Brand Architecture Toolkit

Optimizing the Portfolio for Growth

Spring 2019

What Is Brand Architecture?

Brand Architecture is the way an organization structures and names its portfolio of offerings. It reflects the organization's strategy for growth.

Brand Architecture specifies how a company's brand assets relate to each other and to the market. When brands are thoughtfully organized, the contribution each makes to growth is maximized.

Hint: Brand Architecture brings clarity.

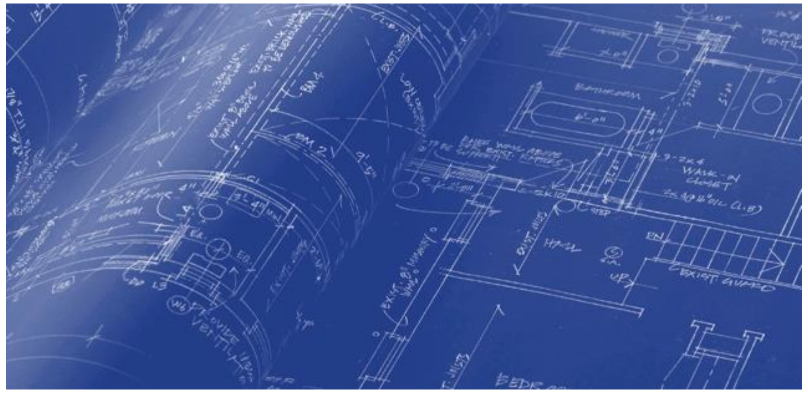
It illuminates the organization's strategic commitments and ensures everyone is on the same page when prioritizing existing offerings and naming new ones.

1 Audit & Strategy	2 Architecture	3 Expression	4 Activation	5 Measurement
Brand Audit	Portfolio Structure	Message Map	Experience Design	Brand Value Assessment
Brand Vision & Narrative	Naming Ground Rules & Conventions	Brand Expression Guidelines	Communication Planning & Execution	Brand Health
Audience-specific Positionings		Creative Brief		Assessment Tracking

What Does Brand Architecture Do?

Brand Architecture guides the organization to make sound strategic choices about where to build equity.

When architecture is clear, the organization can make better decisions across the marketing mix.



Brand Architecture Creates a Blueprint

- What brands are in the portfolio?
- Which brands are most important to future growth?
- What are the naming rules?
- Which brands are related to each other and which are not?

To Ease Day-to Day Marketing Decisions

- Product and package design
- Web site architecture and design
- Media budget allocation
- New product strategies
- Acquisition strategies
- Customer Service priorities

Brand Architecture focuses on *named marketing offerings,* that is products or services customers can buy. It does not include:

- Characters, logos or mnemonic devices
- Business units
- Patents or other intellectual property (IP)
- Ad campaigns
- Internal functions or processes

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How Are Brands Classified?

Once brand assets are identified, each brand is classified by type and strategic role.

Types clarify how brands relate or link to each other, and inform design decisions.

Types of Brands

Corporate Brand	Company name and legal entity. Often used as endorser but may not be customer facing at all. Important to regulatory bodies, investors, employees, trade groups, partners.
Master Brand (Driver)	Drives purchase decision and defines user experience. Most strongly represents the differentiation inherent to the offer.
Sub-Brand	Derives equity from another brand, usually the Master.
Ingredient Brand	Features, materials, components or parts that are contained within other branded products. Not an equity driver, often an equity energizer.

How Are Brands Prioritized?

Each brand's strategic role informs its investment priority.

Not all portfolio brands are equally important, yet all compete for resources. Portfolio strategic role designations guide decisions about innovation and investment.

Strategic Roles

Strategic Brand	Significant contributor to company's future sales, perceptions or market position.	Very High Priority
Distinguisher Brand	Enhances the differentiation of another brand. Also referred to as 'branded energizer' or silver bullet.	High Priority
Cash Cow	Money making brand that does not represent future significant growth.	Medium-Low Priority
Fighter/Flanker Brand	Addresses competitive threat by protecting the share of other brands in the portfolio.	Medium Priority

Cash Cow

Strategic Brands

Flanker Brand

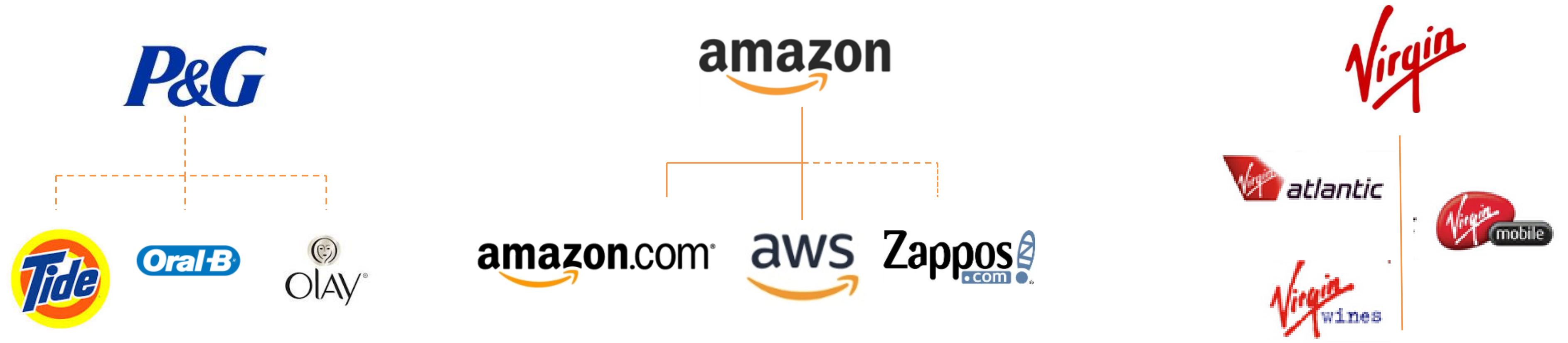
Brand Architecture Solutions

Architecture solutions range from House of Brands to Branded House, with many permutations.

There is no one size fits all solution, and each has pros and cons.

Hint: Most organizations use a hybrid approach. These models are mostly theoretical, as in the real world, pure solutions are often impractical.

	House of Brands	Hybrid	Branded House



	House of Brands	Hybrid	Branded House
Pros	Builds equity in strong stand-alone brands across a wide range of categories. Limits risk to overall reputation.	Leverages strong master brand while allowing flexibility.	Results in strong master brand. Maximizes spending efficiency
Cons	Requires significant marketing investment	Requires planning to avoid confusing customers or diluting the master brand.	Can be difficult to extend beyond the expertise of the master brand.

Linked Brands
Stand-Alone Brands

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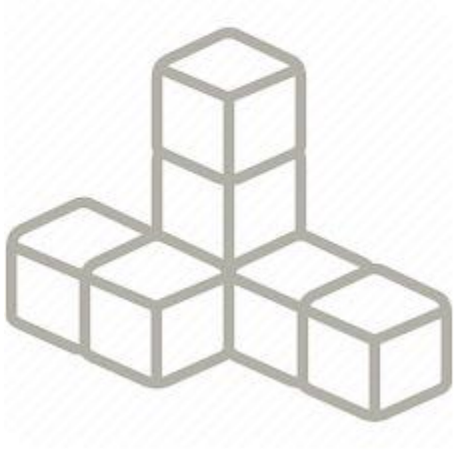
Guiding Principles

The optimal Brand Architecture can be achieved by following four simple rules.

Brand Architecture is the face of the organization, so keep it simple. Even the most complex portfolio can be evaluated with these rules.

Hint: Customers are a good source of feedback when developing the optimal architecture.

Do they understand the offerings and how they are different?



1. Not Too Many Brands

Cover the market with the fewest brands possible to minimize development and management costs.

2. Not Too Few Brands

Create new brands when necessary to ensure relevant offerings for each segment or need.

3. Clear Boundaries

Avoid overlaps that confused customers and waste resources by ensuring “daylight” between brand offerings.

4. Customer Centric Structure

Ensure customers can “see” themselves and find what they seek without having to make sense of your internal structures or jargon.

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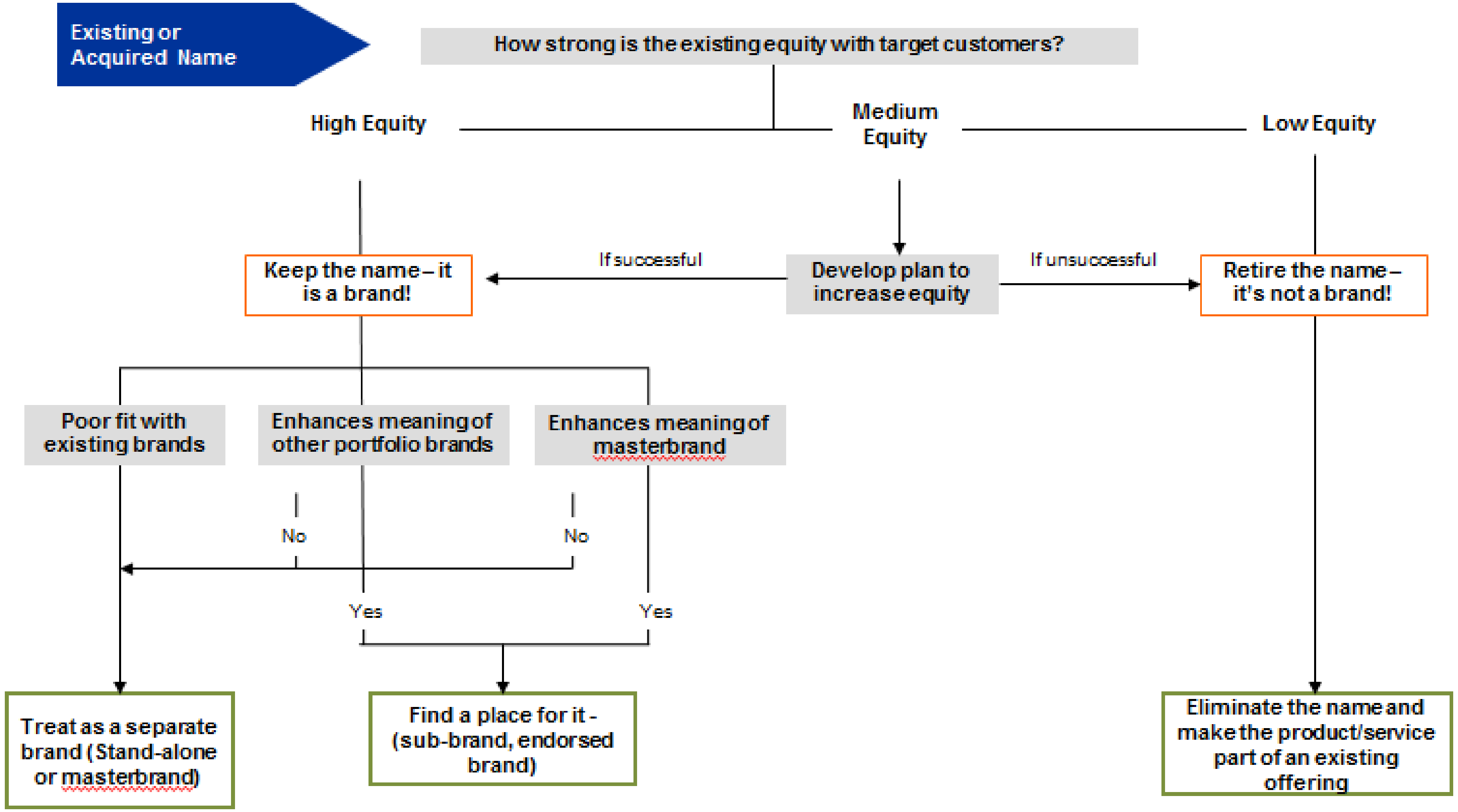
Naming Rules & Conventions

The strength of the brand's equity with its target customers should inform decisions about naming.



Hint: All brands in the portfolio must have customer equity.

If customers don't know the brand or what it stands for, are you prepared to invest in it to build awareness and understanding? If not, then it should be eliminated from the architecture and an existing brand should be used to encompass the offering.

Common Architecture Issues

Most companies have multiple brands, and architecture issues are almost inevitable.

Failure to adapt with the right structure can limit growth and cause confusion among customers.

Problem	Symptoms	Solution	Example
Inside-Out Structure	Architecture reflects company internal business unit structures, with some brands addressing similar needs	Separate the org chart from the brand architecture. Create cross BU platforms for presenting brand solutions.	OUTWARD BOUND
Brand Proliferation	Too many branded assets that receive little or no support, and unclear priorities.	Prune assets with little or no equity. Use sub-brands and descriptive brand names to give orphan brands a home.	MCKESSON
Brand Dilution	The master brand is stretched to cover too many segments or needs and risks losing relevance.	Create new stand alone brands or sub-brands to address key segment needs or competitive brands.	FREEFORM (Formerly ABC Family)
Parent-Child Conflict	Product success can create a dilemma for the parent company when it shares the same name and needs to expand to grow.	Rename the corporation to create separation from the product brands.	Alphabet

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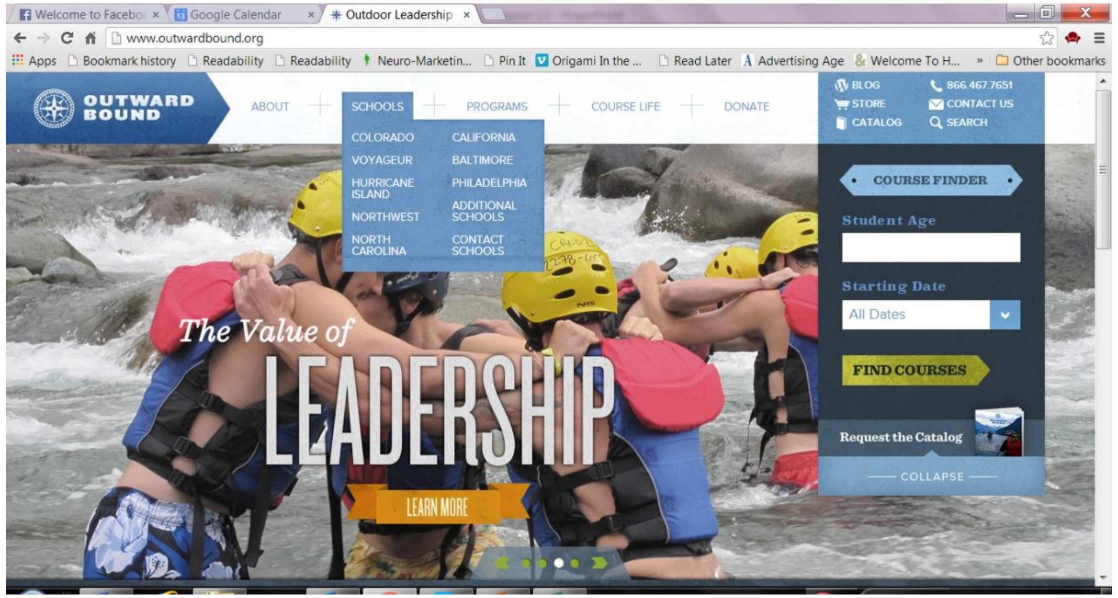
Case Study: Outward Bound

Before

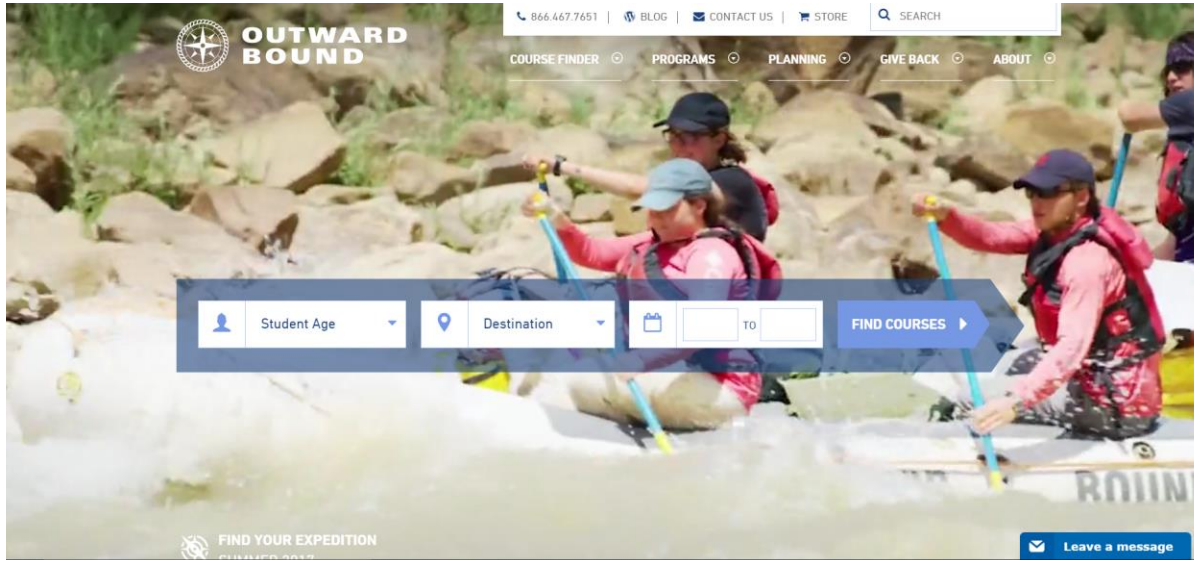
Outward Bound's schools-based structure was confusing to parents and led them to give up too soon when searching online.



- Organized around 13 chartered entities, mostly named for geographic locations.
- Encompassed 358 courses and multiple, specialized partnerships and programs, many of which were similar, but had different names
- Too many initiatives were vying for resources without prioritization

After

Parents usually search for specific dates, so we made this part of the architecture. The site now makes recommendations based on student age, destination and travel dates.



- Pared down and consolidated course offerings.
- Student age takes priority over program type, reflecting the way parents think about course selection.
- Search tools are more intuitive, featuring dates and destinations rather than courses.

Case Study: McKesson

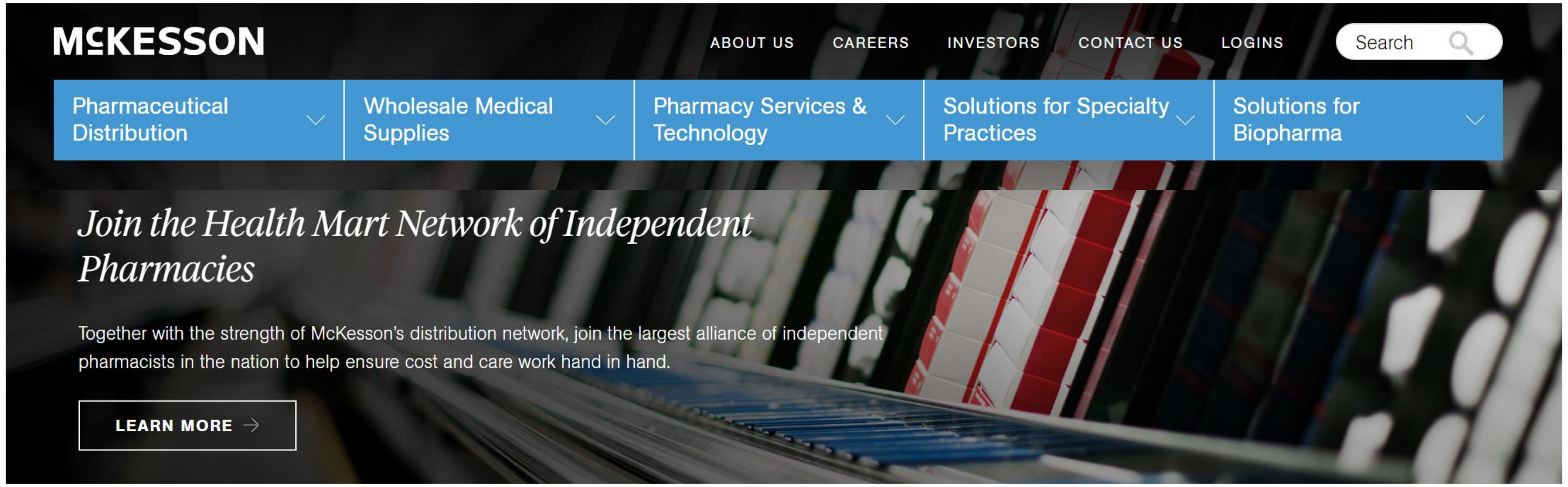
Before

McKesson aggressively acquired health care providers, pharma distribution companies and health technology brands leaving the company with a confusing portfolio that included many names with low awareness.

- Inside-out web site navigation organized around business units
- Excessive detail presented upon entering the site overwhelmed users and prevented them from finding the McKesson offering aimed at them
- Insufficient investment in the McKesson Masterbrand, which had by far the highest recognition and meaning

After

- Simplified web navigation by emphasizing the key businesses and solutions customers search for on the site
- Retired and renamed many low-awareness, unsupported brands
- Developed brand naming rules and decision tools to facilitate consistent application of the new architecture by marketers and others across the organization

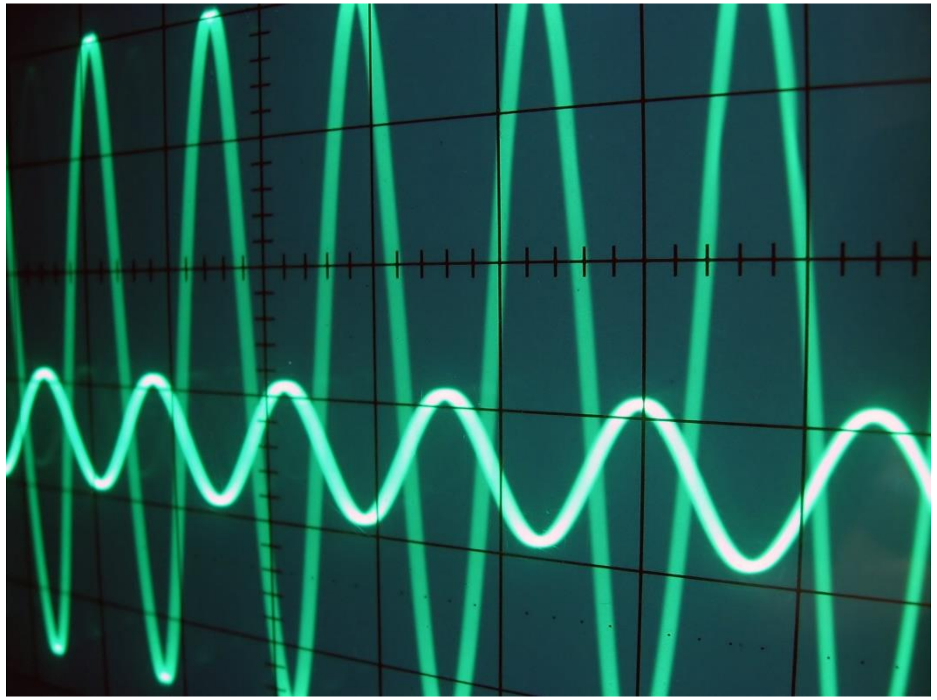


Solutions for your pharmacy, hospital, medical practice or biopharma company

Pharmaceutical Distribution | *Medical Supplies & Equipment* | *Pharmacy Services & Technology*

Key Takeaways

- **What is It?** Architecture aligns business and brand goals by defining clear roles, relationships and investment priorities among portfolio brands.
- **Why optimize?** A coherent brand architecture makes marketing more efficient and effective by ensuring customers and other stakeholders understand what the business can do for them.
- **What are the possible solutions?** There are no cookie cutter solutions. “House of Brands” and “Branded House” are just two of many possible architecture solutions. Most companies used a hybrid approach.
- **When is the right time to optimize?** Brand architecture should be revisited to adapt to changing business conditions and ensure that the brand structure supports the business strategy.



“Brands need well-defined roles and visions that support those roles. Strategic brands should be identified and resourced, and branded differentiators and energizers should be created and managed.” – David Aaker

Contact Us

Contact us to learn more about brand audits, strategy development or our research offerings.

Brand Audits
- Strategic assessment
- Competitive reviews

Qualitative Research
- Individual interviews
- Focus groups
- Pop-up communities / Bulletin boards

Quantitative Research
- Customer tracking research
- Product concept tests
- Package tests
- Positioning development and validation

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