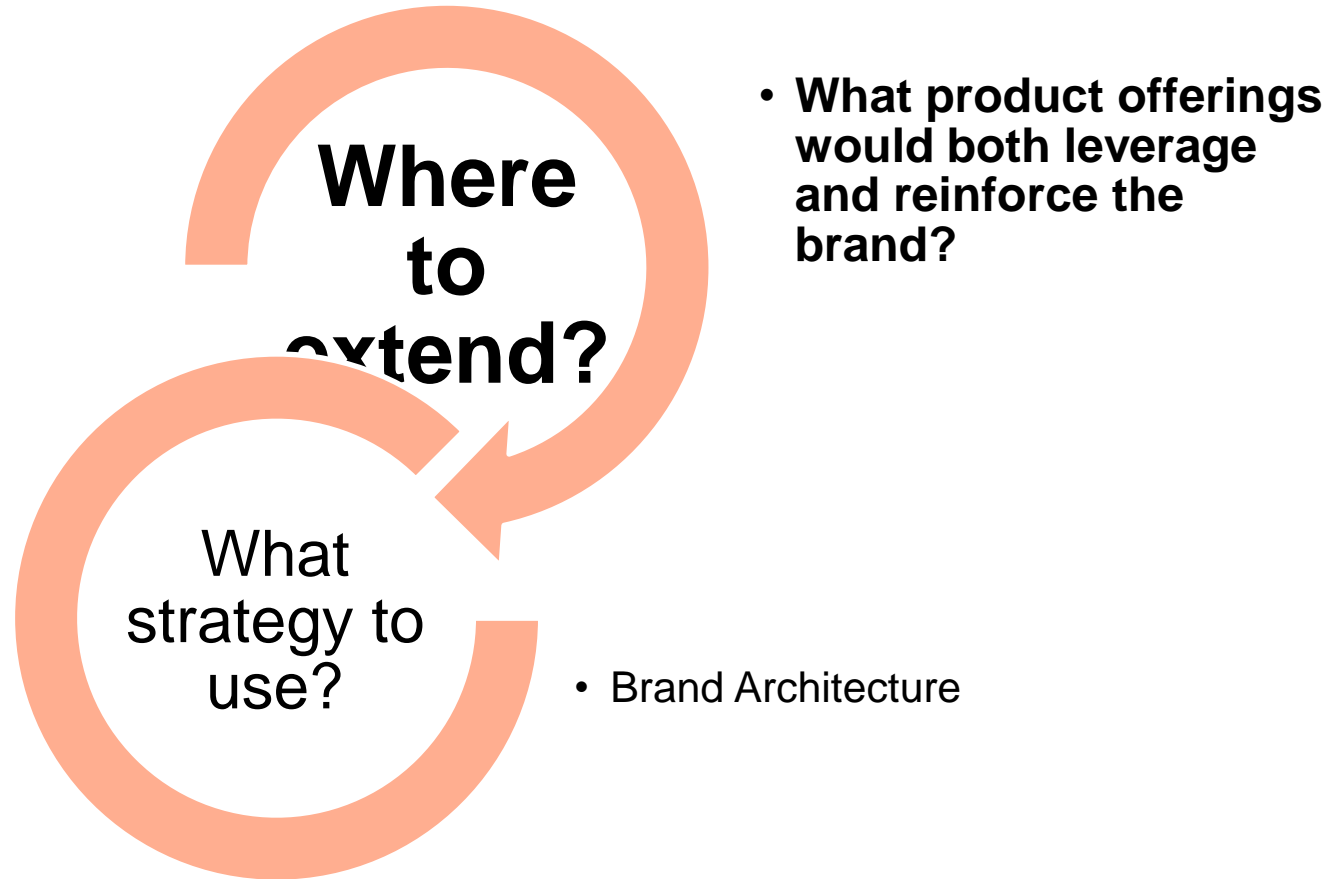
- Fit between the parent brand and the extension product
- Marketing support level
- Retailer acceptance
- Parent-brand experience



What extensions could Orlando City do?

Leveraging (extending) the brand into new offerings:

Key questions



Q1: Where to extend: The Extendable Equity

The Extendable Equity (Parham Santana, 2012)

1. Associations – which are leveragable?

Existing brand associations & brand identity (research helps identify these)

– Sources of common association:

- user types
- ingredients
- symbols
- product category (Mercedes & cars)
- product attribute (e.g. Subaru 4 wheel drive)
- channel (e.g. Airbnb)
- brand personality / self-expressive benefits

2. Identify product categories for which there would be a fit

MUJI

- Key association with “Japanese design”
→ extend to interior decoration & design services
- Association with “minimal, smart living”
→ electronics, hotel



- Key association: Disposable
→ shavers, stockings, lighter, gloves
→ Not: luxury, high tech products





**What is the
Extendable Equity of
your brand?**

**In which categories
would this equity be
appropriate?**

Q1: Where to extend: The Extendable Equity

3. Evaluate the category in terms of business attractiveness

- Consumers
Are there unmet needs?
- Competition
What is the competitive landscape? Entry barriers?
What is our leverage over the competition

4. The extension concept: positioning

- Differentiated offering
- Testing the new concept (research)

Extensions: breadth vs depth

Breadth → Product Mix breadth: The variety & number of product lines offered by a firm (**product categories**)

Depth ↓



Product Line Depth:
The number of items in a given product line. Satisfying customer sub segments with different tastes and price sensitivities



Extension types

1

Line Extension

- Transfers the existing brand name to a new product within the same or closely related product line (New flavors, ingredients, formats, packaging, size)
- Horizontal
 - Stretching horizontally at the same quality level to address different tastes
- Vertical: downmarket & upmarket

 WYNDHAM GRAND

 WYNDHAM



2

Category Extension

- Transferring of a brand name to a new product or service outside of the original product category



BVLGARI
HOTELS & RESORTS

3

Customer extension

- Using existing brand on new products or services sold to a different customer segment

Dove
MEN
+CARE

Extension types: Tauber's typologies

1. Shift the form

Introduce the same product in a different form, size, or flavor

- Method of Delivery



- Method of Preservation



- In-Store Placement



- Retail Outlet



- Ingredient Profile



Extension types: Tauber's typologies

2. Transfer a component

Introduce products that contain the brand's distinctive flavor, ingredient, scent, etc.



3. Transfer a benefit

Take a benefit closely associated with your brand and create a different product where that benefit is desirable by using:

- Functional Benefits
- Same Benefit, Different Customer

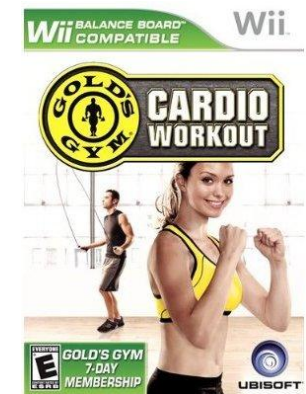


Extension types: Tauber's typologies

4. Leverage an expertise

Introduce products that capitalize on the firm's perceived expertise

E.g. Honda lawnmowers, Canon photocopiers



5. Sell companion products

Introduce products to complement the main one



Extension types: Tauber's typologies

6. Leverage the customer base

Introduce products relevant to the customer franchise of the brand

E.g. Fisher Price diapers, Sesame street toys



7. Leverage a lifestyle

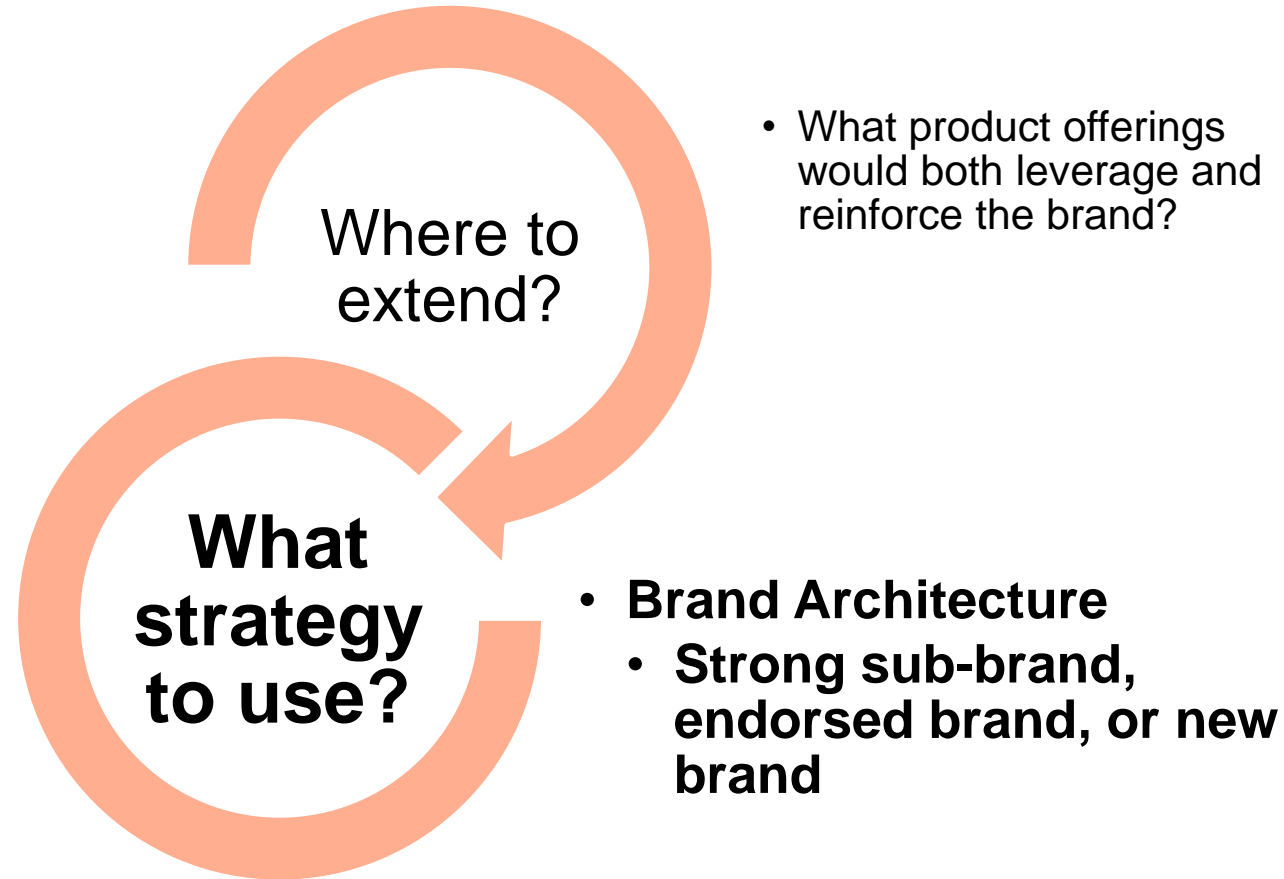
Extend to products that reinforce a way of living, culture, or set of values or interests, such as a:

- Luxury Experience
- Rugged Work Ethic
- Outdoor Lifestyle
- Generational Wealth
- Love of Learning
- Sports Fitness



Leveraging (extending) the brand into new offerings:

Key questions





What extensions could Orlando City do?

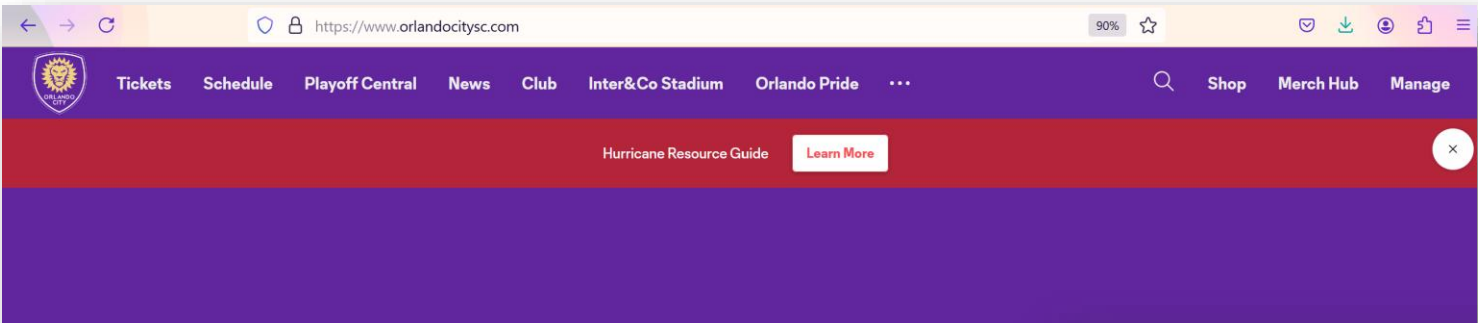
Should Orlando City launch the extensions under its own name?



ORLANDO CITY YOUTH SOCCER NETWORK







Rapid Reactions

Rapid Reactions: Lions keep cooking in Cincinnati



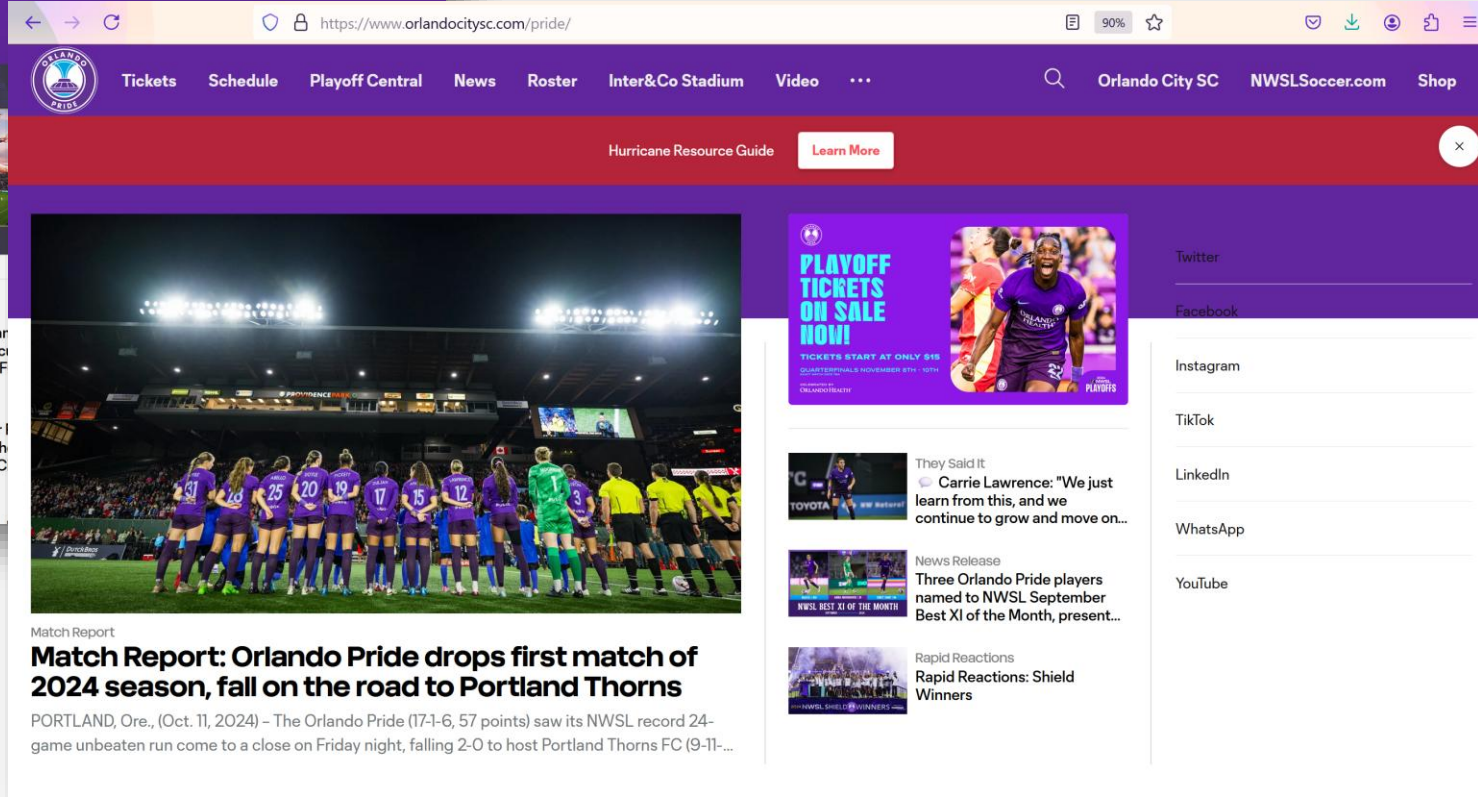
Match Report
Match report: Orland
 earns third-consec
 with 3-1 victory at F



They Said It
They said it: Oscar I
 Kyle Smith share th
 after win over FC C



Austin David
Austin David




https://www.instagram.com/orlandocitysc/

70%

☆

Instagram

Log in Sign up





10,941 posts 428K followers 358 following


Orlando City SC - x


orlandocitysc

Sports club
Official Instagram account of Orlando City SC.
🏆 2022 U.S. Open Cup Champions
🌐 www.mlsstore.com/orlando-city-sc/jerseys/t-14908189+d-92114259+z-7-1236340481?s=bm-OrlandoCitySC-OCSC-MLS_JerseyWeek-I







Tickets

Schedule

Team Gear

Wallpapers

POSTS REELS TAGGED




https://www.instagram.com/orlpride/

70%

☆

Instagram

Log in Sign up




6,987 posts 306K followers 123 following







Orlando Pride - x

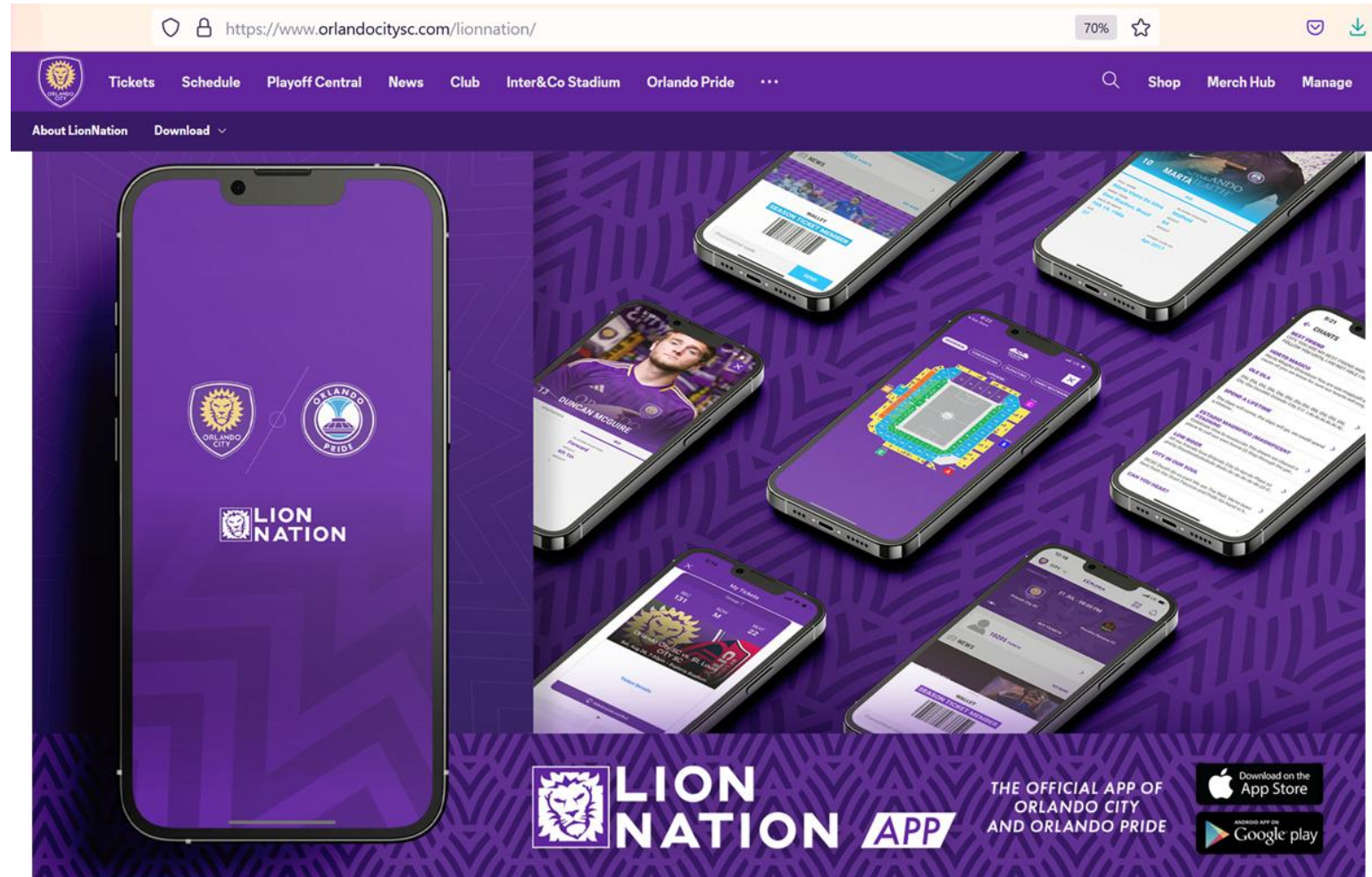
orlpride

2024 NWSL SHIELD WINNERS 🏆
Vamos Pride 🇺🇸
🌐 www.orlandocitysc.com/pride/playoffcentral + 4

Schedule

POSTS REELS TAGGED

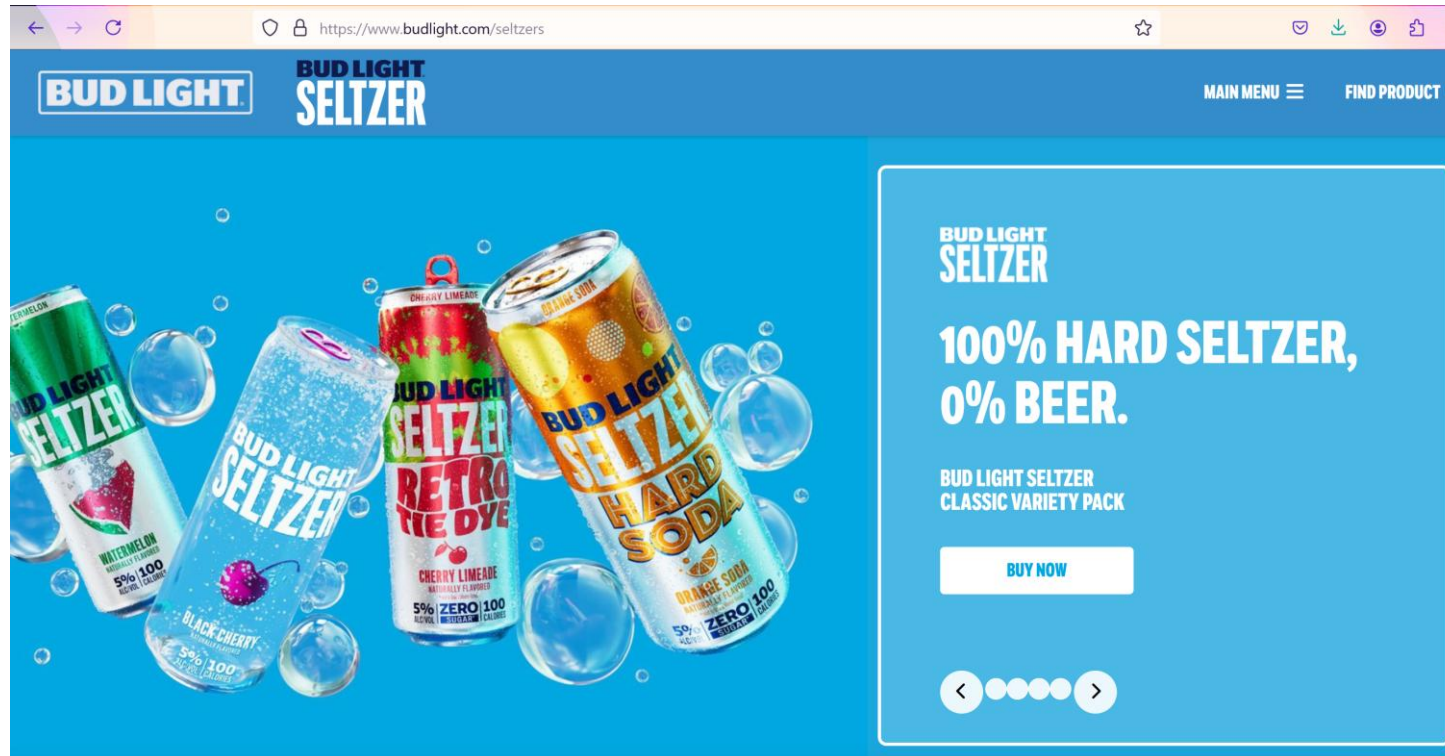




Brand Architecture Strategies: decision considerations



Brand Architecture Strategies: decision considerations



“We launched Bud Light Seltzer with the Bud Light name in 2020 because it came with immediate benefits in terms of recognizability and distribution,” he said.

“Understandably, it comes with some confusion that we need to make sure we hit directly on to make sure people are very clear what’s in our product.”

Steve Wolf, vice president of marketing for Bud Light Extensions

Brand Architecture Strategies: decision considerations




<https://www.youtube.com/watch?v=1-KZKXX5Hbg>

Brand Architecture Strategies



Brand Architecture Strategies

PT | EN



ABOUT US ▾ OUR LOCATIONS ▾ MENUS ▾ GALLERY ▾ RESERVATIONS ▾ DELIVERY STORE ▾ CATERING

NICOLAU LISBOA
AMÉLIA LISBOA
BASÍLIO LISBOA
OLÍVIA LISBOA
NICOLAU CASCAIS
NICOLAU PORTO
AMÉLIA FOZ

Nicolau
Lisboa

Green is our inspiration


Nicolau Lisboa Café was born in the summer of 2016 in a little corner of Lisbon where we realized the dream of offering everyday healthy and really delicious food within a relaxed environment.

We are those that enjoy breakfast food at any time of the day. In Nicolau the brunch is no longer only on Sundays but it is always available. Each season we seek to renew our menu to have the best smoothies, salads and pancakes of the city :). Our love for the food is reflected in our work.

And we are growing. Nicolau fell lost in love with Amélia. Amélia Lisboa is located in one of the most popular quarters of the city and has a magic patio to make our days happier. This love will bear fruit and many stories to tell.

And now? It's never easy to decide what to do next. But since what moves us it's the will to be near - people, talks, work, love and dilemmas - stay put was not an option.

So here we are again. Now in Avenida da Mar, in the heart of Lisbon, to know the happy



Brand Architecture Strategies



Brand Architecture Strategies



ABOUT US ▾ OUR LOCATIONS ▾ MENUS ▾ GALLERY ▾ RESERVATIONS ▾ DELIVERY ▾ STORE ▾ CATERING

Olivia Lisboa

Olivia

Olivia distinguishes herself in our family, opening a new path in our Group. She reunites the best of our popular recipes and adds to it new seasonings and textures.

Brings to the table what she saw around the world, which results in an explosive combination of flavors and feelings, specially inspired by Asia and Middle East.

One thing is for sure, the plates will be more exotic, but our philosophy remains the same: quality in first place.

We are sure that you will like Olivia; she already likes you!

Will we see around the corner some day?



Brand Architecture Strategies: decision considerations

Three considerations to decide on the optimal architecture strategy

1. Will the brand enhance the extension?
 - Awareness/presence, perceived quality & trust, brand associations, brand loyalty, fit / credibility of brand & extension
2. Will the extension enhance the brand?
3. Is there a compelling reason to generate a new brand?
 - “Every new brand is a new mouth to feed” – by unknown

Establishing the need for a new brand

Conditions that would justify the creation of a new brand

- All existing brands have associations that are incompatible with the new offering
- The offering would damage the brand name
- A new name is needed to realize the chance to create and own an association
- Only a new name would signal the newness of the offering
- An acquired brand has a significant loyalty that would be at risk if a name change were to occur
- A channel conflict requires a separate name



Q2. What strategy to use? Brand Architecture

- Brand architecture is the implementation of a brand portfolio.
- It defines the relationship between corporate brands and sub- (or spin-off) brands, or a corporate brand and its main products and services: The brand relationship spectrum
- Brand Architecture describes how consumers should perceive the links and relationships between brands in the portfolio

*“The blueprint for the brands’ interdependent relationships, reflecting and facilitating the firm’s strategy. Informed by each brand’s strategic role and scope, and empowered and limited by each brand’s meaning transferability, **it clearly maps the hierarchical networked structure of the portfolio**, that will guide the execution of brand strategy in the marketplace” (Avery, 2017)*

Brand Architecture is...

... the coherent response to these questions (Avery, 2017)

1. What linkages exist (or not) among the brand in the portfolio, that stimulates or inhibits meaning spillover and mitigates or exacerbates risk
 - Where is the value created, who endorses whom
2. How visible should the corporate brand be
3. How many and what types of brands each product/service should have

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Corporation

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Services

FedEx[®]
Express

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Ground

FedEx[®]
Freight

FedEx[®]
Office

FedEx[®]

FedEx[®]
Home Delivery

FedEx[®]
Custom Critical

FedEx[™]
TechConnect

FedEx[®]
SupplyChain

FedEx[®]
SmartPost

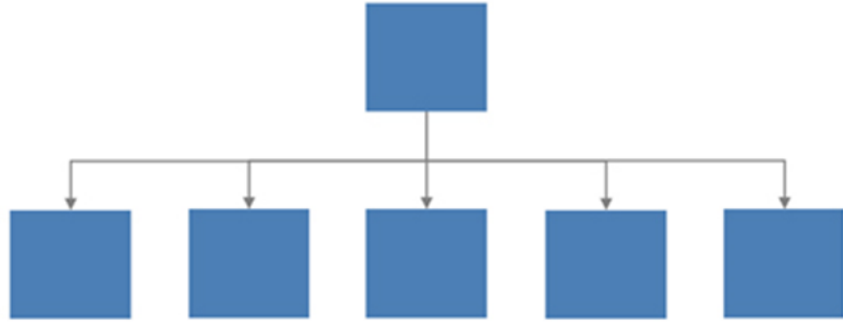
FedEx[®]
MultiModal

FedEx[®]
Trade Networks





Branded House



Products are organized around a monolithic parent brand

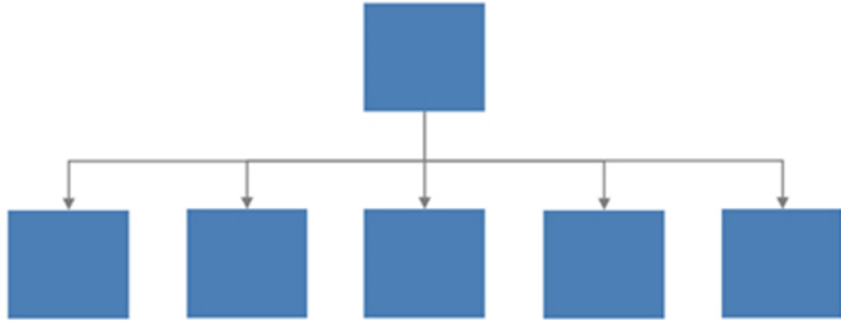
House of Brands



Individual brands stand alone, not connected to a parent brand



Branded House



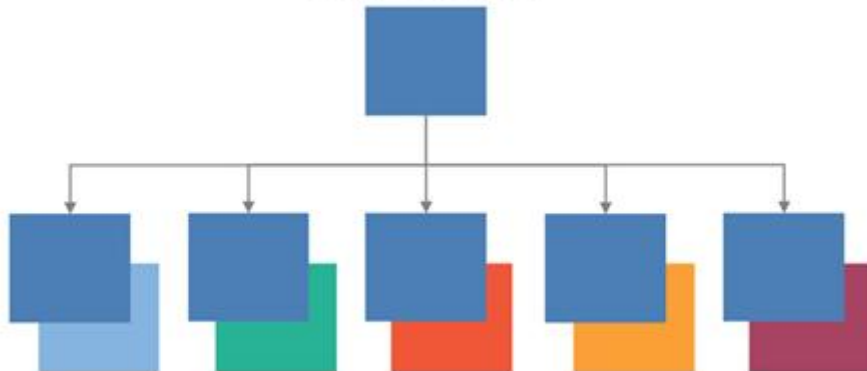
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House of Brands



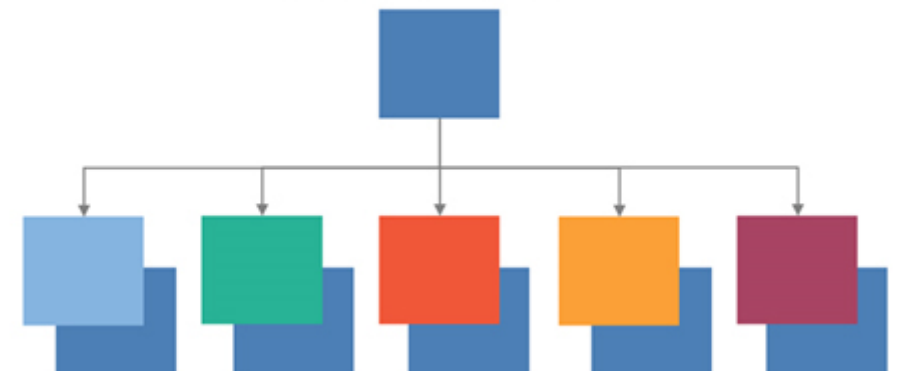
Individual brands stand alone, not connected to a parent brand

Sub-Brands











Individual brands are distinct, but relate to a parent brand

Endorsed Brand



Brands and products are endorsed by a parent brand

2. What strategy to use? Brand Architecture

Branded House	Sub-Brands	Endorsed Brands	House of Brands
One brand creates a single powerful image, sometimes with a descriptor	Combining the corporate brand with strong sub-brands Sub brands help differentiate and boost corporate brand	Leading with a strong sub-brand but leveraging corporate brand as endorser	Decentralized companies targeting diverse markets
 	 	 	 

Brand Architecture Strategies

Sub-branding

- When a corporate (parent) brand is combined with another brand (sub-brand) where both work together to create and communicate meaning (Avery, 2017)
- Closer to a branded house strategy: the masterbrand acts as a key driver, with sub-brand never stronger than the masterbrand
 - Sometimes the sub-brand can be equally strong (e.g. Sony Playstation, Apple iPhone, Porsche Cayenne)
- Reflected in the name: Masterbrand + sub-brand



Endorsed branding

- When a brand is 'authenticated' by a parent brand with its reputation
 - The parent brand plays a secondary role as a 'stamp of approval', while the endorsed brand is the central brand
 - Closer to the House of brands: individual brands with unique identities tied together by the endorsing parent brand.
- Naming & logo structure: Endorsed brand first, followed by masterbrand



Brand Architecture Strategies

Branded House

- Increased brand awareness
- Efficient use of resources, focused on building 1 brand image
- Increased consumer acceptance

Sub-Brands

- Quality assurance (endorser brand) for the product brand, increasing consumer confidence and acceptance
- Maintains 'individuality', allowing for better targeting
- Efficient marketing resource use (advertise both brands at once)

Endorsed Brands

- Better targeting through building individual identities into each sub-brand
- Useful when you want to enrich the masterbrand with new associations, or expand to new target or category

House of Brands

- Lowers risks of contamination in case of a failure
- Each brand can cover a different segment – market coverage & niche, with unique identity
- Creates sense of ownership for managers, not resting on the strength of one brand

- Negative impact Risk: A crisis with one product will affect the entire brand

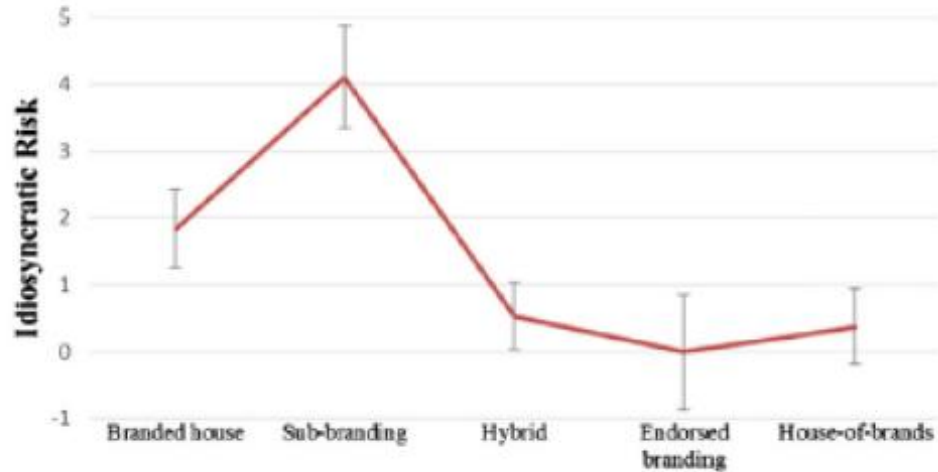
- Contamination risk (both ways)
- Costs associated with launch of new brand (creative, legal)

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- Costs associated with launch of new brand (creative, legal)

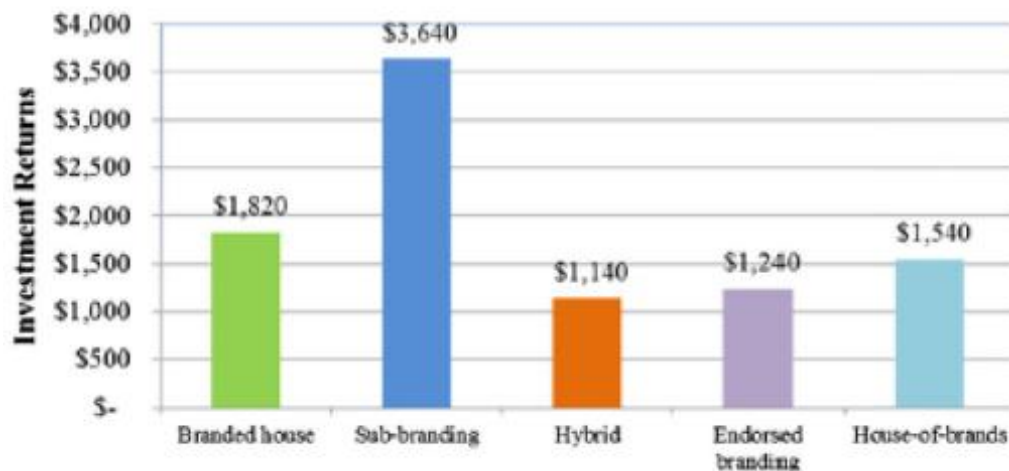
- Expensive: inefficient use of resources
- No equity is built on the parent brand

Brand Architecture & Firm value

B Idiosyncratic risk associated with each brand architecture



D Risk-adjusted returns in 2006 on \$1,000 investment in 1996 in each brand architecture



- Brand portfolio strategies explain 2%-21% of the variance in financial performance, and 8%-16% of variance in marketing effectiveness and efficiency over the 1994-2003 period (Morgan & Lopo, 2009)
- Branded House & House of Brands portfolios have similar financial returns (stock returns)
 - but House of Brands strategies have lower risk levels (ability to diversify and distribute risk across the portfolio).
- Sub-branding strategies offer the greatest level of returns with higher levels of risk.
- Endorsed branding strategy offers lower returns, but provides more controlled risk.

Source: Srinivasan, Fournier, & Hsu , 2015

Brand Architecture: Sporting Football club

 <https://miguelmodesto.com/arquitetura-de-marca-scp>



1906



1912/13



1930



1945



2001

CASE STUDY: <https://miguelmodesto.com/arquitetura-de-marca-scp>



Sporting Clube de Portugal



Sporting Clube de Portugal
Futebol, SAD



Sporting Multimédia
Gestão, Produção e Exploração Multimédia, SA

COMMUNITY



TARDA VERDE



EVENTS



SPORTING EXPERIENCE
ESTÁDIO, MUSEU E ACADEMIA



SOCIAL RESPONSIBILITY



COMMUNICATION



SPORTING
JORNAL



BUSINESS



MODALITIES



INFRASTRUCTURE



OTHER



Brand Architecture: Sporting Football club / AFTER



A = UNIDADE BASE (ALTURA DO LEÃO)

Valor base utilizado para determinar margens de segurança e tamanhos tipográficos.

$1/4 A = 1/4$ DA UNIDADE BASE

Usa-se esta referência para separação entre símbolo e tipografia e linhas da designação (caso exista).

$1/2 A = 1/2$ DA UNIDADE BASE

Usa-se esta referência para determinar o tamanho tipográfico da primeira linha da designação.

$2/5 A = 2/5$ DA UNIDADE BASE

Usa-se esta referência para determinar o tamanho tipográfico da segunda linha da designação (caso exista).



For next time

	No class 26/3 – exam period	Submit on Moodle: Individual Assignment, by March 28, 7pm	
7. Apr 2	<ul style="list-style-type: none"> Brand Architecture & extensions 		<ul style="list-style-type: none"> Keller: 11 & 12 Kapferer: 12 – 14 Aaker & Joachimsthaler: The Brand Relationship Spectrum (on Moodle)
8. Apr 9	Brand growth strategies <ul style="list-style-type: none"> Group project check-in 	Case study: Tiffany & Co In-class quiz	Keller: 5 – 7 & 13
9. Apr 23	Brand Purpose & brand activism	Mark Ritson (2017) article (on Moodle)	
10. Apr 30	Final Team presentations: Full Brand Audit	Upload presentation slides by April 29, 7pm (all groups)	
11. May 7	Final Team presentations: Full Brand Audit	*Peer evaluations: Due May 8, 7pm (link to be provided)*	
12. May 14	Course wrap up & exam info		
May 23	Final exam, 14:30. Room TBD		

