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Optimising brand architecture in a dynamic global environment: perspectives from brand practitioners

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ABSTRACT

Brand architecture, the way in which brands are organised and navigated, is a critical aspect of strategic branding. How firms organise their brands optimises their financial prosperity. Despite its importance, and although research in the field is evolving, limited research has been conducted in a dynamic global context. To respond to this need, both academic literature and brand practitioners call for the development of more flexible brand architecture models.

The purpose of this research is to explore academic and brand practitioner perspectives on brand architecture. Qualitative, exploratory research was conducted to identify influencing factors which should be considered when designing an optimal brand architecture. A total of fifteen in-depth interviews were conducted with leading brand strategy consultants across North and South America, Europe, Africa, Australia and Asia in order to explore influencers of brand architecture choices, drivers of shifts in brand architecture as well as the notion that there exists a requirement for dynamic brand architecture.

In answering the research question a number of themes emerged. Findings showed that dynamic brand architecture is indeed occurring in practice. Drivers of such development were further identified. Clear implications for practice as well as theory are discussed. Finally, a framework for optimal brand architecture was developed which proposes that brand architecture incorporates the drivers of both time and place in order to build a dynamic brand architecture that drives consumer-based brand equity and optimises business results.

KEYWORDS

Brand Architecture, Corporate Brand, International Branding

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Name

Date

Signature

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1 CHAPTER 1:PROBLEM DEFINITION AND PURPOSE

1.1 BACKGROUND TO THE RESEARCH PROBLEM

In order to achieve long-term financial prosperity, firms must maximise brand equity across their offerings. One way to guide this maximisation is through a brand architecture strategy indicating which products should be introduced and how they should be branded (Keller, 2015). Markets are becoming more integrated, more competitive, and more global in scale resulting in an enhanced importance on market strategy across markets (Douglas, Craig, & Nijssen, 2001). A firm's international brand architecture is a critical component of this strategy due to its ability to leverage strong brands across markets and assimilate acquired brands, brand architecture allows for a maximisation of a firm's brands across markets (Douglas & Craig, 2013). The strategic management of brands in a global environment remains one of the largest challenges for executives in companies of all sizes (Talay, Townsend, & Yeniyurt, 2015). The firms that understand the nuance of optimising their brand architecture will prosper most. Through this understanding, they will create consumer-based brand equity and maximise their financial prosperity.

The landscape is ever changing marked by a shift to corporate branding and an enhanced understanding of consumer-based brand equity. How to optimise brand architecture in order to maximise consumer-based brand equity is now required on a global scale, across both time and place. Although it is well accepted that brand architecture must respond to market needs, the impact of cultural differences on consumer benefit perceptions has not been well researched (Zhang, Van Doorn, & Leeflang, 2014). Also, there is a need to define different category motives and their relationship with country culture (Mooij & Hofstede, 2011), as well as to understand multinational branding strategies across various markets (Xie & Boggs, 2006). While current research indicates that brand architecture frameworks need to be flexible (Strebinger, 2014), and practitioners call for more agile brands (Jacobs & Ordahl, 2014), further research is required to devise guidance principles for global marketing (Douglas & Craig, 2013).

Craig and Douglas (2013) argue that the lack of academic research in brand architecture in terms of principles to guide international marketing makes it an important area for future research with a priority on a better understanding of patterns and requirements and the role of corporate brand endorsement. Furthermore, whether certain architectures are more effective than others in maximising brand equity across different country markets is a critical issue (Douglas & Craig, 2013). Empirical research indicates that

global brands perform better than non-global brands, but alternative strategies for some markets may be advisable due to country culture (Talay et al., 2015).

Corporate branding has become a developed and well-researched field over the past twenty years (Aaker, 2004; Abratt & Kleyn, 2012; Balmer, Abratt, & Kleyn, 2016; Balmer, 1995, 1998, 2001, 2010, 2011, 2012, 2013; Balmer & Gray, 2003; King, 1991). Compared to product branding, building corporate brand equity provides such benefits to the firm as helping to differentiate, providing credibility, helping with the internal brand building, and generating a focused use of resources by creating the ultimate branded house (Aaker, 2004). Major companies such as Procter and Gamble, Unilever (Marshall, Wilke, & Wise, 2012) and GlaxoSmithKline are beginning to adopt these principles. Specifically, GSK stated in their brand guide that “*strengthening the GSK brand will help align and simplify internal processes, attract and retain the best talent, build our reputation, differentiate us from competitors and ultimately drive stakeholder value*”(GSK, 2013, p.7).

Research to date has focused on the benefits that accrue to companies when they adopt a corporate brand strategy and, more recently, a corporate brand orientation (Balmer, 2013). Consumer benefits of this strategy compared to a product brand strategy are primarily that it allows for a quality endorsement and decreases perceived risk (Balmer & Gray, 2003). The choice of an optimal brand architecture is thus an important driver of consumer-based brand equity. In a dynamic and diverse global environment, the need for more fluid brand architectures across both time and place has not been investigated.

The purpose of this study is to explore the academic with the global practitioner perspectives on brand architecture, through identifying the influencers that should be considered when designing an optimal brand architecture in a dynamic context, across both time and place.

The benefit of this understanding to companies is that it will allow global brand managers to understand how to maximise consumer-based brand equity and better inform brand development investments and strategies across different country cultures through optimal brand architecture strategies. Thereby, ultimately enhance the financial prosperity for the firm.

1.2 BUSINESS MOTIVATION

Brand research needs to benefit brand marketers and address problems faced by industry (Brexendorf, Kernstock, & Powell, 2014). As developed markets saturate, companies are seeking growth from new markets (Broyles, Leingpibul, Ross, & Foster, 2010). Since the 1980s we have seen a wave of globalisation and with it a wave of

failures in new markets where companies commonly do not achieve their performance goals (Ross, Broyles, & Leingpibul, 2008). Companies invest vast resources to enter new markets, but the market performance indicators of a firm's brand architecture are not well understood (Talay et al., 2015). Understanding of the local market is important to any new market entry. The success of globalisation strategies is dependent on the assumption that brands affect consumers in similar ways, regardless of their country culture (Erdem, Swait, & Valenzuela, 2006). With brand equity in the local market being a key reason for success or failure (Brady, Cronin, Fox, & Roehm, 2008), there is a need to better understand consumer behaviour outside of the United States (Erdem et al., 2006), as well as a need to understand optimal brand architecture across industries and non-Western cultures (Strebinger, 2014).

One outcome of this study will be to assist business, specifically global brand or portfolio managers, on what to consider in order to best optimise consumer-based brand equity through an understanding of the influencers that affect how brand architecture drives consumer-based brand equity, across country cultures. This provides an opportunity to allow organisations to create more value while maximising the equity creation for consumers.

1.3 ACADEMIC MOTIVATION

In stating that “*the influence on cultural difference of perceptions of customer benefits seems largely ignored*”, Zhang, Van Doorn, & Leeflang (2014, p.285) suggested that there is little research on consumer equity done across cultures. The team studied the link between the drivers of consumer equity and loyalty in both Eastern and Western cultures and requested that future research should investigate more visible categories, as well as additional countries. Mooij & Hofstede (2011) also requested further research be done to identify different category motives and the relationship that they have with culture. Xie and Boggs (2006) found that most branding strategy literature focused on the American context and that none studied multinational corporate versus product branding strategies in emerging markets. This is further supported by Erdem et al. (2006) where they found that most work to explain brand credibility and equity focuses only on the United States. A more recent study looked at brand architecture strategy across companies to compare the real life perspective with the academic models in a single European market and identifies the need for future research in additional markets (Strebinger, 2014). To expand the empirical focus of scholars beyond the European and North American domains is still seen as an opportunity for investigative research (Balmer et al., 2016).

Additionally, the field of brand architecture is evolving and calling for more dynamic and pragmatic models with an understanding that there may be multiple brands that ultimately affect the purchase decision (Uggla & Lashgari, 2012). Understanding if and how this varies across time and place is currently limited in the literature.

As demonstrated above there is a gap in the academic literature with regard to understanding consumer-based brand equity within the context of country culture and global brands in that most of the studies have only been conducted in Europe and North America. Furthermore there is an additional gap with regard to consumer-based brand equity in the context of brand architecture. Although it has been addressed from a theoretical perspective, there has been an insufficient empirical focus on the influence that country culture (individualism versus collectivism) has on maximising consumer-based brand equity. This understanding is imperative in order to optimise the brand architecture strategy that will maximise financial return.

1.4 RESEARCH SCOPE

This research report will focus on understanding the influencers that should be considered when designing an optimal brand architecture strategy in a dynamic context across both time and place. The dynamic context refers to the global business environment and how this evolves over time as well as how this varies across different country cultures (place). The need for an understanding on the influence of country culture has been identified in the literature review, as well the need to identify drivers for more flexible brand architecture systems. To better understand these challenges, this research was done through an exploratory analysis based on in-depth interviews with leading global brand strategy consultancies, across all continents. The research is therefore limited to the perspectives of brand practitioners. Within the scope of the research report is the brand strategists' understanding of consumer-based brand equity, with all other stakeholders out of the scope of this report.

1.5 STRUCTURE OF THE REPORT

The research report contains seven chapters. Chapter 1 introduces the research problem being addressed and the motivation for the research. Chapter 2 contains a comprehensive literature review focused on branding, brand equity, consumer-based brand equity, brand architecture, and the drivers of brand architecture choices, with particular emphasis on country culture in order to develop an understanding of the research previously conducted and to identify any gaps. Chapter 3 then defines the research question around identifying the influencers that should be considered when designing an optimal brand architecture strategy. Chapter 4 explains why qualitative

research was chosen as the methodology for this research and provides a detailed description of the design and data analysis. Chapter 5 analyses and details the rich findings from this research and in Chapter 6 the findings are explained and compared to the literature. Chapter 7 then concludes with the main findings of the research, limitations, and recommendations for future research.

2 CHAPTER 2: THEORY AND LITERATURE REVIEW

2.1 INTRODUCTION

The literature review focused on branding, brand equity, consumer-based brand equity, brand architecture and the drivers of brand architecture choices. Both current research and seminal pieces from well-known scholars were used in order to explain what had been done in the field and develop an argument to show the need for the research. It is understood that brand research needs to benefit brand marketers and address problems faced by industry (Brexendorf et al., 2014). The Journal of Brand Management acknowledges this and draws from international experts in both academia and industry in order to provide the latest thinking in the field (Springer, 2016). This elevates the importance of practitioner viewpoints in the field of branding.

2.2 BRANDING

A brand is defined as “a name, term, sign, symbol, or design, or combination of these, intended to identify the offering of one seller or seller group and differentiate it from competing offers” (Kotler & Keller, 2012; p.323). These individual pieces are termed the “brand identity” and collectively make up the brand (Keller, 1993). Keller and Lehman, (2006), argue that the effect of brands occur at three primary levels, the customer market, product market and financial market. At the customer market level, brands simplify choice, promise a level of quality, reduce risk and create trust (Keller & Lehman, 2006). At the product market level brands help to determine the effectiveness of marketing efforts and at the financial market level are considered a financial asset (Keller & Lehman, 2006).

Brands are assets that are, expensive to develop and maintain. Aaker (2004) argues that the adaptation and stretch of brands clutter the market and make it difficult for brands to provide the needed support. Brands today play many roles in consumer decision making and choice. Mooij and Hofstede (2011) state that brands are augmented products with values and personality traits added through the communications strategy, a practice developed in the Western world which now is a key dimension of internationalisation (Erdogmus, Bodur, & Yilmaz, 2010). With regard to this complexity, the globalisation of brands poses a key challenge for global growth and expansion such that global brand establishment is one of the biggest challenges facing the modern corporation (Craig & Douglas, 2000). The creation of brand equity is required to develop brands as assets, this is discussed in the following section.

2.3 BRAND EQUITY

2.3.1 DEFINITION

The intangible field of brand equity developed in the late 1980s (Veloutsou, Christodoulides, & de Chernatony, 2010). It is defined “*in terms of the marketing effects uniquely attributable to the brand – for example, when certain outcomes result from the marketing of a product or service because of its brand name that would not offer if the same product or service did not have that name*” (Keller, 1993, p.1). This appears to be the most widely held definition, although the heavily researched field is considered fragmented and inconclusive by some scholars (Buil, Martínez, & Chernatony, 2013; Veloutsou et al., 2010).

The fragmentation in the brand equity field is due to the division of perspective of either being from a consumer perspective or from a financial one (Buil et al., 2013). Understanding, however, that the financial outcome is due to the consumer response, most research focuses on the consumer perspective (Buil et al., 2013). In order to achieve financial success, companies need to ensure positive consumer perceptions (Veloutsou et al., 2010). This is developed further by Broyles et al. (2010, p.160) who summarises that brand equity helps firms secure “*consumer loyalty, charge premium prices for a brand, increase the communication effectiveness between a firm and its distribution channel, and to achieve more predictable sales, profitability, and market capitalism*”. Additionally, from the consumer perspective brand equity reflects a consumers’ beliefs, perceptions and attitudes to a product, compared to if it was unbranded resulting in consumers perceiving the brand as having value to themselves (Broyles et al., 2010).

Essentially the two views are from the perspective of the brand adding value to the firm or the brand having value for the consumer. Literature does agree that brand equity is generated by consumers basing their purchase behaviours on their judgement of the brand’s value to themselves (Keller, 2000; Barnes, 2003; Keller & Lehman, 2006). In summary, brand equity can then be defined as “*the individual’s perception of the value of a branded product to her/himself*” (Broyles et al., 2010, p.160). The establishment of brand equity is therefore of primary importance for any competitive organisation in order to survive.

Two main frameworks conceptualise brand equity (Buil et al 2013). Keller’s conceptualization focuses on consumer-based brand equity, defined as “*the differential response effect of brand knowledge on consumer response to the marketing of the brand*” viewed in terms of brand awareness, and brand associations (strength,

favorability and uniqueness) (Keller, 1993, p.1). By contrast, Aaker provides a cognitive psychology approach defining brand equity as “*a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers*” (Buil et al., 2013, p 63). These assets build the five core brand equity dimensions of brand awareness, perceived quality, brand associations, brand loyalty and other proprietary assets (Buil et al., 2013).

2.3.2 BENEFITS & DRIVERS

Understanding the importance of brand equity for firm survival, it is equally important to know how to influence this. Kotler and Keller (2012, p. 151) have identified three main drivers of brand equity which consist of “*1) the initial choices for the brand elements or identities making up the brand; 2) the way the brand is integrated into the supporting marketing program; and 3) the associations indirectly transferred to the brand by links to some other entity*”. In addition to this Keller & Lehman (2006, p.743) citing an earlier study of Keller (2003) comment on the broad criteria for selecting elements to build brand equity: “*memorability, meaningfulness, aesthetic appeal, transferability (both within and across geographies and cultural boundaries and market segments), adaptability and flexibility over time, and legal and competitive protect-ability and defensibility*”. Consistency is an important element when building brands which, in the global marketing context, is highlighted above in the importance of transferability.

Achieving brand equity enables the brand to be credible which is shown to increase perceived quality, decrease perceived risk, decrease information costs and increase (expected) customer utility (Erdem et al., 2006). All of which can encourage the purchaser to choose a particular product over another, with different elements playing more important roles across country cultures.

2.3.3 APPROACHES

Being intangible, brand equity is difficult to quantify and measure with opposing views as to the different dimensions to measure. The original theory comes from Aaker where he argues that brand equity measures are required in addition to the financial metrics (sales, cost, margins, profit, and return on assets) that dominate in a brand’s objectives and performance measures, because these measures are short-term and do not provide incentive for investment and brand building (Aaker, 1996). According to Keller & Lehman (2006), there are three different perspectives to study brand equity; customer based (from the view of the customer), company based (from the view of the company) and financial based (from the view of the financial markets).

Aaker's "*Brand Equity 10*" is structured according to the four brand equity dimensions of loyalty, perceived quality, associations, and awareness (Aaker, 1996), which was later expanded to include a fifth element of other proprietary brand assets. The measurements were constructed according to four criteria: 1) they should reflect the construct being measured, 2) they should reflect constructs that drive the market, 3) they should be sensitive and responsive to changes in brand equity, and 4) they should be applicable across brands, categories and markets (Aaker, 1996).

Recent results from Buil et al. (2013, p.62) indicate that brand equity dimensions interrelate in that: *"...brand awareness positively impacts perceived quality and brand associations. Brand loyalty is mainly influenced by brand associations. Finally, perceived quality, brand associations, and brand loyalty are the main drivers of overall brand equity. Findings also corroborate the positive impact of brand equity on consumers' responses"*. Buil et al. (2013) also confer that a more positive consumer response builds brand equity which generates more value for corporations.

In summary, Aaker argues that when brand development is guided by both financial and brand asset measures, that the structure becomes more balanced and one is better equipped to both justify and defend brand building activities (Aaker, 1996).

There is little common ground of what dimensions to consider when comparing brand equity measures across academics and consultancies (Veloutsou et al., 2010). Furthermore, without full agreement on the dimensions measured, most research and measurements to date have been developed and validated only in the United States and only across a few product categories (Christodoulides & Chernatony, 2010). Empirical research conducted on brand management experts across Europe identified four categories of measures to define brand equity resulting in a new taxonomy to add to the fragmented field, and the first from the view of practicing managers (Veloutsou et al., 2010). The four categories identified were: 1) the consumers' understanding of brand characteristics, 2) consumers' brand evaluation, 3) consumers' affective response towards the brand, and 4) the consumers' behaviour towards the brand.

2.3.4 VALUE

Brands, as intangible assets, are valued and can be bought and sold. The financial value of the brand is the price that it can bring in the financial market and in lieu of this there are brand equity models that have been developed to estimate their value (Keller & Lehman, 2006). As it is not a perfect science and different methods can lead to dramatically different results, there is much debate over the method to use when conducting this valuation. However, there is a correlation between brand equity and

average stock price return, with the firms with the largest brand equity gains seeing an average return of 30% and the firms with the largest brand equity losses seeing an average return of negative 10% (Keller & Lehman, 2006).

Brand architecture has also been shown to influence stock market returns with the “*branded house*” strategy (corporate brand as umbrella brand) producing the better returns than a “*house of brands*” strategy (Rao; Agarwal; Dahlhoff, 2004). The ability of firms to be able to charge more for desirable brands enables them to leverage their own financial position; the strategic benefit of this is being witnessed in both India and China where they are creating their own desirable brands as well as acquiring them from the West (Balmer, 2010). Studies show that high quality brands yield higher returns on investment (Keller, 2001).

Brand equity, therefore, is a valuable asset to firms, allowing them to influence consumer behaviour through creating credibility and trust and thereby ultimately allowing them to maximise profitability and financial success.

2.4 CONSUMER-BASED BRAND EQUITY

2.4.1 DEFINITION

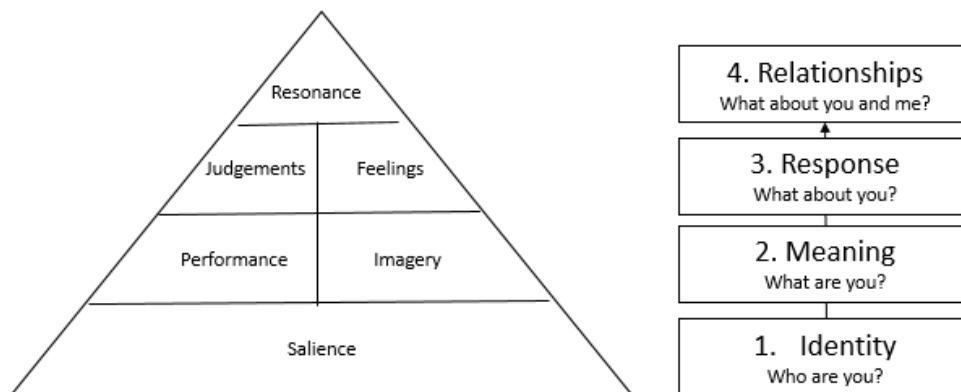
Consumer-based brand equity is defined by Keller (1993, p. 1) as “*the differential effect of brand knowledge on the consumer response to the marketing of the brand*”. Keller states that this definition contains three important concepts: differential effect, brand knowledge, and consumer response. The differential effect is determined by comparing the marketing of a brand to that of an unnamed version of the product or service. Brand knowledge is determined by brand awareness and brand image. Consumer response to marketing is defined by the consumer behaviour to the marketing mix (Keller, 1993). A brand has a positive consumer-based brand equity if a consumer reacts favourably to the marketing of a brand compared to the same marketing for an unnamed product or service (Keller, 1993). Consumer-based brand equity has occurred if the consumer knows the brand and holds favourable brand associations in memory (Keller, 1993).

Since not stated directly the author’s interpretation is that ‘*brand*’ in this context is only considering a product brand and questions if both the definition and drivers would vary between product and corporate brands from the consumer perspective. As the consumer ultimately determines the equity of the brand, these definitions need to be explicit and their drivers well understood in order to inform the brand architecture and maximise consumer-based brand equity.

2.4.2 APPROACHES

Keller (2001) has developed a model for consumer-based brand equity with the premise that the power of a brand lies in the mind of the consumer, demonstrated in Figure 1. Brands, according to the model can be built in a series of steps answering first: Who are you? (brand identity); What are you? (brand meaning); What about you? (brand response); and What about you and me? (brand relationships) (Keller, 2001). Achieving these four steps has established six brand building blocks: brand salience, brand performance, brand imagery, brand judgements, brand feelings and brand resonance. Brand resonance is considered the most valuable attribute due to the high degree of consumer loyalty and desire to interact with the brand (Keller, 2001) .

Figure 1: Keller's Consumer-Based Brand Equity Pyramid, 2001



Previous research has focused on brand equity from the consumer perspective based on the financial value being generated by the consumer response (Christodoulides & Chernatony, 2010). The benefits of establishing consumer-based brand equity are enhanced revenue, lower cost and greater profit (Keller, 1993). With established brand resonance, firms can experience greater price premiums and more efficient and effective marketing programs. This will only occur if all of the building blocks are in place as illustrated in Figure 1 above (Keller, 2001).

2.4.3 MEASURES

Keller (1993) states that there are two different approaches for measuring consumer-based brand equity: the indirect approach, and the direct approach. With the indirect approach, one measures brand knowledge seeking the source of brand equity. With the direct approach, one measures the effect of brand knowledge on consumer response to

the marketing mix (Keller, 1993). These approaches are complementary and should be used together (Keller, 1993).

Due to the abstract nature of brand association measures, different results are seen when measuring the equity of global brands across country cultures. This leads Mooija and Hofstede (2011) to state that the Western measurement systems are not adequate on a global scale.

2.4.4 MANAGING CONSUMER-BASED BRAND EQUITY

Keller (1993) presents ways to manage brand equity stating that it cannot be measured by a single measure as it is a multidimensional concept that depends on the knowledge structures in the minds of consumers and what actions firms can take to capitalise on their potential. He shares six general guidelines to assist marketers in managing brand equity. The guidelines emphasise the importance of taking a *“long-term marketing view of the brand; specifying the desired consumer knowledge structures and core benefits for a brand; considering a wide range of traditional and non-traditional advertising, promotion, and other marketing options; co-ordinating the marketing options that are chosen conducting tracking studies and controlled experiences; and evaluating potential extension candidates”* (Keller, 1993, p.17).

There is a growing cynicism towards brands and customers may no longer expect a single brand to deliver all the important brand benefits (Uggla & Nyberg, 2014). This has an important implication for brand architecture, and brand portfolio management, as a value can be seen in a diverse set of brands (Uggla & Nyberg, 2014). In the future, brands that are able to achieve customer resonance, the epitome of consumer-based brand equity, will be able to survive (Uggla & Nyberg, 2014).

2.5 BRAND ARCHITECTURE

2.5.1 DEFINITION

Brand architecture is one of the most important branding decisions facing a corporation (Brexendorf et al., 2014) with empirical evidence indicating that it has a strong impact on market efficiency, market share and firm value (Strebinger, 2014). *“Brand architecture refers to the relationships among and between corporate, company (subsidiary), and product brands. Such relationships embrace products and services, or a mixture of the two across the hierarchy of brands”*(Balmer & Gray, 2003, p.983). Brand architecture helps consumers understand the products and organise them in their minds (Keller, 2015). It is *“an organising structure of the brand portfolio that specifies brand roles and the nature of relationships between brands”* (Aaker, 2000, p.8). A clear brand

architecture strategy indicates which brand elements to apply to new (and existing) products and services (Keller, 2015). Brand architecture according to Keller (2015) plays two critical roles, to clarify and to motivate. The clarify role assists in consumer understanding by raising brand awareness and communicating similarities and differences, while the motivate role enhances brand image by transferring equity of the brand to different offerings to increase trial and repeat purchases (Keller, 2015).

The field, however, is cluttered with different definitions and terminology owing in part to the separate development of scholars such as Aaker and Keller who emphasize their own interpretations. No consolidation into globally agreed terms leads to further confusion as this fragmented field continues to evolve in response to market requirements. The importance of brand architecture, however, is paramount, because strategic management of a corporation's intangible assets is critical to the financial success of the enterprise. A firm's brand architecture strategy provides a road map for a brand's future, defining where it can go, and how it can get there (Keller, 2015). With a compelling brand architecture strategy in place, a firm is better positioned to maximise the equity of their brand (Keller, 2015).

2.5.2 APPROACHES TO BRAND ARCHITECTURE

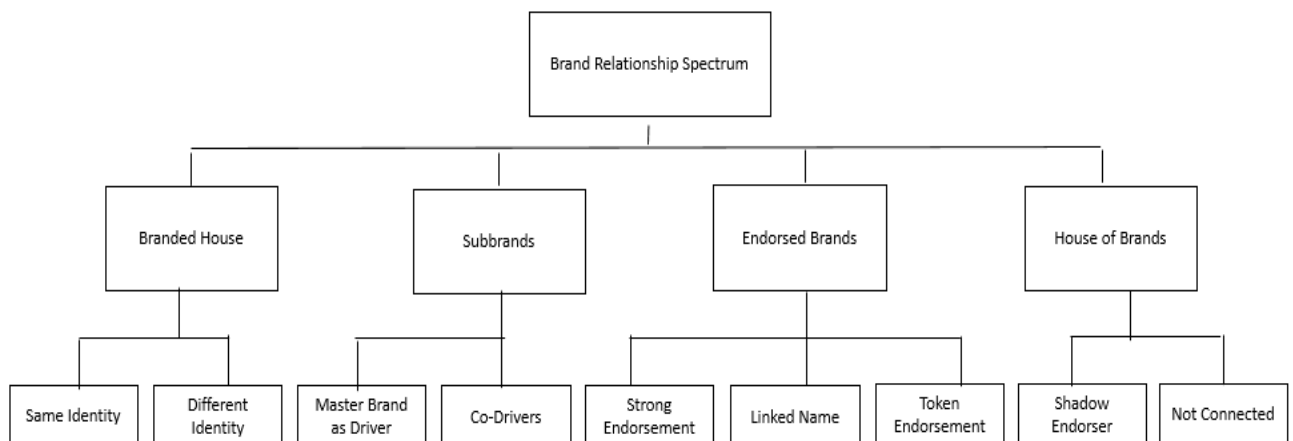
The numerous ideal models in the field add to its complication and complexity with a range from three to eleven ideal branding strategies in the literature (Strebinger, 2014). Balmer and Gray (2003) reference Olins' (1978) tripartite brand categorization of monolithic, endorsed, or branded, arguably the first classifications for a company's brand architecture. Analysing the predominant models, the author argues that the Olins model can be understood in conjunction with the traditional "*house of brands*" (branded) strategy in which each brand has an individual name or the "*branded house*" strategy (monolithic) where there is use of an "*umbrella*" corporate representing the two different ends of the spectrum, with a sub-brand (endorsed) strategy falling in-between the two (Kotler & Keller, 2012). Advantages to the corporate umbrella and sub-brand approaches are that with a corporate umbrella development costs are lower, and if the manufacturer has a trusted name, sales are likely to be stronger and corporate image associations can influence consumer evaluations (Kotler & Keller, 2012). With a sub-brand name, the company name legitimises the product and the individual name individualises the product (Kotler & Keller, 2012).

Aaker and Joachimsthaler (2000, p.8) skillfully summarised the importance of a brand architecture stating: "*A coherent brand architecture can lead to impact, clarity, synergy, and leverage rather than market weakness, confusion, waste and missed opportunity*". Due to the ever-changing global business environment, however the ability to achieve a

coherent brand architecture has become increasingly complicated and the field of brand architecture itself more complex (Aaker & Joachimsthaler, 2000). Two of the drivers behind this complication are globalisation (Douglas & Craig, 2013) and the leveraging of brand assets to avoid the cost of creating a new brand (Aaker & Joachimsthaler, 2000). Due to globalisation and increased competition multinational companies are moving towards more complex portfolio strategies to transcend borders, known as a global brand architecture (Talay et al., 2015). Aaker and Joachimsthaler (2000) liken the discipline of brand architecture to that of an architect due to the design and structure required and note that the discipline only came about due to the increasing complexity of the business environment which, for example, has evolved to require brand extensions, sub-brands, and endorsed brands.

Answering these challenges, in 2000 Aaker and Joachimsthaler introduced the brand relationship spectrum which is widely used in practice today and demonstrated in Figure 2. The spectrum is based on the driver roles that brands play to customers and which they would recall in reference to what brand they bought (Aaker & Joachimsthaler, 2000). The spectrum, detailed in Figure 2, is comprised of four primary strategies: house of brands, endorsed brands, sub-brands, and branded house. Of these four strategies there are nine sub-strategies each of which reflect the degree of separation in both execution and in the customers mind (Aaker & Joachimsthaler, 2000). This can be conceptualised by thinking that brands live along a spectrum with the branded house and house of brands signifying the two extremes. A branded house “uses a single master brand to span a set of offerings that operate with only descriptive sub-brands”, whereas a house of brands strategy “involves an independent set of stand-alone brands, each maximising the impact on the market” (Aaker & Joachimsthaler, 2000, p.10).

Figure 2: Aaker’s Brand Relationship Spectrum, 2000



The house of brands strategy allows for clear positioning based on functional benefits but sacrifices the economies of scale and synergies that come with leveraging a brand as through a branded house approach (Aaker & Joachimsthaler, 2000). A sub-strategy to the house of brands strategy is the shadow endorser where there is no visible endorsement but consumers know about the link (Aaker & Joachimsthaler, 2000).

In the endorsed brand strategy, brands are still independent but are endorsed by an organisational brand which provides credibility to the offering through playing a minor driver role (Aaker & Joachimsthaler, 2000). Two sub-strategies under the endorsed brand strategy are the token endorser and the linked name. The token endorser is less prominent than the standard endorser, allowing the brand to feature and the freedom to create its own associations, whereas the linked name contains common elements that create a family of brands allowing the benefits of a second name without having to establish it and link it to a master brand (Aaker & Joachimsthaler, 2000).

With a sub-brand strategy, the connection to the master brand is closer and the master brand remains the frame of reference. The sub-brands stretch the master brand by adding attribute associations such as application, newness, personality, and energy and can allow for extension into a new segment of the market (Aaker & Joachimsthaler, 2000). As a sub-strategy, the sub-brand as a co-driver exists when both the master brand and the sub-brand have major driver roles (Aaker & Joachimsthaler, 2000).

Lastly, on the spectrum, is the branded house strategy. In the branded house strategy the master brand is the primary driver across multiple categories with the sub-brand only playing a descriptor role (Aaker & Joachimsthaler, 2000). This strategy limits the ability to target specific groups, but allows for the most synergy and visibility across markets (Aaker & Joachimsthaler, 2000).

Only a few years later, Balmer (2003) in his work on corporate branding argued for the need to update brand architecture models due to the greater complexity brands have developed as they have grown and evolved. Balmer and Gray (2003) reference Olins' (1978) tripartite brand categorization model of monolithic, endorsed, or branded arguing that it is dated in the face of the complexity that organisations face today with the rise of shared corporate brands leading them to expand the model for brand architecture into corporate/trans-corporate branding categories namely: Familial, Shared, Surrogate, Supra, Multiples, and Federal.

Brand architecture has been further expanded into the term '*international brand architecture*' which builds in a key component of a firm's international marketing strategy due to the necessity to integrate strategy across markets, leverage strong brands and

assimilate acquired brands (Douglas et al., 2001). With international expansion, brand architecture becomes even more complex in part due to maintaining consistency across countries (Douglas et al., 2001). Work on international brand architecture suggests that firms can either adopt a global brand strategy at the product or service level or use a corporate brand endorser strategy to generate a common identity across country markets (Douglas 2001). Douglas also observes that often the international branding strategy is not strategically engineered, but is rather the by-product of fragmentation within the company. Douglas (2001) argues that as markets evolve firms need to place a high priority on developing a coherent global branding strategy including how to span geographic markets and different product lines.

Keller (2012) proposed four levels of brand architecture: corporate brand, master brand, individual brand, and modifier brand suggesting that to make brand architecture more practical it should be viewed as combination of several layers. Brand architecture also requires an inclusive nature, to allow external sub-brands to be included into the model (Uggla & Nyberg, 2014).

Uggla and Lashgari (2012) recognise that due to the brand-driver there may be two or three brands that actually affect the purchase decision. Understanding if and how this varies across country culture is currently limited in the literature. The idealism of the brand relationship spectrum will, over time, need to be replaced by pragmatism in order to create a sustainable brand strategy that integrates both business and brand management leading to a replacement of the current brand architecture models with new more dynamic models that are formed from a customer perspective (Uggla & Lashgari, 2012).

More recently Uggla and Nyberg (2014) attempted to bridge brand portfolio management with consumer-based brand equity. They argue that the difference between brand portfolio management and brand architecture is that brand architecture is the idealistic map, whereas brand portfolio management is the real expression of the brand architecture strategy. They further argue that there are weaknesses in the brand relationship spectrum due to its restrictive nature in that it fails to capture the dynamics between brands and is overly reductionist (Uggla & Nyberg, 2014). In an attempt to overcome these weaknesses, Uggla and Nyberg (2014) offer a brand portfolio paragon which incorporates the brand portfolio objective, the situation, and context needs and wants and the traditional brand architecture is considered as the brand portfolio expression. Future research should further investigate the intersection between consumer needs states and brand portfolio expression (which could be supported by the brand portfolio paragon) and also consider a balance between the house of brands

approach and the branded house approach (Uggla & Nyberg, 2014). Additionally, identifying the input drivers into the brand portfolio strategy decisions (such as using a sub-brand or endorsed brand) and aligning strategy with the brand portfolio objectives require further exploration (Uggla & Nyberg, 2014).

The need for fresh branding frameworks to guide managerial practice is increasing due to the greater brand agility required in a rapidly changing digital environment (Brexendorf et al., 2014). One potential solution which appears to be happening with practitioners is to create a matrix of branding similarities between individual products as opposed to executing a consistent company strategy (Strebinger, 2014).

2.6 INFLUENCERS OF BRAND ARCHITECTURE CHOICES

2.6.1 CHOICES

It's argued that international brand architecture is driven by three different characteristics: 1) firm-based characteristics, 2) product market characteristics, and 3) market dynamics (Douglas et al., 2001). Firm-based drivers are influenced by previous generations of management, the firm's organisational structure, and in the international market sense, the mode of expansion whether through acquisition or organic growth (Douglas et al., 2001). Product-market drivers that play a role in brand architecture include the scope (and nature) of the target market, the degree of cultural embeddedness of the product, and the competitive market structure (Douglas et al., 2001). Market dynamics are continually changing the context in which firms operate and the brand architecture they have to consider, such as political and economic integration, global market infrastructure that has led to the growth of global brands, and increased customer mobility (Douglas et al., 2001).

Firms are able to organise their brands and the hierarchy of these brands and associations by optimising their brand architecture across the previously discussed branded house to the house of brands spectrum. The unwillingness or inability of firms to articulate the brand vision, and understand the brand's long-term potential causes latent brand equity for brands that is never realised (Keller, 2015).

A study conducted in Austria in 2014 was the first to look at real-life branding strategies of a variety of companies and found that the strategies are determined by industry (23%), company overall strategy (28%), and the remainder, nearly half, being from product level decisions which cannot be explained by industry or company strategies (Strebinger, 2014). Service and consumer durables favour corporate brands, synergies at company level favour shared brands and differences at a product level favour individual brands with brand proliferation increasing with company age (Strebinger, 2014). The study

identified three variables that drive branding strategies as being industry, company and product level variables (Strebinger, 2014). Under industry branding, strategy is chosen according to the rate of innovation along with the costs required to build and maintain separate brands. At the company level variables brand strategy is influenced through synergies able to be unlocked to reduce costs if target groups can be reached through the same media. At the product level variables relating to the fit with the corporate brand and differentiation are required (Strebinger, 2014). Since social media and global event marketing lead to increased media overlap (Strebinger, 2014), this could enhance the need for a monolithic brand experience and add additional synergies making international brand management more crucial. Furthermore, it is understood that global brands act as quality signals (Talay et al., 2015).

Keller (2015) acknowledges that there is no uniform branding strategy that all firms should adopt for all products, recognizing that the selection of an optimal brand architecture is both an art and a science. This is supported by Strebinger (2014) who identified opposing views between scholars and empirical findings with regards to preferred brand architecture models in relation to increased consumer attachment. The scholars indicated that a branded house strategy could increase consumer attachment while empirical studies reported a higher consumer loyalty for a house of brands strategy. Strebinger (2014) reframes these findings into a competitive brand architecture which acknowledges company-level drivers but also stays flexible at the product level, and leverages media synergies through shared branding but can differentiate when necessary. An optimal brand architecture will, therefore, vary per company and depend on the position of individual products and the fit created between products (Strebinger, 2014). This is further validated by an exploratory study which suggests that there is no one optimal brand architecture due to each firm's unique structure (Douglas & Craig, 2013).

With both the growth of international expansion into global markets and the shift to a corporate brand strategy, brand architecture choices have become more complex for global brand managers. There has been a departure from a traditional product brand strategy to a more corporate brand strategy. Accordingly, this approach will be discussed further with emphasis on the corporate brand to reflect the current market situation. However, alternatives to a global architecture strategy, such as a semi-global strategy can be developed to maximise local markets performance (Talay et al., 2015).

Keller (2015) has devised a three-step process to assist firms in designing and implementing their brand architecture strategy, with the goal of maximising the brand's value and equity. This entails defining a brand's potential, identifying the brand extension

opportunities to achieve this potential, specifying the brand elements, and positioning for new products and services. In this last step, the traditional branded house and house of brands spectrum is employed with sub-brands falling between the two (Keller, 2015). Keller (2015) states that branded house strategies are more often employed in a business to business, industrial firm setting with the house of brands strategy being used more by consumer product companies with most companies falling between the two. The principle of simplicity needs to be applied to the number of levels chosen for the brand hierarchy (corporate, family, individual, modifier and product description) providing no more and no less branding information than what consumers need (Keller, 2015). The principles of relevance and differentiation imply that marketers should create associations relevant to as many brands as possible, especially at the corporate brand level while also allowing differentiation for brands at the same level (Keller, 2015). In linking multiple brand levels the principle of prominence needs to be followed, meaning the importance of each element needs to be determined and correctly ordered and sized indicating which brand elements are primary and which are secondary with primary elements conveying the point of difference and secondary ones a point of parity (Keller, 2015). The more prominent a brand element, the more it affects consumers brand opinions (Keller, 2015). Another option is the use of a brand endorsement strategy in which the corporate logo is used on the packaging, but is not directly linked to the product brand name, creating a maximum distance between the corporate and individual brand allowing for minimal brand association transfer as well as minimising negative feedback effects (Keller, 2015).

Marketers are able to either “*dial up*” or “*dial down*” different brand elements in their branding strategy (Keller, 2015). This could be an appropriate tool to adjust to various country cultures in response to their unique needs. Keller (2015) notes that ideally, brand equity should reside at the highest level of the branding hierarchy possible in order to benefit the most products and services. This then reinforces the shift to a corporate brand preference and could be a more preferred starting point when entering a new market.

2.6.1.1 PRODUCT BRANDS

Product brands allow for differentiation and preference in the consumers’ minds and are conducted at the product or service level (Xie & Boggs, 2006). A primary advantage is that if a brand fails, the corporation will have less damage to their image due to the brands being separated (Kotler & Keller, 2012; Xie & Boggs, 2006). Product brands are also better able to target and appeal to different market segments or across different quality levels (Kotler & Keller, 2012; Xie & Boggs, 2006). A disadvantage of product branding is high marketing costs and thus lower brand profitability (Xie & Boggs, 2006).

2.6.1.2 SUB-BRANDS

Sub-brands¹ are a combination of product brand and corporate brand names, where the company name legitimises and the individual name individualises the product (Kotler & Keller, 2012). Brands live across a spectrum and companies are able to up weight or down weight the corporate verses product brand relationship. A good sub-brand strategy can create new brand believes while also facilitating associations and attitudes to the company in order to create the right awareness level and image for the product (Keller, 2015). This allows signalling to customers to expect similarities and differences with the product (Keller, 2015). Sub-branding should only be used where investment can be made to establish the brand meaning with customers and there is a distinctive, complementary benefit, otherwise a branded house approach with a product descriptor should be used (Keller, 2015).

2.6.1.3 CORPORATE BRANDS

The rise in the interest of corporate brands will be discussed further. Aaker (2004) argues that the corporate brand is the ultimate branded house strategy with the added benefit that it represents the organisation. Corporate brand architecture is defined as “core values shared by different products with a common and overall brand identity” (Xie & Boggs, 2006, p.349). Balmer (2001) explains that the formation of a corporate brand requires senior management to distill the organisations identify into a clearly defined brand proposition. This proposition then underpins all efforts to communicate, differentiate and enhance the brand with stakeholder groups and requires commitment from the entire organisation with the responsibility lying with the Chief Executive Officer, not the marketing department (Balmer, 2001). The corporate brand answers the key question of “*what is the promise inferred from/communicated by the brand?*” (Balmer, 2001, p.257). Balmer and Gray (2003, p.992) have argued that corporate brands are “*crucially different from product brands in terms of their composition, constituencies, maintenance, management as well as disciplinary roots*”. Balmer (2001) argues that the characteristics of a corporate brand mix are cultural, intricate, tangible, ethereal and commitment, which have been developed into the C².I.T.E. mnemonic. He also argues that the corporate brand concept is related to the concepts of corporate reputation and corporate image, generating a highly contested debate to consider the corporate brand and corporate image as separate constructs.

Corporate brands are different to product brands in that the “*focus of corporate brands is on 1) all internal and external stakeholders and networks 2) based on a broader mix*”

¹ Also referred to as a hybrid strategy.

than the traditional marketing mix and 3) is experienced and communicated through total corporate communication rather than simply via the marketing communications mix” (Balmer, 2001, p.253).

2.6.1.3.1 BENEFITS & EVOLUTION

The seminal work of Stephen King (1991) is credited by Balmer for starting the shift to corporate branding (Balmer, 2005), which at the time was termed "*company brand*". King called for a shift in focus from product and service brands, to company brands which, four years later was coined as "*corporate brands*" to acquire a more strategic and universal application (Balmer, 1995). Balmer's 1995 article, Corporate Branding and Connoisseurship, therefore, marks the first piece of academic literature that is specifically dedicated to "*corporate brands*". In this article, Balmer predicts that focus will shift to the corporate brand in the future, and in his article Corporate Brand Orientation (Balmer, 2011) he confirms that it indeed has, twenty years after King's (1991) original declaration. He further argues that companies now need to make the corporate brand the orientation of the company, pulling together the fields of corporate brand and brand orientation, which have seen much overlap in their development (Balmer, 2011).

True to Balmer's 1995 prediction, there has been a shift over the past twenty years to the corporate brand (Keller & Lehman, 2006). The reasons for this shift are mainly driven by a shift in focus from consumers, products and services to an emphasis on a stakeholder and societal approach (Balmer, 2011). For this reason, Balmer argues that there is an urgent need for reappraisal of the marketing orientation and that corporate brands are increasingly meaningful to customers and stakeholders making them a strategic benefit to organisations (Balmer, 2011). Another argument for this shift is that due to the speed in which innovation occurs, the high costs associated with building and supporting a brand, and the diminishing brand loyalty exhibited in the market in modern times, corporate brand building has become a strategic tool and one that allows organisations to maintain differentiation (Morsing & Kristensen, 2001). Morsing and Kristenson (2001) continue, in citing Olins' 1995 work where he argues that firms need to decide between building their product brands or their corporate identity.

The benefits of the corporate brand are numerous, spanning from psychological to financial. Balmer and Gray (2003) reflect on the different schools relating to corporate branding noting that there has been a shift over time from (corporate) brands being marks to denote ownership, image building devices, symbols associated with key values, a means by which to construct individual identities and a conduit by which pleasurable experiences may be consumed. During this time, they argue there has been a shift in vantage point from the '*sender-end*' to the '*consumer-end*' of the communications

equation. The benefits incurred due to this are that corporate brands are quality guarantees that insure against risk, help consumers define who they are or how they wish to be seen and create pleasurable experiences (Balmer & Gray, 2003). Balmer (2001) states that corporate brands communicate the brands' values, provide a means of differentiation, and enhance the view of the organisation by stakeholder groups (Balmer & Gray, 2003). Corporate brands are a powerful navigation tool to a variety of stakeholders assisting with employment, investment and consumer buying behaviour (Balmer & Gray, 2003). Balmer (2010) identified three strategic benefits of corporate brands arguing that they are a currency, a language, and a navigation tool. Corporate brands are a currency across the various stakeholders in both a financial and an emotional sense; they are a language in that they are known and understood either globally or locally; and they are a navigation tool in that they help with positioning through defining what a brand is as well as what it is not (Balmer, 2010).

Confusion has been overcome in the field where corporate brand and corporate identity were long and incorrectly used interchangeably. Balmer and Gray (2003) argue that the most fundamental difference is that the concept of corporate identity is applicable to all entities, where not all entities need a corporate brand. Balmer (2010) suggests that a corporate brand is an identity category that is highly meaningful to stakeholders, because it can help individuals define who they are and argues that brands are consumed for multiple reasons including social-symbolism and self-symbolism. This realisation has led some scholars to argue that corporate brands can create meaning rather than messages (Leitch & Richardson, 2003).

Today, we are encouraged by Balmer to take the corporate brand a step further, into the orientation of the entire company in which he argues that the corporate brand should become the centripetal force that both informs and guides the organisation (Balmer, 2013). We are reminded that the interest in this field is on an international scale and increasingly interdisciplinary in scope (Balmer et al., 2016) leaving space for continued practitioner and academic development.

2.6.1.3.2 APPROACHES

In order to build a strong corporate brand, brand experiences across all stakeholder groups need to be designed, influenced, measured and monitored with the entire organisation mobilised in order to deliver on the brand promise (Abratt & Kleyn, 2012). Abratt and Kleyn (2012) outline the steps required to develop an organisation's corporate identity and corporate brand. The first step requires the creation of corporate identity by the organisation's leadership answering the questions of "*who and what the organisation is, and what it seeks to be*" (Abratt & Kleyn, 2012, p.1059). This forms the foundation for

the creation of the mission, vision, strategic intent, core values, and the establishment of a corporate culture (Abratt & Kleyn, 2012). The second step is the formulation of the corporate expression including the visual identity, brand promise, brand personality, and communication plans across stakeholders (Abratt & Kleyn, 2012). Lastly, the corporate brand is developed on a continuous basis incorporating two components that form strong relationships: corporate expression and brand images in the minds of stakeholders (Abratt & Kleyn, 2012). Balmer and Wang (2016) argue that there are six key dimensions of corporate brand building: 1) strategic management, 2) stakeholder management, 3) corporate communications, 4) service, 5) leadership, and 6) commitment.

2.6.2 COUNTRY CULTURE AND BRAND ARCHITECTURE

While there may be a number of influencers to optimise a firm's brand architecture in a dynamic context, the literature suggested that one that should be considered is country culture. Mooij & Hofstede (2011) argue that most aspects of consumer behaviour are culture-bound. A recent study by Zhang et al. (2014) appears to be the first empirical work to establish the country culture's effect on the drivers of brand equity. In investigating whether customer equity drivers and loyalty intentions are sensitive to the cultural environment, they found that equity drivers of value, brand, and relationship equity have a greater impact in Western culture than in Eastern culture.

Most research on customer equity to date has been done in Western cultures and cannot necessarily predict consumer behaviour in other cultures (Zhang et al., 2014). There are different drivers between country cultures with the most used cultural approach being the Hofstede cultural dimensions (Robbins & Judge, 2013).

The Hofstede cultural dimensions were developed in the late 1970's as a result of a survey across forty different countries within IBM's multinational corporate reach, finding five differing value dimensions of national culture (Robbins & Judge, 2013). These five dimensions are power distance, individualism versus collectivism, masculinity versus femininity, uncertainty avoidance, and long-term versus short-term orientation.

Power distance is defined as a national cultural attribute "*that describes the extent to which a society accepts that power in institutions and organisations is distributed unequally*", with Malaysia ranking as the highest power distance country surveyed (Robbins & Judge, 2013, p.184-185). Global brands symbolise values of high power distance cultures such as power, prestige, wealth, and status and serve as aspirational consumption (Talay et al., 2015).

Individualism is a national cultural attribute "*that describes the degree to which people prefer to act as individuals rather than as members of a group*" and collectivism

“describes a tight social framework in which people expect others in groups in which they are a part to look after them and protect them” (Robbins & Judge, 2013, p. 184-185). The United States is the most individualistic country (Robbins & Judge, 2013) and China is thought to be very collectivist. Individualist culture consumers are more receptive to global brands while collectivist cultures are more receptive to brands from their home countries (Talay et al., 2015).

Masculinity is a national cultural attribute “that describes the extent to which the culture favours traditional masculine work roles of achievement, power, and control, societal values are characterised by assertiveness and materialism”, whereas femininity is an attribute that “indicates little differentiation between male and female roles; a high rating indicates that women are treated as the equals of men in all aspects of society” (Robbins & Judge, 2013, p. 184-185). The United States also scores high on masculinity with Japan scoring the highest (Robbins & Judge, 2013). Conspicuous consumption is more prevalent in masculine cultures and consumers are more likely to favour foreign brands or global brands (Talay et al., 2015).

Uncertainty avoidance is a national cultural attribute “that describes the extent to which a society feels threatened by uncertain and ambiguous situations and tries to avoid them” (Robbins & Judge, 2013, p.184). The United States scores low on uncertainty avoidance (Robbins & Judge, 2013) while China has a high uncertainty avoidance compared to the West (Zhang et al., 2014).

Lastly, long-term orientation is an attribute that “emphasizes the future, thrift and persistence” where short-term orientation “emphasizes the past and present, respect for tradition and fulfilment of social obligations” (Robbins & Judge, 2013, p. 184-185). The United States has a more short-term orientation (Robbins & Judge, 2013) whereas China has a more long-term orientation (Zhang et al., 2014). Global brands perform better in high uncertainty avoidance cultures due to a higher sensitivity to ambiguity (Talay et al., 2015).

While the Hofstede dimensions are the most widely used, some question if they can be applied beyond the constrained population of IBM employees of the late 1960's and early 1970's (Zhang, Beatty, & Walsh, 2008).

Individualism versus collectivism, uncertainty avoidance, and long versus short-term orientation have an influence on consumer behaviour (Zhang et al., 2014). Specifically of interest for this report is the dimension of individualism vs collectivism. Zhang et al. (2014) argue that these dimensions affect how consumers respond to advertising, citing Liu and McClure (2001) who found that Western cultures prefer advertising with

individualistic appeals that symbolise cost savings, enjoyment, and individualism where people in collectivist cultures prefer advertising with collectivist appeals that symbolise family values, technology, and tradition. Cultural differences are further summarised by Zhang et al (2014) in that Western cultures tend to focus more on their personal preference for brands and prioritise intrinsic attributes such as quality, whereas Eastern cultures tend to choose brands for their prestige and prioritise extrinsic attributes. Zhang et al. (2014) also found that Eastern cultures exert a higher loyalty intention than Western cultures.

Brands have been found to be of higher importance in China compared to the West in regard to their ability to also fill social needs such as social self-worth and respect by others (Henderson, Cote, Leong, & Schmitt, 2003; Ting-toomey & Kurogi, 1998). Branded products can also be more preferred in China due to high uncertainty avoidance and in light of the widespread counterfeit products, empirical evidence confirms that brands are more important, especially in visible categories, in collectivist cultures than in individualistic ones (Zhang et al., 2014).

There appears to be varying mechanisms that influence global brand perceptions, attitudes, and purchase decisions with country culture acting as a moderator of product signals (Talay et al., 2015). In China, research indicates that global brands influence consumers through different psychological and functional values than those of consumers in Eastern European markets where global brands are perceived as a passport to global citizenship (Talay et al., 2015). Interestingly, Japanese companies are known to emphasise corporate identity (corporate brand) for reassurance to their customers that they are reliable, the corporate brand that brings the reliability image even when companies offer very diverse products (Douglas et al., 2001).

Cui and Liu (2001) state that a primary reason for many multinationals not reaching their desired growth levels is that they have not adapted their marketing strategy to local market conditions (Zhang et al., 2014). This demonstrates the importance of cultural understanding to multinationals so that their strategies can be adapted to the market.

Erdem et al. (2006) present empirical evidence that there is a positive effect for brand credibility on choice for consumers from high collectivism or uncertainty avoidance cultures. Credible brands are perceived as being of higher quality, which reinforces group identity and provides more value to high-uncertainty-avoidance consumers due to lower perceived risk and information costs. Brand credibility development depends on cultural values and as such the authors recommend that companies should work with product positioning to match cultural values (Erdem et al., 2006). Consumers will defer to

products that have synergies with their values, beliefs, and cultural heritage, when in doubt (Talay et al., 2015).

Keller (2006) references that transferability is an important criterion when building brand equity. Transferability refers to the ability to transfer equity within and across product categories, geographies, cultures, and market segments. Although this is a useful criterion, the author argues that it needs to be made more practical for practitioners to be able to implement it.

Balmer (2001) states that there is *prima facie* research suggesting that Anglo-Saxon theories of business identity (characterised by short-termism and a focus on shareholders) could be inappropriate in other countries for economic and cultural reasons, however, there has been little research in other country cultures on this issue. Due to the additional complexity of company structures in the East containing a family of autonomous companies, each company needs to support its own reputation, as well as that of the group (Balmer, 2001). This leads Balmer (2001) to question the model and if in fact culture should form part of the corporate personality but rather have a more central role in the corporate identity, which he updated in his new identity mix.

Aaker studied personality attributes of United States brands and classified them into five main clusters: 1) sincerity, 2) excitement, 3) competency, 4) sophistication, and 5) ruggedness (Keller & Lehman, 2006). This classification does not hold up globally, however, in that peacefulness replaced ruggedness in Japan and Spain and passion replaced competency in Spain (Keller & Lehman, 2006).

Consumption differences can be explained by cultural differences when aligned with GNI/capita (Mooij & Hofstede, 2011). Culturally related differences have been found in mineral water consumption, personal computer ownership, internet access, ownership of luxury goods, cars and financial products (Mooij & Hofstede, 2011). Mineral water consumption is related to high uncertainty avoidance; personal computer ownership and the internet with low uncertainty avoidance; luxury goods with masculinity, car ownership; and financial products with individuality (Mooij & Hofstede, 2011).

Cross-cultural psychology now contains knowledge to help understand the differences between self and personality across countries, which forms the foundation for consumer behaviour differences (Mooij & Hofstede, 2011). Mooij & Hofstede make reference to a Crocus 2004 study which compared personality attributes for strong global brands finding that “friendly” is commonly attributed to brands in high uncertainty avoidance and low power distance cultures; ‘prestigious’ is attributed to brands in high power distance cultures and ‘trustworthy’ is attributed to brands in high uncertainty avoidance cultures

(Mooij & Hofstede, 2011). These findings indicate that consumers project their own personality preference onto strong global brands leading to inconsistency in the communication from global brands as consumers place attributes on global brands that fit their own culture (Mooij & Hofstede, 2011).

Brand architecture can be influenced by the cultural embeddedness of the product (Douglas et al., 2001). Where markets are homogeneous global branding could be a good strategy, but in markets with strong cultural embeddedness (as food or household products) local brands may enable the products to thrive (Douglas et al., 2001).

The success of globalisation strategies depends on how brands affect consumers across cultures (Erdem et al., 2006). Further understanding of this effect across country cultures will inform better brand architecture decisions in the future and allow for a maximised consumer-based brand equity. The role of culture in moderating the relationship between branding strategies and market performance is lacking in the literature (Talay et al., 2015).

2.7 CONCLUSION

Brands are valuable and therefore firms want to maximise brand equity, one important aspect of brand equity is consumer-based brand equity. Consumer-based brand equity can be built through consumer attachment through a variety of brand architecture options. However, understanding whether certain architectures are more effective in maximising brand equity across different country markets remains a critical issue (Douglas & Craig, 2013).

It is suggested that brand architecture options need to become more flexible to fit the needs of practitioners and that portfolio strategies should vary across markets (Talay et al., 2015). It therefore seems an opportune time to explore the academic with the global practitioner perspectives on brand architecture, through identifying the influencers that should be considered when designing an optimal brand architecture in a dynamic context, across both time and place. Surprisingly, this has not been considered in the literature in terms of optimising brand architecture in order to maximise consumer-based brand equity and drive firm value. Scholars are moving to a corporate brand preference, even a corporate brand orientation, however, there is a gap identified between this field and the field of consumer-based brand equity.

3 CHAPTER 3: RESEARCH QUESTIONS

The objective of the research project was to explore what influencers should be considered when choosing the optimal brand architecture. This was done with a specific focus on country culture, using Hofstede's cultural framework (specifically the individualism versus collectivism dimension) to analyse any cultural differences to the research problem. Since recent research identified the need for more flexible brand architectures, these research questions were designed to understand if brand architectures are shifting in practice and if so, what drives it? Research also sought to understand if brand architecture needs to be more adaptable. The research is exploratory in nature aiming to answer the research questions and gain further understanding of the research problem while also remaining open to new insights that emerge during the research process.

The overarching research question sought to understand how brand architecture can be optimised on a global scale. This question is in response to the understanding from Keller (2015) that one way to maximise brand equity is through an optimised brand architecture. How to optimise brand architecture on a global scale remains a challenge due to market integration and scale (Douglas et al., 2001), cultural differences (Zhang et al., 2014), and category motives' relationship with country culture (Mooij & Hofstede, 2011). There has also been a notable shift to a corporate brand orientation (Balmer, 2013). However, understanding how to optimise brand architecture in a dynamic context is limited in the literature. Therefore the overarching research question is:

RQ1: What influences should be considered when designing the optimal brand architecture?

This is supported by a secondary question of:

RQ2: What role does country culture have in optimising brand architecture?

The additional two research questions were inspired by research conducted by Ugglå and Lashgari (2012) and Ugglå and Nyberg (2014). In 2012 Ugglå and Lashgari contributed that, over time, the idealism of the brand relationship spectrum will need to be replaced by pragmatism in order to create a sustainable brand strategy that integrates both business and brand management. This would lead to a replacement of the current brand architecture models, to new more dynamic models that are formed from a customer perspective (Ugglå & Lashgari, 2012). Then, in 2014 Ugglå and Nyberg made the first attempt to propose a model which overcomes the reductionist weakness in the brand relationship spectrum (Ugglå & Nyberg, 2014). In this study they identified areas for future exploration such as how to integrate customer needs with brand portfolio

expression and consider the balance between the house of brands and the branded house approach, as well as a better understanding of the input drivers in the brand portfolio strategy and the alignment with strategy and brand portfolio objectives (Ugгла & Nyberg, 2014).

These research questions form the foundation to answer the vision of Ugгла and Lashgari in 2012 and the areas identified for future research by Ugгла and Nyberg in 2014. Through understanding what is happening in practice globally, the drivers of brand architecture strategy can be identified as well as understand if brand architecture needs to be more dynamic. Accordingly RQ3 asks:

RQ3: Are there shifts in brand architecture choices? If yes, what are the drivers of these?

"A coherent brand architecture can lead to impact, clarity, synergy, and leverage rather than market weakness, confusion, waste and missed opportunity" (Aaker & Joachimsthaler, 2000, p.8). The ability to achieve this, however, has become increasingly complicated, due to the ever-changing business environment the field of brand architecture has become more complex (Aaker & Joachimsthaler, 2000). Understanding that one of the drivers behind this complication is globalisation (Douglas & Craig, 2013), RQ4 asks:

RQ4: Does brand architecture need to be more adaptable than in the past? If yes, what drives this?

This research is focusing on what is driving this new concept of an adaptable brand architecture so that understanding how this challenge can be solved can be done in future research.

4 CHAPTER 4: RESEARCH METHODOLOGY AND DESIGN

4.1 INTRODUCTION

In this section, the methodology and design of the research will be discussed. The nature of the research question requires an exploratory research design and qualitative data collection and analysis with both a deductive and inductive reasoning approach, in order to better understand the research problem of what influencers should be considered when designing an optimal brand architecture.

4.2 METHODOLOGY

According to Balmer (2001), qualitative research is more suitable for theory generation than quantitative analysis and he encourages marketing scholars to give qualitative research a greater emphasis. As the research undertook to explore consumer behaviour and preference, adopting the qualitative approach was more suitable. Qualitative research structures for data collection and analysis are suggestive and tentative rather than directive and rigid with understanding expected to emerge as part of the research process which guides the modification of the research strategy (Bradley, 1993).

Saunders and Lewis (2012 pg. 110) define exploratory research as “*research that aims to seek new insights, ask new questions and to assess topics in a new light*”. A gap has been identified through the literature review that the fields of brand equity, corporate branding, and brand architecture have not been thoroughly researched in a global context, and more importantly, have not been examined in the context of what influencers should be considered when designing an optimal brand architecture in a fluid environment. The research will therefore focus on seeking new insights in a new phenomenon. A descriptive study could also be an appropriate design, however the researcher feels that this approach could minimise the depth of the insights revealed due to the requirement for quantitative responses.

The research design has followed both a deductive and inductive approach. The deductive approach was followed as the academic research provided the initial theoretical framework, Hofstede’s cultural dimensions, used for analysing the results (Saunders & Lewis, 2012), as well as the research questions that the findings needed to answer. Additionally, an inductive approach was followed for data analysis, because no research currently exists as to what influencers should be considered to optimise brand architecture in a dynamic, global context. An inductive approach allows the research to develop new theories to explain the findings (Sanders & Lewis, 2012). During the data analysis, new discoveries emerged and resulted in a new framework demonstrating what influencers to consider in order to optimise a brand’s architecture.

4.3 RESEARCH DESIGN

The research was conducted using a modified survey technique using semi-structured in-depth interviews. The research included two phases comprised of both secondary data and primary data. The first phase focused on understanding available secondary data in the field mainly through the use of academic journals in order to further understand and construct the research problem, as well as identify gaps in the field. The second phase consisted of primary data collected through the use of in-depth interviews with the objective of exploring what influencers should be considered to optimise brand architecture in a global and dynamic context.

Data collection and analysis was in the tradition of the grounded theory research method, designed to answer the questions of '*what*' is happening and '*why*' (Douglas, 2003). Grounded theory is used for conducting emergent qualitative research which is inductive, indeterminate and open-ended (Charmaz, 2008). Emergent methods are particularly well suited for studying dynamic phenomena (Charmaz, 2008). The process of this research began with a literature review followed by data collection through semi-structured interviews. This therefore does not comply with grounded theory in the traditional sense. Although the data collection and analysis did not fully align with the traditional grounded theory method, it was informed by it and followed, as much as possible, the procedures that define this method. There is a fine line between allowing for procedural flexibility and satisfying the suggested criteria for grounded theory, if possible however the procedures give the research rigor (Corbin & Strauss, 1990).

Eleven procedures help to frame the grounded theory method. These processes were loosely followed for data collection and analysis:

- 1) Interrelated data collection and analysis was used to direct the next interview.
- 2) Concepts were used as the units of analysis, making conceptualisations about the data through coding.
- 3) Categories were developed through grouping concepts to the same phenomenon together.
- 4) Sampling was based off of theoretical grounds, selecting an organisation that can represent the phenomenon.
- 5) Analysis made use of constant comparisons, incidents were noted and compared, creating them into concepts and grouping the comparisons, helping to guard against bias.
- 6) Accounted for patterns.

- 7) Processes were built into theory through the denotation of purposeful action or interaction.
- 8) Wrote theoretical memos as a system for keeping track of what evolved from the analytical process.
- 9) Developed hypotheses and verified them during the research process.
- 10) Opened the analysis up to others to protect against bias and develop new insights.
- 11) Incorporated broad structural conditions in the analysis such as economic conditions and cultural values (Corbin & Strauss, 1990).

Through time, variations of the methodology of grounded theory have emerged. The constructivist grounded theory, pioneered by Kathy Charmaz, proved to be the most appropriate for this research. Constructivist grounded theory allowed for more flexibility and engagement with the data and considers that the method of grounded theory does not stand outside of the data, but that it resides within it; it is not a rule book (Charmaz, 2008). Constructivist grounded theory also recognises that the researcher themselves are part of the data and that what they bring to the study directs their attention but does not determine the results (Charmaz, 2008). In analysing the data, after using inductive reasoning, abductive reasoning was used to interpret the surprises in the empirical observations (Charmaz, 2008).

In cross-national research, information that is bias or inequivalent can lead to erroneous results (Buil et al., 2008). The equivalence of data across countries was, therefore, a key issue in this study. The approach used to analyse equivalence identified by Herk et al (2005) was used for this research. In it the research process and procedures of conceptual, functional, category and translation equivalence, and sampling must be deemed equivalent prior to data collection. In this research, the categories selected were well known and served the same function in order to ensure functional and conceptual equivalence (Craig & Douglas, 2000). Since the global brand strategists interviewed are accustomed to working with English speaking clients, there was no need to perform the in-depth interviews in the native languages of the interviewee or to translate the brief or interview guide. This was verified with the agencies prior to conducting the research.

4.4 POPULATION

The population selected for this research was leading global brand strategy agencies, with offices in multiple countries around the world and expertise in brand strategy across multiple categories. This approach provided both good global access and rich

information for analysis from expert experience. Brand strategists are experts with daily client contact enabling them to share current knowledge across product categories.

4.5 UNIT OF ANALYSIS

The unit of analysis in this research was firms that specialise in brand strategy across North and South America, Africa, Europe, Asia and Australia, specifically the concepts that come out of these in-depth interviews that were developed into codes (Corbin & Strauss, 1990). The brand strategists who have experience with their countries clients and shared their insights in the in-depth interviews constituted the unit of response.

4.6 SAMPLING METHOD AND SIZE

A sample is a subgroup of the whole population (Saunders & Lewis, 2012). The sample used in this research was fifteen brand strategists with representation from North and South America, Europe, Africa, The Middle East, Asia and Australia. There were a total of ten interviews from developing markets and five interviews from developed markets. This is an example of non-probability sampling and therefore cannot be considered representative of the entire population (Saunders & Lewis, 2012). As data saturation occurs with about ten samples for homogenous populations and around fifteen to twenty-five for heterogeneous ones (Saunders & Lewis, 2012), efforts were made to reach fifteen in-depth interviews. This is because although the population is homogenous in that they are all brand strategists working for global brand strategy agencies, they are from different country cultures which adds a heterogeneous element to the population.

The sampling method selected for this research was purposive sampling, which is defined by Sanders & Lewis (2012, p.138) as *“a type of non-probability sampling in which the researcher’s judgement is used to select the sample members based on a range of possible reasons and premises”*. The characteristics of the required interviewees were that they were either Senior Brand Strategists or Managing Directors of leading global brand strategy agencies. Therefore these individuals can be considered experts in their field and well versed in the practitioner perspective of brand architecture having worked on many brand architecture projects with leading global companies. Interviewees were identified through the researchers own contacts.

4.7 MEASUREMENT INSTRUMENT

The research made use of a semi-structured interview method for data collection which allowed for more in-depth insights and flexibility to ask further questions and omit others (Sanders & Lewis, 2012). The interview guide contained questions that link back to the primary research question of what influencers should be considered to optimise brand

architecture, and allowed for open-ended responses. The additional research questions explored a broad theme around country culture, brand architecture shifts, and a notion of a more adaptable brand architecture requirement with questions added to probe and explore.

A pre-test was conducted with a South-African based Senior Brand Strategist not included in the actual research. This was done in order to ensure that the questions were understood and that the required data could be gleaned from the questions (Saunders & Lewis, 2012).

The interview guide is provided in Appendix 1.

4.8 DATA GATHERING PROCESS

Data was gathered through in-depth interviews across multiple countries and regions through the use of either face-to-face or telephone (skype) conference. Empirical evidence supports that telephone interviews can be used in qualitative research and that different interview modes can yield the same results (Sturges, 2004). Technological advances shape research methods and the method of research needs to be convenient for potential respondents (Sturges, 2004). The interviews lasted about an hour and the researcher probed to ensure the right depth of response and richness in the data collected. In order to maximise the time and to ensure alignment with the interview objective, an interview brief was sent approximately one week before the interview and the a high level interview guide was shared closer to the start of the interview to allow for preparation. The technique of relaying the researcher's understanding back to the interviewee was used to confirm interpretation and to remove ambiguity. Interviews were audio recorded and then transcribed post interview.

4.9 ANALYSIS APPROACH

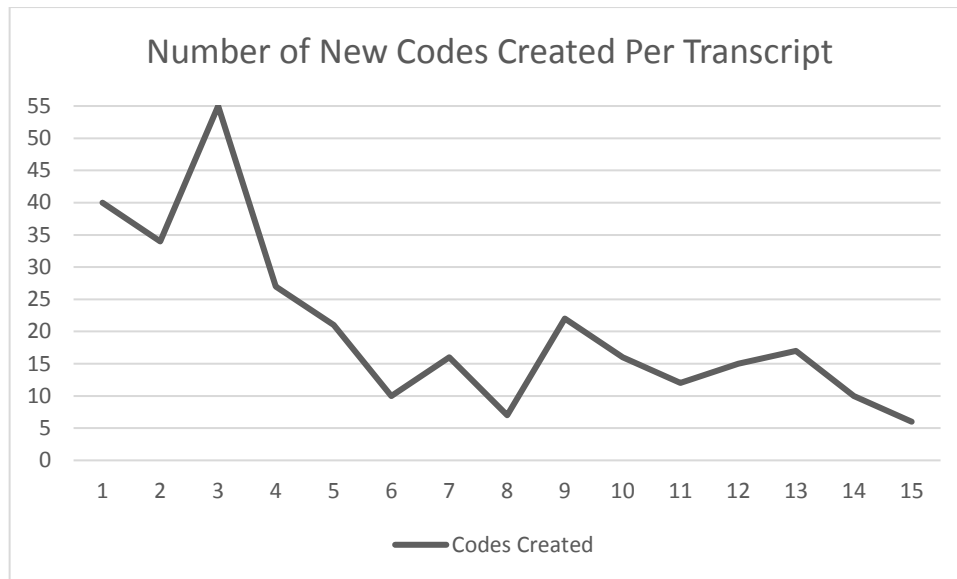
The computer aided data analysis software, Atlas.ti was used to assist the researcher in coding and analysing the data. Sanders & Lewis (2012) describe a three-step approach to analysing qualitative data: 1) describe the data through developing categories or codes, 2) decide on a unit of data that to attach to the codes, and 3) attach categories to the data units. Internal triangulation of data was achieved using the three-stage coding of interviews: 1) open coding, 2) axial coding, and 3) selective coding (Balmer & Wang, 2016). This coding process is used for grounded theory research (Corbin & Strauss, 1990). Open coding was first used to gain new insights from the data by breaking it down into categories and comparing them to other categories which enabled the breakthrough of subjectivity and bias (Corbin & Strauss, 1990). The open coding was done line by line

allowing for a greater interaction with the data and a deeper analytical understanding (Charmaz, 2008). Next, axial coding was used to relate categories to their subcategories and, this again tested relationships and developed further categories (Corbin & Strauss, 1990). Lastly, selective coding was used to unify categories around a core category that represented the central phenomenon of the study (Corbin & Strauss, 1990). In this research the five themes that emerged were grouped manually with the open and axial coding done within Atlas.ti.

Memos were created throughout the coding process in order to package any researcher bias and also to explore, develop and check ideas (Charmaz, 2008). Memos show researcher reflexivity through bracketing own thoughts, which shows that the researcher engaged in the research yet isolated own thought and impression from the data collected. In the primary documents table, document families were created by country in order to group the interview transcript with the additional material that was shared post interview. This additional material consisted of case studies or journal articles written by the interviewees, as well as internal documents such as PowerPoint presentations relevant to the research question. This additional material was also coded and analysed as part of this research. Additionally, groupings for developing and developed countries were created in the primary documents table to be able to compare differences and similarities between the two groups. This process fostered triangulation of the data. Frequency tables of words and phrases, as well as time spent on the topic, were then pulled and analysed per theme for content analysis.

Codes were iteratively cleaned through the coding process. As inductive coding was used there were plentiful codes created, after coding every three or four documents the author would merge similar codes and also created code families to allow for grouping of the codes. Data saturation was continually tracked by recording after each interview the number of new codes created. Data saturation is the point at which additional data collection provides little if any new insights into the research question or objectives (Saunders & Lewis, 2012). Figure 3 graphically monitors the data saturation in this study by tracking the number of new codes generated per transcript. Per the graph, data saturation in this study was achieved after thirteen interviews. It is important to note that in each interview background information on the interviewees was recorded and coded which is why there are between five and ten additional codes for interviews 14 and 15.

Figure 3: Data Saturation



The research findings were then compared against the findings in the literature review. Additionally, a framework for dynamic brand architecture also emerged.

4.10 LIMITATIONS

The appropriate research methodology for this research is an exploratory method informed by grounded theory, more specifically constructivist grounded theory. The notable limitations of this research design, as well as the research approach are as follows:

- Qualitative data is preliminary and requires further validation.
- Limited access to multiple markets to conduct the in-depth interviews limited sample selection (due to this global brand strategy agencies were chosen).
- Limited number of interviews were conducted per geography.
- Due to the use of non-probability sampling, the results cannot be generalised to the population.
- Time to conduct the research.
- Risk of interviewer bias.

4.11 VALIDITY AND RELIABILITY

Qualitative data seeks to understand a phenomena (Maxwel, 1992). It is different from quantitative data and cannot comply with the same methods of validity and reliability (Maxwel, 1992). A criteria used to evaluate qualitative research was developed by

Lincoln and Guba in 1985 and allowed for an evaluation of credibility, transferability, dependability and confirmability (Bradley, 1993; Seale, 1999).

Credibility refers to “*the adequate representation of the constructions of the social world under study*” (Bradley, 1993, p. 436). This was achieved through a prolonged engagement with the data, the recording and transcription of the interviews, and also the involvement of an experienced researcher to review the coding. Credibility was also enhanced through triangulation of data which was achieved by incorporating the two phases of data collection, referencing practitioner papers, and by having field notes, along with internal triangulation of data achieved through the three stage coding of interviews (Balmer & Wang, 2016).

Transferability refers to the extent that the findings from the research can be applied to another context (Bradley, 1993). This was achieved through a rich ample description of the data and purposive sampling for maximum variation. The detailed research design, transcripts, and code book with memos allows for other researchers to review and transfer the findings to different contexts.

Trustworthiness was enhanced through dependability and confirmability which refer to coherence to internal process and that the data characteristics can be confirmed by others who review the results, respectively (Bradley, 1993). These criteria were achieved with an audit trail created through the coding process. Codes were defined, memos were bracketed demonstrating researcher reflexivity and records were kept of all new codes created to demonstrate saturation. The triangulation of the data also enhances the dependability and confirmability.

To summarise, descriptive validity was achieved due to the factual accuracy of the account (Maxwel, 1992). Low inference codes were created and data was triangulated. Generalizability from the data to the theoretical proposition was made (Maxwel, 1992).

4.12 CONCLUSION

The research followed a qualitative exploratory design. The research sample was made up of global brand strategy agencies with the objective to gain new insights through the use of in-depth interviews. The interview data was transcribed and coded to uncover themes and categories that assisted to better understand the research problem.

5 CHAPTER 5: RESULTS

5.1 RESPONDENT OVERVIEW AND SCOPE

Managing Directors or Strategy Heads/Senior Strategy Managers who have worked with two of the world’s leading global brand strategy firms were selected as the sample. These individuals have vast experience across various industries and countries working with both global and local brands making them a valuable sample to provide perspective, share their experience, reflect on the changes in brand architecture over their career, and postulate on what is happening in practice currently, as well as and what the future of brand architecture should look like from a practitioner’s perspective. This sample provided rich data, with further details about the individuals summarised in Table 1, below.

Table 1: Background of Sample

Interview Number	Current Primary Office Location	Years Experience	Countries Experience	Market Experience
1	London, United Kingdom	10	European brands, local brands, UK brands...um...Kazakhstani brands. <i>“I have worked in brands that are only in one market. I have worked on global brands, you know working on one bit at the moment, that is in 160 countries”</i>	Car brands, consumer brands, beer brands, telecommunications, hotels
2	Johannesburg, South Africa	18	Holland, UK, Belgium, Germany, Spain, USA, South Africa, Namibia, Nigeria and Kenya	Various
3	Mumbai, India	18	<i>“US, I’ve worked in the UK, and in India. We’ve consulted with clients in many other countries including Sri Lanka, we do a lot of business in Sri Lanka, in the Middle East and Asia overall. I’ve been on many projects in those countries”</i>	Various including conglomerates
4	Mexico City, Mexico	8	Central America, Mexico, North of South America (Columbia, Venezuela), USA	Various
5	New York, USA	10	France, USA, Global	Various
6	Johannesburg, South Africa	50	UK, South Africa, USA	Various
7	Dubai, Middle East	30	The Middle East, Turkey, India total of 42 countries. Originally from the UK.	Various
8	Cincinnati, USA	20	USA, global lead markets	FMCG ² , Proctor & Gamble
9	Sydney, Australia	20	Europe, UK, South East Asia, Singapore, Indonesia, Malaysia, Vietnam, India, Australia, global	Various
10	Cape Town, South Africa	16	The USA, South Africa, Indonesia, Asia, Middle East (Abu Dhabi, UAE, Golf States)	Various

² Fast Moving Consumer Goods

Interview Number	Current Primary Office Location	Years Experience	Countries Experience	Market Experience
11	Cape Town, South Africa	15	Dubai, Paris, South Africa	<i>“on the corporate side with everything from banking and to financial services to oil industry into the telecoms industry right through to consumer goods... start-ups”</i>
12	Bangkok, Thailand	30	Korea, China, Taiwan, Hong Kong, Philippines, Indonesia, Malaysia, Singapore, Thailand, Vietnam; Cambodia, Russia, India, UAE, Turkey, US, Canada... about 22 in total	Various
13	San Francisco, USA	18	Switzerland, Germany, South Africa, USA	Various
14	Istanbul, Turkey	12	Turkey, Dubai, Russia, Kazakhstan, Uzbekistan, Moldova, Serbia, Georgia, Azerbaijan,	Various including telecoms
15	Sao Paulo, Brazil	21	USA, Italy, Brazil, Latin America, Global	Various including airlines, family brands

To visualise the scope of global coverage of these fifteen individuals the world map in Figure 4 depicts the primary office location of the individuals interviewed, totalling ten different countries and covering every continent in order to enhance the global nature of this research. The table also highlights additional markets that they currently work in, or have worked in, that were specifically mentioned in the interview; as well as markets that are covered in their region.

Figure 4: Primary Location and Coverage Map



5.2 ANALYTICAL PROCESS

Inductive coding was used in order to be able to discover new insights. The researcher continually cleaned the code list by reviewing it and merging the codes throughout the coding process with, the end result being 336 codes which were grouped into twenty-eight code families. A full codelist can be found in Appendix 2. Table 2, below demonstrates relevant code families and shows the themes that emerged when they were grouped together. These themes then tie back to the research questions from Chapter 3 with the link being demonstrated in the table. This table serves as the logical structure for the presentation of the research results which will be discussed by theme, where appropriate.

Table 2: Overview of Results Structure

Code Family	Theme	Research Questions
Background on interviewee/countries covered		
Definitions	Devised definition	
Brand architecture spectrum options		
Brand architecture considerations	Architectural influencers	1. What influencers should be considered when choosing the optimal brand architecture?
Brand Architecture changes across place, growth/globalisation drivers & examples	Developing fluidity	2. What role does county culture have in optimising brand architecture?
Brand Architecture changes across place, cultural considerations & examples		
Brand Architecture changes across place, development considerations & examples		
Brand architecture changes across place, adaptations & legal		
Corporate brand benefits	Shifting times	3. Are there shifts in brand architecture choices? If yes, what are the drivers of these?
Corporate brand shift drivers & examples		
Corporate brand examples/endorsement		
Family/conglomerate brands		
Brand Architecture changes over time, shift drivers & examples		
Brand Architecture changes over time, trends & future considerations		
Dynamic brand architecture thoughts	Dynamic optimisation	4. Does brand architecture need to be more adaptable than in the past? If yes, what drives this?
Dynamic brand architecture, drivers & examples		

5.3 DEVISED DEFINITION

Throughout the interview process, a theme emerged around fundamental definitions on which this research is based. The research identified a benefit in probing these definitions and understandings in order to be able to contribute a global practitioner definition. This will be built on the fundamentals discussed as brand definition and, what the essence of brand architecture is, and then close with a summation of the various definitions proposed.

5.3.1 BRAND DEFINITION

This section explores how the respondents define a brand. Fundamentally the data established that the role of a brand is trust. Brands create loyalty, differentiation, relevance and credibility which allow a company to sell more product, sell the product at a premium, and to sell volume respectively. Brands are defined as an entirely economic construct.

(Interview 7, Middle East) *“Our definition of a brand, we make a difference between brands and branding, right, we said the brand is something that (lives) in somebody else’s head... and the scary part of that, of course, is that I can never really own my brand right. It sits in your head... You are the owner of it and there are millions of people out there who own their own version of the brand and the more coherent that the picture is out there the stronger the brand is.”*

“That is different to the legal definition of the brand... what is registered and trademarked and can sit on somebody’s P&L. And the branding is then the single system that we use to create the coherence in names and logos and colours and advertising... that we used to do that.”

“Branding implies investment.”

5.3.2 BRAND ARCHITECTURE ESSENCE

The essence of brand architecture is that *“it’s not about the rules or the models of architecture, and it’s about how to get into your head...it’s about how it makes sense”*.

(Interview 2, South Africa).

Brand architecture was described to align people and culture, drive market efficiencies, manage brand equity, create platforms for growth, ease audience navigation, drive cross-sell and to target different audiences, drive premium, up-sell and loyalty. It does not denote ownership or express legal names. Essentially, *“it is a business tool. The problem we have with many clients is that their approach to brand architecture...it’s not a matter of logos, it’s a matter of business and people. Usually, people mistake brand*

architecture from rationalising the logos which is not what brand architecture is. Brand architecture is a business tool and it's a brand engagement tool too. **(Interview 5, USA)**

One brand strategy agency summarises that:

- *All portfolios breathe and need periodic maintenance*
- *The right solution is a mixture of data and vision, science and art, logic and conviction*
- *There should be as few brands as possible, as many as necessary*
- *People need to be turned into advocates, not barriers*
- *Change is an opportunity to reinvigorate and simplify, build long-term value and position for growth* **(Documents received from Interview 3)**

An analogy that surfaced clearly describes the essence of brand architecture *"it is like a closet, like a wardrobe closet.... So, it can be a messy closet, for example, when you wake up in the morning, as a woman, you can look at your clothes and you can say, 'I cannot find anything to wear.' But actually you have a very big messy closet, you have lots of things but since it's not organised well, you can't see it. Then the brand architecture gives an organisation navigation actually, ease of navigation. At one glance, if there's a good brand architecture, of course, one of the things of good brand architecture, is to look at, as a consumer and to see where to find what. That's one of the objectives of a brand architecture."* **(Interview 14, Turkey)**

"It's different, brand architecture. It's interesting but also it's difficult." **(Interview 14, Turkey)**

5.3.3 BRAND ARCHITECTURE DEFINITION

When asking the brand strategy professionals how they define brand architecture, it became clear that even within the same companies, no universal definition exists.

"I am not sure if we have a (company) definition on it. I guess we have, in a sense, that we are working closely most of us and I guess we have a consensus around what we are doing but we don't have a formal definition on that, that this is what we mean with brand architecture. I think the closest thing we have there is it is the art and science of linkages and separations. How do we link different parts of the business and brands together, to what extent, and how do we separate them where that is necessary?" **(Interview 7. Middle East)**

However, there is definitely commonality across the professionals interviewed:

"It's trying for the businesses and brands to make their products and services as easy to navigate as possible for consumers. So it's kind of one way you kind of look at it, which is actually; are we easy to understand? Does it really say what we offer, and can people navigate that? The other side of it is actually a commercial side; are we maximising the market opportunities? Are we

maximising the opportunities of the markets that we are in? So are we deploying our brand or our brands in a way which unlocks the most value...for that market?”
(Interview 1, United Kingdom)

“...brand architecture is basically the relationships between brands in the simplest way from the outside in.” **(Interview 2, South Africa)**

“As a group, architecture as we define it, is ‘what’s the relationship between the corporate brand and all the other brands on the portfolio?’” **(Interview 3, India)**

“...brand architecture is really the face of the business, and is the manifestation of the business strategy.” **(Interview 3, India)**

“So I always tell my clients that brand architecture is a tool, and it’s a decision...it’s a tool that helps you decide. But also, it’s a tool that makes or...or helps you realise where one could go, where one could get to.” **(Interview 4, Mexico)**

“It’s navigating principles...that help your consumer find their way within your portfolio... It’s a way to organise a portfolio of products, services and brands are related to it.” **(Interview 5, USA)**

“...brand architecture is basically about, in my opinion optimising choices, right, for audiences, by giving them information which allows them to makes choices.”
(Interview 12, Thailand)

“...brand architecture is actually how you organise the brand system of a company, from the outside point of view, I mean I would say from the consumer point of view, not from the internal point of view. So basically, it’s how the brands relate to each other, and there are many ways of doing this.” **(Interview 15, Brazil)**

The author’s summation of the definitions provided is summarised into a consolidated definition for brand architecture from a practitioner’s perspective:

Brand Architecture is a tool of organising principles to allow customers to navigate and make choices, in the simplest way possible, while enabling companies to maximise their market opportunities, now and in the future.

5.4 ARCHITECTURAL INFLUENCERS

Two frameworks emerged during the research phase that incorporate the considerations required when designing a brand architecture. This information was discussed in the interview and then shared with the researcher electronically afterward. One framework is an internal list of considerations used by a brand strategy agency and another is a more systematic orientation developed by a brand strategist looking to improve the development process in order to allow decision makers to consider all relevant variables and be able to highlight these considerations with clients in a workshop setting. This framework is called 'The Sliders Tool' which has been adopted across the agency. The creator of the 'Sliders Tool' was interviewed as part of this research. The author combined these two frameworks into the findings and highlighted any new emerging insights against what these models have outlined.

5.4.1 OVERVIEW

The agency's internal list of considerations outlined include: business strategy, audience needs, brand equity and stretch, competitor activity, marketing investment, category norms, category future, internal culture, and disruption of change. A few respondents also made reference to a useful tool, the Sliders Tool where a graphical representation is made of the consideration factors of company, market, stakeholders and brand which is depicted in Figure 6. These frameworks were subsequently selected as an analysis framework for the research findings. The author has grouped the considerations of both models into a common structure of company, market, stakeholders and brand to aid the analysis. A network view, Figure 11 in Appendix 3 was drawn with the thirty-eight codes that make up this code family. The codes were then grouped according to the framework Figure 6 for the results analysis.

A description of the Sliders Tool follows:

(Sliders Tool, Shared by Interview 3, written by Interview 13) *"It's a visual aid that provides a sliding-scale answer to a list of discrete questions. Taken together, more answers on the left suggest a multi-brand solution; more on the right suggest a single brand approach. The tool illustrates that brand architecture decisions involve trade-offs. Pros and cons of multiple factors are evaluated and companies decide where, on balance, they should operate. The Sliders Tool does not by itself provide a definitive answer to brand architecture questions. But it is an effective and efficient way to evaluate the trade-offs among different approaches. And it enables executive teams to make well-considered decisions about the management and development of their brands."*

Figure 5: Sliders Tool, Source: Interview 3

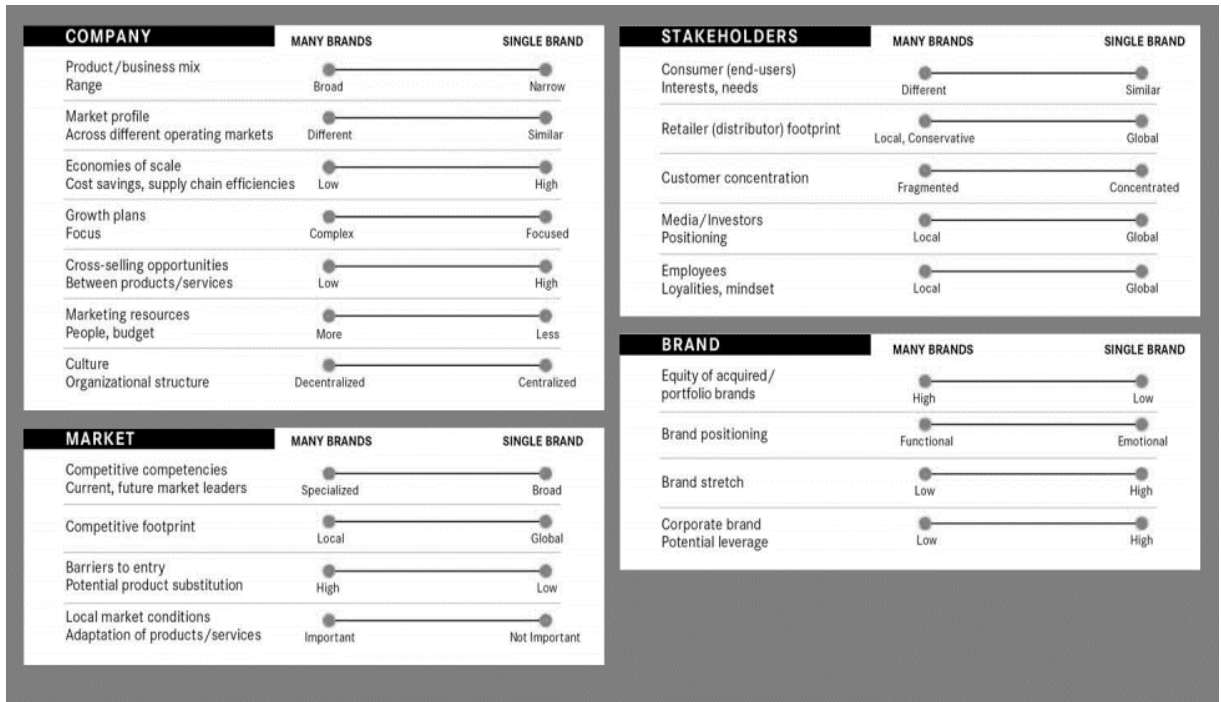
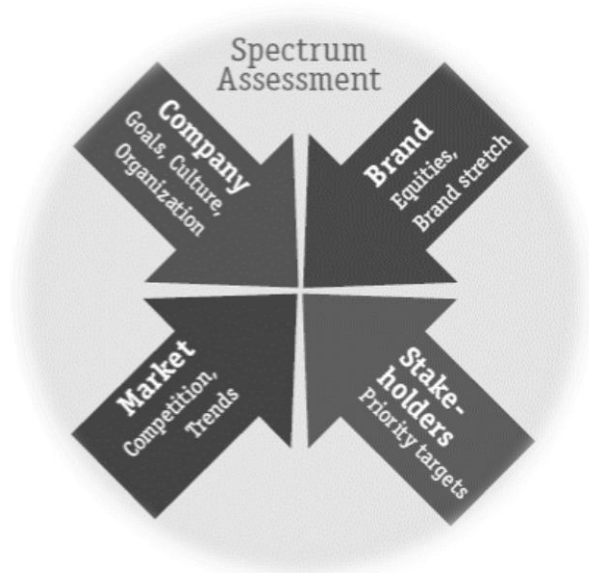


Figure 6: Brand Sliders Model, Source: Interview 3



Prior to seeking the consultation of brand strategy agencies, a company would typically already have a brand architecture that they have created themselves. The consultants then with what they inherit. This is demonstrated at the very top of the network view in Figure 12 to showcase previous inputs into the strategy. Interestingly most comments concerning these effects come from developing markets, even when it is a developing market commenting on what happens in developed markets.

(Interview 6, South Africa) *“And I was told at that stage Google didn’t have a strategy department. And this is the thing, though, a lot of these top, top companies like Facebook, Google, they didn’t plan the brand...They just had a fantastic idea and they ran with it and then after five, ten years they thing, ooh, you know we created our own brand, you know. We better get some strategy here. We better underpin it. We better actually start supporting it. We better start leveraging it as well.”*

(Interview 13, USA) *“...agencies like (company name) never get called in to, or rarely get called into situations where a new-to-the-world brand is launching, right? We only get called in to help sort out brand architecture messes that have already been created. So, you, that’s important because you know, you don’t, you don’t come in sort of with an open slate saying, ‘What should P&G be?’”*

Tradition, intuition, and general underdevelopment of formal marketing practices appears to be what influences companies internal branding decisions prior to seeking professional advice. This is evidenced by the quotes below.

(Interview 7, Middle East) *“Tradition is a big driver. If you ask yourself why does it look like the way it looks and tradition is, you know, we’ve always started this way or I’ve looked at my competitors and they are doing it this way. That’s not to say it’s the best reason for a brand architecture but it’s quite common for why it is the way it is. The simple proliferation of stuff over the years.”*

(Interview 4, Mexico) *“...especially in Mexico, and I would say even in Latin America, sometimes these decisions about the portfolio and the relationships between the brands within the portfolio, are made intuitively...but somehow when I approach a client that has decided about a specific relationship between a brand, usually it’s a little bit of both. A little bit of intuition and a little bit of knowing the market. But I’ve seen... basically, the theoretical part of brand architecture also involves an understanding of the role of each brand within the business results... and that’s usually not that considered in these processes.”*

(Interview 2, South Africa) *“...so often here in Africa, they don’t think beforehand about the brand architecture. They kind of have a big company, somebody decides, hey we need a brand strategy, and at some point, there was a brand architecture and a scope of work, and they just went along with it. And then it’s kind of like, wow - now we actually have to start thinking about it.”*

(Interview 4, Mexico) *“...maybe this is something that happens only in the Mexican market, but even people from marketing, that have a solid knowledge about the market, sometimes brand architecture is completely something really new for them.”*

In both South Africa and Mexico, insights which can be expanded across the regions of Africa and Latin America, it has become apparent that a lot of companies do not truly understand brand architecture. They simply carry on and then at some point consultants need to explain it to them. Data gathering forms the initial step in this process, where information is collected on the brand through market research or company interviews. One of the contributions of this research is to explain this discipline to companies so that their own staff can manage their brand architecture for the company.

5.4.2 COMPANY

The Sliders Tool considers product and business mix (range), market profile (across different markets), economies of scale (cost savings, supply chain efficiencies), growth plans (focus), cross-selling opportunities (between products/services), marketing resources (people, budget), and culture (organisational structure). The considerations of business strategy, marketing investment, and internal culture are grouped into the company section. This represents the summation of both processes.

The product and business mix surfaced as a consideration from the interviews, especially in terms of how the mix can be leveraged to create unity.

(Interview 11, South Africa) *“...the Abu Dhabi investment authority with is the sovereign wealth fund of Abu Dhabi. They owned a bunch of very luxury hotels around the world which were all independently branded. So, they looked at that and said is there an opportunity for us and all these different properties under one umbrella? If we decide that’s the way to go, what is it that we base this brand positioning on. The outcome of the project was actually not to do that. There wasn’t a unifying thread they could pull through all these properties...the properties were hugely iconic in their own right”*

This is also seen in more developed markets where companies want to leverage a corporate brand to enter new categories.

(Interview 12, Thailand) *“And up until 1995 FedEx was essentially simply about speed. When it evolved into the factory we see today, which has four or five distinct sub-brands, because he wanted to emphasise that it wasn’t just speed, it*

also had services, these other things as well, so that is why FedEx is different from FedEx Home.”

The market profile raises interesting questions in terms of brand architecture which is about being able to maximise the market opportunity versus being very consistent and monolithic across markets.

(Interview 1, United Kingdom) *“I think if you are an international brand of business, is there an advantage to being international, and therefore being very consistent in how you are seen and how you are navigated...so that’s that one. I think the other end of it that’s really interesting is if you take the conversation to, ‘How do I maximise the market I am in, how am I maximising the market opportunity I am in?’, this is where consumer brands and drinks brands are quite a good example, as actually...’Am I maximising my market opportunities?’, so...beer companies...so you could take Heineken or you could take...um...kind of...Diageo in any one of the market, geographical market, they could deploy any number of brands in that market. So what you look at there is ‘What’s the market? What are the market opportunities and how can I deploy my brand into that market?’ And they may all be completely separated, consumers will not know they are linked together, but they are maximising your market opportunities.”*

(Interview 2, South Africa) *“I think companies would do anything to sell more, right? So if it makes sense to not stretch too far from the existing brand architecture, but you know, if that makes more sense to that market, and does not cost too much, then they would probably do it, right?”*

The spectrum here is consistency (efficiency) versus maximising market opportunity (focus).

With regards to economies of scale and cost savings, it is evident that this is becoming a large factor in the decision-making process for companies to consider. Some evidence of this is provided below and it will be discussed further in section 5.6.4 with regards to the drivers of a shift in brand architecture over time.

(Interview 9, Australia) *“I think they’re significant economies for simplifying and I think that’s quite often easier just to launch a completely new brand than it is to look at a way to actually working within the constraints of what we have already.”*

“So rather than saying OK the solution is monolithic, what we are actually going is exploring the consequence of very different possibilities. So we might actually put together something that’s more monolithic, something that’s hybrid, something that’s a lot more dynamic and fluid and then we’ll actually go further

and look at what the financial implications might be for that and prototype what sort of implications there would be, so that we're able to almost put a strong commercial case forward on which way the brand should go."

(Interview 3, India) *"Cost is definitely one. Do we have enough money to create another brand in our portfolio that could serve us well? Then, it's a question of, is there a brand that could serve us well, would it need to be redefined to include this new product or not? So it kind of, it can lean on an existing brand in the portfolio."*

"The other problem with Indian companies is that they do not want to spend a whole lot of money, so one brand is the easier way to go for them."

This is evidenced with Mahindra, in the Mahindra Rise case shared from India *"...aligning such diverse and legacy businesses would be a complex task, but resources were limited, so the brand had to be used without stretching it too thin."*

(Interview 7 L Middle East) *"Well, its cost, the golden rule that everybody subscribes to is that you should have, as few brands as possible and as many as necessary. Which is easy to say more difficult to achieve. But that is kind of what you want. Because every brand costs money and if you have a brand without putting money behind it, in terms of wooing it and nurturing it and defending it and all the other things, then it's a waste"*

Business strategy is an important part of the brand architecture choice considerations:

(Interview 3 India) *"Because you always say that this brand is in the service of the business."*

"For example, the Taj hotels, they were stretched from three stars to seven stars, and one of the first questions that we asked was, do you want to be a luxury hospitality company, or do you want to be a hospitality company that's operating in many different statuses in the market. That fundamentally changes the architecture solution. And their answer, for about 75 years we have been a luxury hospitality company, but now we see opportunities in two-star, three-star, four-star segments, and we want to pursue those opportunities as well."

Company strategy also plays an important role in choosing a brand architecture strategy with the interviews stressing that this decision needs to take place at a company level, not at an individual brand based level:

(Interview 3 India) *"...are we going to market as one brand or are we going to market as many brands. I think it is...it's easy for a product manager or brand*

manager to find the right solution for his or her product. But I think that is a bit irrelevant. It needs to tie up with what the overall architecture for our group. That's the whole point, is one company which has many hundreds of businesses or many products. As a group, architecture as we define it is 'what is the relationship between the corporate brand and all the other brands in the portfolio'."

"I think the first, and most important, should be the overall strategy for the company."

(Interview 5 USA) *I would say there are two operating phases. The first one is, the critical step is...are you master-branded...are you house of brands or a branded house?...Often time the type of choices that are influencing ...that company and what solution they go with is often...does it enable them to deliver on their goals right? Does it fit with where they want to go in the future?'*

The degree of focus that a company requires in order to meet their growth plans is also a requirement in a company's brand architecture strategy. Two disparate examples are given below which show the pros and cons at both ends of the spectrum. This is essentially a trade-off between focus and efficiency and helps to explain why overtime companies get pulled into the centre of this brand relationship spectrum of house of brands to branded house.

(Interview 3 India) *"...two of the examples that come up which are not focused, are Virgin and GE. And Asian companies always want to know...well if Virgin can do it, why can't we?... You know they go across the various different categories. And our answer there is, it is very unified by Richard Branson's personality and the maverick approach that Virgin takes in every single industry. So, in anything that it goes into, it's trying to be crowned the number one player. And so it can successfully do that with one brand in many different industries. I think that GE, it's taken them so many hundreds of years that...the consumers accept it. But I think for many other portfolios, it would be difficult to have the degree of stretch that GE and Virgin have."*

(Interview 13 USA) *"The dynamic that pushes brands like P&G towards being less house of brands if I that's the word describing it. It's always about efficiency, because ...they're house of brands model, what that model gives you is focus. So, you're very focused, you got your marketing spend, you know, each brand is distinct to itself. Pampers is different from Duracell, is different from Crest, is*

different from, you know, all the P&G brands.... But, the disadvantage of it is it costs more to run it and it also creates challenges like if P&G, as an Olympic sponsor, wants to promote itself on the Olympics. How does it do it? With a brand that although people know P&G they don't know any of the brands that are part of P&G so don't get so much benefit from it, so that tends to pull them towards wanting to look for ways to be more efficient."

Beyond preference, it is important that the brand architecture choices companies make are able to be executed, which is why capabilities of these companies feature in both the Slider Tool, as well as in the research evidenced below:

Interview 8, USA) *"And do they have the capability and the ability to really live this model...what I've seen is that it's a little bit of a struggle to adopt architecture models, the way that we're defining it here from a brand standpoint...the lack of adoption is a bit on...do we understand what the tool is, how to use it, what's our true commitment internally to making the change, because quite often we are changing how the particular sales lines are being used and then how do you communicate them and bring them to life, and touch points, physical packaging, typically one of the main ways of engaging with that product brand etc. And so I think there's a lot that goes into what influences the choices. ...That applies to what we're doing as well and how do you just make sure that...the tool that you're creating is something that people easily understand. And see the value in it immediately."*

In order to build equity into a master brand, of a global business, the company's organisational structure needs to be supportive of, as discussed in the quotation below:

(Interview 13, USA) *"Accenture was able to run its extreme master brand type of strategy because it had a centrally organized marketing team that was empowered to enforce that strategy. If you're working with a company that doesn't have that, like well then there is no point of even trying to aspire to that or-, or let me put it another way, that's a pre-condition for being able to do that, right. So, oh okay, if you're going to save, the CEO is going to come along and say yes we will. You know, create such a department with that authority and I'm going to insist on it. Then okay, we can move on in that direction. But, if you not and you got like individual operating companies around the world doing their own thing. Forget it. (laughs), you're never going to get there."*

Organisational challenges form one of the largest hurdles for brand strategy agencies, this is due to history, company structure as well as culture. It also became apparent in the interviews that another challenge is due to internal emotions, emotional attachment as well as ego and job stability. This needs to be considered when choosing or changing

a company's brand architecture in terms of acceptance and the potential for success of the strategy. While company culture is considered in the Slider Tool, the element of internal emotions is an element emerging from this research. Here are some examples of both of these dynamics.

(Interview 5, USA) *"I would say the main challenge is the organisational challenge... So at one moment, if you are too much in the consensus building, you hardly reach a brand architecture that makes a change. It is like, sometimes, reflecting the status quo."*

(Brand Sliders, Written by Interview 13, shared by Interview 3) *"...company culture is also important and more often overlooked."*

(Interview 4, Mexico) *"...the owners of the brand built this brand, even created from zero, from scratch, of course, there is an emotional attachment to it, that is really interesting that when you try to even challenge it somehow."*

(Interview 7, Middle East) *"There is also a...there is also the question of how much you allow internal drivers to decide this. So if you are in, in investment...if you are one of these high-powered private equity or investment businesses or banking or things like that you have talented people that you put them in charge of business, they will want to put their own stamp on that right?... They will want to see that this is their business. Now you can look at it and say what, from a totally makes sense perspective, we are going to market...if we go to market all under the same brand and I might have split you up in ten different businesses under the same umbrella we're going to look stronger and all that. But if you want to get that guy with the high-performance character to perform even better you might have to give him something,... so we had the company name and one subsidiary that is called like company name Growth Capital. And then we have another that is called...company name Capital Growth. And for the guys that are running these two businesses, it's a huge difference because that's my business and of course for the outside world and for the stock market where these businesses are ultimately listed, they couldn't care less, they don't really see the difference. So these kinds of internal dynamics also play into how we put this together, especially I would say mainly in corporate brand architecture. Probably less so in...when we talk about product brands."*

(Interview 14, Turkey) *“...in Turkey, these brand architectures could be part of the internal politics as well, unfortunately. You know, as I said, the Turkish market is not as sophisticated and mature for example, as in the UK. If for example, there is a big strong sub-brand at the moment, and it’s led by a person, and that person doesn’t want to leave that sub-brand because then, it means that he leaves his trump position.”*

(Interview 15, Brazil) *“And this is something really delicate because you have to find out the best solution, but you cannot give a solution that people, working for this brand, are going to hate. So I came across a couple of projects, that had a different...I would recommend a different solution if it were a brand for the internal people. For instance, two brands that hated each other, that would never commit to being one or the other, and we had a clear, stronger brand there, that could really make a very nice role to the consumer, to all of the other stakeholders, but it would make an awful role internally...So we couldn’t...commit with that. So we had to come up with a third brand, or with the merger of the two brands.”*

“And the internal culture has become more and more important since we believe that the brand is viewed from within, from the inside out, and the first people that have to buy the promise of the brand or the brand purpose, are the people who are working for the brand. And it’s very important to understand what the role of the brand or these brands internally, if they connect to the employees, if they can make a nice promise to the future, and sometimes again, in M&A’s, what you see is that a merger between companies that were basically competitors, until yesterday, so they normally hate each other.”

This logic of a company culture affecting their organisational structure and the number of brands that they should employ can also extend to the internal architecture of the company in comparison to the exterior facing brand architecture. This is demonstrated in the below quote and followed by an example.

(Interview 1, United Kingdom) *“So, one of the core things that we would think about in terms of architecture, not your internal structure, shouldn’t always dictate what your external architecture should be...no one really cares inside a business how you’re organised, but actually your...your forward or where it’s your corporate or consumer facing architectures are as clear and as simple as possible.”*

(Interview 12, Thailand) *“...Chicken of the Sea is owned by a Thai company. That Thai company also owns about ten other tuna fish and seafood brands across the world. Single largest seafood processor in the world now, the problem they had was that they had a very, because they were built by acquisition, they had a very, very fragmented set of corporate brands, of B2B brands, thirty-six ...fairly different companies, with all the different names and variations etc. When taken together \$4.5 billion company, but nobody knew that they weren’t getting credit for that, they weren’t able to hire the best people, because people saw that they were, you know they did not want work for what they saw as a small Thai company. Their corporate culture was fragmenting because you know there were little systems being built. There is also reasons why the senior leadership realised that they had to somehow consolidate the internal brand architecture, internal brand. So they went from being very, essentially house of brands, B2B brands, to merge into one brand, Thai Union Group. However, they could not apply that logic to the product brands because, again food is very personal, and if somebody...saw that Chicken of the Sea was now Thai brand your behaviour would change radically.”*

(Interview 1, United Kingdom) *“So I think that’s an important thing I think that is kind of learned, because the structure in a way doesn’t necessarily mean it’s the best way for people to understand what we do and how we kind of rationalise it.”*

Brand architecture’s role in distancing a company from risk plays an important role in their brand architecture strategy. This is something that commonly came up across developing markets and can be grouped into the company section although it is also emerging and not covered in the current practitioner frameworks.

(Interview 1, United Kingdom) *“So often it is what consumers are relating to, is the most important conversation that we have. I’m just thinking of Volkswagen in North America. You know...there is an emission scandal, yes - the group is affected, yes the Volkswagen brand is affected but having that little bit of separation between...the consumer brands you could argue has spread some risk of that affecting the other kind of brands.”*

(Interview 2, South Africa) *“...if we choose a more monolithic brand then you have that advantage of having less of a marketing budget....but if you do it more free standing then, of course, you have like different brands that can go each their own way so if something happens to one of the brands that's free standing,*

its less of a problem because you can kill a brand, right? But with a big one you can't."

(Interview, 3 India) *"What are the risks involved in the different businesses. High risk, low-risk businesses. There is the possibility of contamination, something happens in one part of the business, which...that was the original hypothesis for the house of brands, that you don't want something happening to one business to impact the other. A little bit less today because of the internet...everything is, everyone knows who is exactly behind what disaster. But still, clients still talk about risk and contamination in other parts of the business."*

(Interview 7, Middle East) *"If something goes seriously wrong it doesn't matter if you had called this company something else. You know, BP was operating under its own name in the Mexican Gulf, if they had been operating under a subsidiary then they would still have felt that something went wrong, because things went monumentally wrong. But instant reputation risks you can get away a little bit. And I am quite sure if you talk about infant formula and I am sure there have been many times where consecutive CEO's at Nestle had wished that somebody had made a different decision about naming their formula over the past 50 years. And I'm sure it has not been an easy ride for them."*

(Interview 5, New York) *"Then you've got examples like, stand-alone brands, for instance, I have a kind of toxic business in my portfolio, and I don't want to have my master brand next to it because I don't want to have any risk for my image or for the image of my business."*

An example of this is shared below:

"Total, for instance, having portions of their business which is in solar energy, for instance, cell power, which is a leading brand in the US, basically or in different other areas, for instance, you know, returns that are used by the food industry or the healthcare industry, for instance. In that case, the master brand is mostly harming the equity of the sub-brand, so you keep it as a standalone brand."

A further contrasting view is also shared, when endorsement on a brand may spill over to the larger group.

"Having worked with Nestle in the past...the issues, they had on infant nutrition had been kind of a problem for those guys so, there are mixed points of view on that...yes it is important to bring back the Nestle reassurance on our products,

but they are so worried that if there is a scandal happening, it impacts that Nestle master brand, then they have a weird relationship with those kinds of things.”

This is also considered from the view of risk in success before allowing a corporate brand to feature on a new venture as discussed below from the Middle East.

(Interview 7, Middle East) *“And I’m also aware that I am an industrial conglomerate. I don’t have a culture of customer service, I don’t, and it’s not in my nature to keep a good retail experience. I am sure I can get this someday but that’s probably not the....the risk that I go into the market and actually mess things up a little bit in my first five years of existence is quite high. So maybe I should choose to...maybe I should launch this under a different brand and have a low association of either...so I’m a big conglomerate, I own this and I stand behind it and give it financial security so all our business partners in the business areas can feel at ease in doing business with for guarantee, yes. But I want to use a different consumer brand in the beginning to make all the mistakes, all the rookie mistakes, in the consumer market and as we go on and as we become better I’m going to start playing down that consumer brand and play up my corporate brand.”*

“The whole area of waste and waste management is a big and gloomy business, a lot of companies are interested in going into. It’s also a business where there is a risk that something goes wrong. You know you can have a service risk, you can, if you have the names on the back of the coveralls of the garbage trucks that are out there, and they don’t do a good job, they better not leave my garbage can uncollected today because that will hurt that business. There is also risk in what you do with it afterwards and you take it to an incinerator and so on, there is also an environmental risk with that. You definitely might want to keep that away from your otherwise pristine corporate reputation. So you choose to then build up, even if it would be...in many ways, you could see that to be a short cut to take your very well respected corporate name and use that to immediately get traction, and probably confidence from customers, it’s still the risk of if something goes wrong is so big that you want to keep a little bit of cash around.”

(Interview 11, South Africa) *“I’m working on a project now with a rebrand of a bank, in Saudi Arabia. And they are also launching, at the same time, their first concept, what they call the digital branch. So an unmanned branch, inside a shopping mall, that is the concept. It’s a new thing that they want to test. They are not sure how the consumers will react to it. And because of this, there was a*

big debate, 'should we brand it under the, the bank's name?' Or, 'should we give it a brand new name?' And we decided to give it a brand new name. And one of the reasons for doing that is definitely if this doesn't work and we need to pull the concept, we don't want to damage the parent brand. Now, I can tell you that during the same conversation, we said 'well if it really does work and it grows and you do a whole lot more. Now, you've introduced a new brand and now what?' And basically the decision was taken that we are going to start with on digital branch, if we grow and it goes well, and we see it's going to go well in the future, we may drop this brand name, and take the banks name as the future name for this entity. So they're leaving the door open for there to be potentially a failure and damage to the corporate brand. And, if it doesn't happen that way and it's actually really good, then you drop the name, and you use the corporate brand as the one going forward."

The melamine infant formula scandal in China in 2008 caused one particular company to need to adapt their brand architecture to distance it from the parent company, as discussed below:

(Interview 12, Thailand) *"The risk to Mengniu to mitigate their risk had to develop sub-brands which moved away from Mengniu. Mengniu was and is the dominant dairy player in China. And the melamine scandal actually happened in the supply chain...where their products have been tampered with."*

"But you know the degree of which a company needs to modify brands to reduce the sense of risk to the consumer, depends on the category and depends on the history."

This demonstrates the polar opposite effect of risk and its influence on brands architecture strategy, where a corporate has to underplay their role due to being from China and needs to create sub-brands to mitigate this to transfer equity.

A final example shows how not endorsing an acquisition with a corporate brand can work out well, when a scandal is on its way.

Interview 13, USA) *"BankAmerica could have if they'd wanted to, rebrand Countrywide...as a BankAmerica Mortgages or something...If they had done that, that would have been significantly worse for their brand reputation than they (already were). Not that the brand wasn't tarnished, but it wasn't tarnished maybe as badly as it would have been if they had also rebranded Countrywide as being BankAmerica. Because at least they had some plausible sort of like distance from Countrywide, they'd only just acquired it and all of that."* In reference to the 2008 financial crisis.

5.4.3 MARKET

The Sliders tool considers competitive competencies (current, future market leaders) competitive footprint, barriers to entry (potential product substitution) and local market conditions (adaptation of products/service). The considerations of competitor activity, category norms, future of category, and disruption of change are grouped into the market section. This represents the summation of both processes.

Alignment with the Brand Sliders tool is evidenced in the research with regard to market considerations about competition, as evidenced by the quotes below:

(Interview 13, USA) speaking about what variables need to be taken into consideration *“market orientated things, competitors, what the competitor is doing... what their equity is and new brands.”*

(Interview 12, Thailand) *“...it mainly it comes down to who are your audiences, how many choices today, how many choices tomorrow. How is your competition satisfying those choices? What is your ability to deliver, either through communication or through actual facts, those nuances in different.”*

The influence of industry and category, which could be argued to be considered as category norms was also raised as one of the considerations in brand architecture choice.

(Interview 12, Thailand) *“The industry you are in defines who your audiences are and your audiences define choice and choice and defines brand architecture. It is fundamental and also industries change over time.”*

(Interview 1, London) *“So definitely some categories whereby a global solution is actually more important, and there are other categories where a local solution is much more important, or a combination of both of them, so that is why I guess there are quite a lot of dimensions to...brand and kind of product architecture.”*

Competitive competencies and market trends are evidenced in the Brand Slider framework and presented in the quotes below.

(Brand Sliders written by Interview 13, shared by Interview 3) *“When companies grow by launching into new market segments, they have to consider their new competitors and customers. If the new market is specialized enough, companies may need to launch new brands if they want to compete effectively.”*

“One example: What major food manufacturer would not like to sell its products in Whole Foods and benefit from the success of this rapidly growing retail chain?”

Most manufacturers can't do this with their existing brands, even if they are natural and organic. That's because Whole Foods has differentiated itself by selling non-traditional brands, and Whole Foods shoppers demand something more than what traditional supermarkets are selling. Manufacturers that have adapted to the Whole Foods model have been amply rewarded. They've done this most often by acquiring brands already dedicated to the channel: Cascadian Farm was acquired by General Mills, Stonyfield Farm by Groupe Danone, Boca Burgers by Kraft Foods, and Odwalla by Coca-Cola. In all these cases, the acquired brands have been kept at a distance from the acquiring company so that consumers rarely realize, for example, that the Odwalla juice they are buying is manufactured by Coca-Cola. More or less, the same factors are in play when companies consider expanding into new geographic markets. The more they want to adapt their products and services to local market conditions, the more likely they are to use a flexible brand architecture."

Local market conditions and the required adaptations are evidenced in the research by the role that relationships and trust play across markets.

(Interview 2, South Africa) *"Japan is more about relationships. So we're buying more the relationship with this group and we use it less as an indicator of what it stands for. So we use this here (points to product brand) to clarify what it stands for and what are the differences. And here (points to corporate brand) you're buying less of the differences, you're looking more at like, does it come from people that I trust?"*

(Interview 8, USA) *"Credentialing. Whether that comes from a corporate brand whether that comes from a third party source, such as the case with infant formula, like a doctor's association, paediatricians association etc."*

"So we've been in conversations around those lines, again from a credentialing standpoint, does it make sense to, because perhaps maybe within a particular region and it would be a new player and it would need to have that weight and that credence behind it."

(Interview 10, South Africa) *"Middle East I think there is something to be said for strong heritage and family brands because the law, like Majid Al Futtaim all these companies have very strong family oriented kind of historical equity and so if you look at Turkey and the Middle East, I mean these are family conglomerates that are known for bringing things in and who are trusted, But they also get equity*

from the brands they bring in, so Majid Al Futtaim brought Harvey Nichols into the UAE okay and the Futtaim brand is stronger than Harvey Nichols while it's not kind of locked up together, everyone knows that Harvey nickels comes from Majid Al Futtaim right so I think there are regions in which you can't escape kind of the family bonds ...so I think there it's about keeping the heritage but also latching on to the innovation and also the newness and the quality signal of international brands that come into the country, and in most of these countries you need a local partner to enter into.”

5.4.4 STAKEHOLDERS

The Sliders tool considers consumer (end users) (interests, needs), retailer (distributor footprint, customer concentration, media/investors (positioning) and employees (loyalties, mind-set). The consideration of audience needs is grouped into the stakeholder's section. This represents the summation of both practitioner frameworks.

A consideration constantly surfacing in the research is about considering a company's brand architecture from the “*outside in*”. The quotations shared below demonstrate this consideration.

(Interview 2, South Africa) *“...so has to be clear and it has to be clear from the outside in and not the inside out. So the first problem here in Africa, but actually the first problem worldwide, is that when you're not in marketing, especially even when you're in marketing, people make mistakes that they work from the inside out instead of from the outside in. Brand architecture, you need to think about all the things that are important from the inside out. But you have to look at it from the outside in. Does it still make sense to the consumer?”*

“Because that where our brand lives, it's in the heads of our stakeholders. It is not with the company, it is not there because we're trying to structure it so the outside makes sense of it...Because it's about the stakeholders and how do you make sense in their minds what you're trying to communicate with your brands. So that's where in Japan, a different architecture might work.”

(Interview 3, India) *“...truly take an outside-in approach to architecture, you know, do the brands that are in question, do they have equity in the marketplace or not.”*

(Brand Sliders, written by Interview 13, shared by Interview 3) *“As brand and customer advocates, we often say that brand architecture decisions should be made from the ‘outside-in’, meaning they should be made from the customers’ or stakeholders’ perspectives. That’s good advice and certainly better than making decisions based on internal politics or organisational structure.”*

An example of this happening in practice is evidenced in the quote below:

(Mahindra Rise Case, written by Interview 3) *“At that time (2009), Mahindra’s brand architecture was complex, it was largely an inside-out arrangement and not visually and verbally aligned.”*

A clear analogy is shared to clarify how brand architecture should be structured.

(Interview 14, Turkey) *“...we have a good analogy we are using, it is like a closet, like a wardrobe closet. So it’s like...first of all I think brand architecture, what’s generally, I don’t know if in all, but in Turkish markets, its generally driven internally, and it should be the other way, it should definitely look from the customer or consumer’s point of view and whenever you look at something, the consumer should immediately understand where to find what, and that’s a good brand architecture for me. And also whatever we find there, it should be the maximum equity of the brand, whatever we are offering as a company, we should provide the maximum equity. It’s also a trade-off for me, brand architecture because there’s no best solution, you lose something when you choose brand architecture, and you lose other good points of other architecture systems. So, it’s a trade-off. It’s important to define what the priority is for you and for your brands. Then you choose a brand architecture. So it’s a complicated thing, it’s not an easy thing.”*

Stakeholder Impact is also quoted as affecting the brand architecture choice for a company.

(Brand Sliders, written by Interview 13, shared by Interview 3) *“The more homogenous a company’s customers, the more successful it will be going to market with a single brand. If its customer groups have distinct needs and attitudes, however, using a single brand could limit business growth.”*

An example of this in the financial services industry is then shared:

“This is a continuing area of debate within the financial services sector. Industry leaders generally want to operate as a single, global brand to take advantage of cross-selling opportunities and reinforce their stature. However, the needs of wealthy individuals, institutional investors, commercial borrowers, and retail consumers are so different that they often can’t be addressed effectively under a single brand. So, financial institutions use brand architecture solutions to keep a

comfortable distance among private banking, investment banking, and retail banking groups.”

And further that:

“...speak to retailers, distributors, employees and prospective employees, local communities and action groups, the media, investors, and the government. The makeup of these different stakeholders has implications for brand architecture. For example, many companies are working in industries where suppliers and distributors are consolidating and becoming more global. Companies that offer global solutions represented by a single, global brand could build an advantage over those that continue to operate regionally.”

The stakeholder impact also affects brand architecture decisions in terms of family brands with regards to the sentiment and the emotional attachment to the brand that they would have to their family name, as well as with government.

(Interview 15, Brazil) *“And again, it’s not only the consumer but all of the other stakeholders that really matter for the company. And for instance...the airline companies, you know, the airline industry is something that it’s really important for the government, and...normally its international pride for companies...for, countries...As a British Airways, American Airways, so...Tan and Lan for instance, were national pride for both Brazil and Chile, and we really had to...we had to understand the impact in the government, and the impact that this brand would have, the new brand or the new two brands or the solution that we would come up with in the industry. So we had to audit, again, all of the other stakeholders to make sure that we had a solid solution. And this was something that we did very...a profound assessment in all of the countries again, because it’s an industry that’s very connected to the government and if you talk about Latin America, for instance, you have a role of the government impacting a lot in the societies so this is something that we really have to audit.”*

5.4.5 BRAND

The Sliders tool considers equity of acquired/portfolio brands, brand positioning, brand stretch and corporate brand (potential leverage). The consideration of brand equity and stretch are grouped into the brand section. This represents the summation of both emerging frameworks used to compare the additional research against.

(Brand Sliders, written by Interview 13, shared by Interview 3) *“These are two key brand questions: How much equity does a brand have? And how far can it stretch before losing its essence?”*

Therefore it is important to understand the equity that the brands have in the market. This also surfaced in the interviews.

(Interview 3, India) *“We would seek to understand the equity of the current brands...Many times, its emotional equity and it’s in the minds of the owners...do the brands that are in question, do they have equity in the marketplace or not.”*

It is also raised to be important to be able to understand the degree of stretch that the brands are able to have when choosing the optimal brand architecture.

(Interview 2 South Africa) *“For example, HSBC is one of the most monolithic brands we know, but still they have like a direct sales team, they gave it a completely different name, but kind of like similar colours ...because they thought that one was too far... from their like customised approach...was too much of a brand stretch to incorporate it and so they gave it a different name there.”*

(Interview 3, India) *“So the degree of elasticity of the brand is quite limited. It’s a combination of what consumers will accept or not, and brand management and the culture of companies.”*

“For example in India, you have Reliance Industries, that has Reliance petrochemical refining, a massive petrochemical refinery in Gujarat, in the western state of India, and then you have Reliance Jewels, that is having \$10,000 high-end diamond, with the same brand name and the consumers doesn’t seem to care. So you have a Mahindra, that is selling me cars, but it’s also selling me grapes and fresh juices.”

“There are plenty of examples in India, from Tata to Mahindra... where the brands have stretched across divisions. And then just from having worked on so many programmes with colleagues from the US and the UK, I know that they approach it very differently, they are absolutely horrified about as to how much the brand’s stretched.”

“Especially in a country like India, the owners want the brand to stretch, and consumers accept it as well. I think what Indian companies find difficult, is once they step out of India, they find it very difficult that their brands are not accepted in vastly different categories...Because of limited resources, typically India, Asian companies don’t put a lot into branding and marketing, and stretching the same brand is one way of making your resources go further.”

“Indian companies going global, and the big thing there is that...do not stretch your brand to the extent that you do here, you’ll find it extremely difficult. So it’s a very hard conversation for them, they do not focus, they want their brand to be in every category.”

“(brand architecture) it has to be dynamic because otherwise, we are choking new businesses of growth possibilities because of some archaic rules around how much the brand can stretch or not.”

(Mahindra Rise Case, written by Interview 3) *“...aligning such diverse and legacy businesses would be a complex task, but resources were limited, so the brand had to be used without stretching it too thin.”*

An example from India where this stretch limit was reached was in the hospitality industry.

(Interview 7, Middle East) *“...in Tata for example, which at some point it was a very, very monolithic brand where everybody followed the same style. Still, some of the businesses we were working on there, like the hospitality businesses were branded differently. It’s called Taj Hotels and Taj said, Tata might be a brand for salt and for cars and for IT and so on, but it’s not the brand for hotels because that was just one step too far away.”*

The concept of brand stretch is also happening across Africa, with an example given from property development in Egypt.

(Interview 10, South Africa) *“So, right now for me the message in the markets, in individual markets, is about stretch-ability”.*

“South Africa, lately it’s more about getting into new segments and leveraging my brand architecture to get into new segments is one thing and when my brand can’t stretch, I need to come up with a new brand architecture solution... it’s less the cultural context more than anything but more about expanding my footprint.”

In Turkey, we see another extreme, opposite to India where the brands were not being stretched or leveraged, due to culture and market dynamics.

(Interview 14, Turkey) *“Which is called TIM, an abbreviation for Turkcell Communications Centres, but they use this TIM brand as an abbreviation, and TIM also is another brand abroad for another GSM operator, so that’s a big confusion and again it was a different look and feel. Turkcell was blue, this was orange. And you know, they treated this as a totally different brand. This was,*

this is actually in Turkey, and this is very much happening ...they think that Turkish consumers like a variety, they want to see something again new. They are bored with the same brand. If you communicate on the same brand for a different services product they think that the consumers would be bored, and they need some new, fancy new stuff to get attracted, and also as brand managers they feel, as I said, more at ease doing something new and without having guidelines, so they can say and they can do whatever they want, with a new platform.”

Both visual cues and design elements can play a role in the brand architecture decision process in terms of how to create the necessary linkages, this is not covered in the models and is emerging in the research.

(Interview 2, South Africa) *“Give visual cues to your brand architecture. Where you say, for example, this is the way to, almost intuitively understand it where you kind of know like hey...these are.....these are very much related, these are a little bit less related, also due to the colour use...you see as well that the logos change so you feel that this thing is related to British Airways because it's kind of like a friend, instead of a...so this is a simple way, for example, to explain to people but you intuitively feel whether it is part of the group.”*

“...intellectually, you should also get the design aspect of it and see if that is a representation of the architecture.”

(Interview 13, USA) *“... they chose to do that through product variation which they almost always do, or design because some colours don't work in some markets or even the architecture itself which I think is less calm but still can be true. The desired attributes that the brand needs to communicate should also be considered in the brand architecture decisions.”*

(Interview 3, India) *“Then also, looking at what is the intricate attributes that are needed for success. So if I need to be perceived as agile, caring... are the brands in that portfolio, either the corporate brand or some other brand, lending those attributes to me, or am I not finding it anywhere in the system, which means I have to create a completely new brand.”*

Optimisation within the brand portfolio and at the sub-brand level was also discussed.

(Interview 12, Thailand) *“And so sub-brands are the same way, you are trying to create an architecture which is just good enough to maximise those things, but no so complex so that we took complexes to be too expensive to maintain.”*

(Interview 9, Australia) *“...there is a diagram I quite often use which is essentially reciprocal arrows which demonstrate the role of master brands in the role of sub-brands and the fact that sub-brands should always be giving equity back to the master brand and vice versa. It has a box with master brand and then a box underneath with sub-brand and then there are reciprocal arrows and the point there really is why create a sub-brand unless it is actually going to give equity back to the master. In many cases, it might just simply be creating a brand for the sake of creating a brand. And a lot of what we’re quite often doing is rationalising a lot of these brands and getting rid of them because they are not really adding any value. It might be the easy way out in many cases. It is easy to create a brand without really looking at the consequences of how it matches against the bigger picture.”*

How brands are organised, based on customer needs is another surfacing consideration, as explained in the quotes below:

(Interview 8, USA) *“...do you think about consumer needs, do you think about going against a particular consumer target? So using that target segmentation example again, if the brand has opted to really focus on three of the four target segments that they found in a segmentation solution, one way to create a brand architecture model, is to create pillars that go against each one of those particular segments. So it’s one to one relationship, so that’s one type of architecture solution.”*

“Then another time, we consider problem solutions in organisations, so look at hair care, it’s a great example, right? You know I have curly hair, I have straight hair etc. So what are those issues facing consumers and how the brand can provide solutions against that, that’s another way to organise the brand. And there’s, of course, the benefits, by life stage...you name it, there’s a number of ways to organise the brand.”

5.4.6 EMERGING CONSIDERATIONS/CONCLUSION

While the frameworks of the agency consideration list, as well as the Brand Sliders, are validated by the interviews conducted the interviews further provide insight into not just the considerations to take into account but also highlight where these considerations are taken into account. The report in Appendix 3 Table 11 highlights the differences across developing and developed markets in terms of the frequency of code mentions with the largest disparity being between maximising market opportunities, a developed market

concern and brand stretch, a developing market concern. Comparing the word count across the codes additional differences are able to be observed with cost considerations, internal emotions and the influence of company owners being important considerations in developing markets. Whereas understanding company capabilities and the financial implications of the brand architecture solution are developed market influencers.

Another element that surfaced in the interviews is the idea of how this changes across time, “*The industry you are in defines who your audiences are and your audiences define choice and choice and defines brand architecture. It is fundamental and also industries change over time.*” (**Interview 12, Thailand**). While this can not necessarily be built into a stagnant model it is a powerful insight to remain aware of and motivates for the need of more dynamic models. The research also raises the need for brand architecture to be dynamic across place, this is highlighted in the brand slider model in terms of the brand architecture’s need to be responsive to local market conditions.

5.5 DEVELOPING FLUIDITY

One of the key themes that emerged from the research is the need for brand architecture to be dynamic across place, due to rising globalisation and spanning different cultures in order for brands to be able to respond to local market requirements they may need to adapt and be more dynamic. While the research confirmed culture as an influencer for brands to be able to optimise consumer-based brand equity there were additional findings that emerged from the research.

A codes primary documents table was run to compare the code families in this section against the quotations given from developed and developing markets. Of the fifteen interviews conducted five were from developed markets (USA, United Kingdom, and Australia) and ten were from developing markets (Mexico, Brazil, South Africa, Middle East, Turkey and Thailand). A relative incidence was then created of developing markets in order to compare equal sample sizes. Table 3 demonstrates the code families, the number of quotations as well as high-level insights.

Table 3: Brand Architecture across Place, Quotations

	Developed Markets	Developing Markets Relative Incidence	TOTALS:	Insights
BA Changes across place Adaption	16	9	34	Developed markets are more likely to adapt brands from their markets to suit developing market needs.
BA Changes across Place, Cultural	15	32	79	Developing markets see the cultural difference and need for change, perhaps more than what change is taking place.
BA Changes across Place, Examples	10	8	26	
BA Changes across Place, Globalisation	5	6	17	
BA Changes across Place, Sophistication of Market	11	21	52	Market sophistication is spoken about with a high frequency across both groups.
TOTALS:	57	76	208	

A word count was then run in order to identify the number of words that the interviewees used to explain this occurrence, shown in Table 4.

Table 4: Brand Architecture across Place, Word Count

	Developed Markets	Developing Markets	TOTAL
BA Changes across Place adaption	1358	1651	3009
BA Changes across place, cultural	1346	5744	7090
BA Changes across Place, examples	1590	1303	2893
BA Changes across place, globalisation	420	734	1154
BA Changes across place, sophistication of market	1096	3777	4873
Accum. Wordcount	5810	13209	19019
Total Wordcount	24331	56650	80981
Relative Count (%)	23%	23%	23%

The relative word count indicates that the concern over how brand architecture needs to adapt across place is indicated to be the same, both developed and developing markets spent 23% of the interview discussing this concept. This indicated that the concern is shared equally around the world.

5.5.1 GLOBALISATION

Globalisation was often quoted as a reason why brand architecture needs to be more dynamic, a few quotes are shown below to reflect this sentiment.

(Interview 10, South Africa) *“...that is because of responding to the market needs and that, kind of, of earlier I said that there would be (a) force for change and now I think that there is just a lot more competition with globalization and companies are being forced to change more rapidly.”*

This globalisation is not just from the perspective of developed marketing entering developing markets but it also works in reverse as shown in the Mahindra Rise case study.

(Mahindra Rise Case, written and shared by Interview 3) *“With the objective of building a strong corporate brand, in 2009, Mahindra undertook a project to identify a positioning platform that could provide meaning to the brand and could help unite its various businesses under a common umbrella. Almost all of the group’s businesses had aggressive plans to go global. In its quest for growth, Mahindra was guided by six mantras — globalisation, innovation, leadership, technological superiority, financial performance and customer-centricity. The project began with the objective of defining a unique position and differentiation for Mahindra to make the corporate brand relevant to all of its global and Indian stakeholders.”*

In working across different markets regions have traditional ways of working that new entrants often need to adapt to, the below quote gives evidence of this.

(Interview 10, South Africa) *“So that's an interesting thing and I don't think you can break the family dynasties, I think over time it probably will be broken as globalisation ...I think that's the main thing in terms of working in the Middle East and I'm guessing in India and Asia to a certain degree.”*

With increased competition, companies were forced to adapt to remain competitive. An example of this from India demonstrated how this happened for Taj Hotels.

(Interview 12, Thailand) *“...there was not a huge amount of competition and the audiences were not as discerning about what they were looking for. Taj Hotels, the name Taj is all that we needed across the range of hotels. Regardless of the fact that the hotels ranged in quality from five-star plus, luxury safari experience, to essentially two-star worker accommodations, they were all called Taj. You know a market where there is a little competitive communication, and you were the dominant player, the need to invest in sub-brands or brand architecture was reduced. However, two things happened, one is they began to acquire properties outside of India, one, and two the regulatory environment within India was making it a lot easier for companies like Starwood to expand outside of core markets. So suddenly there was, you had more people, not using Taj because they found their experience with Taj to be at odds with what they expected. They will book at Taj Hotel in Chennai and find that it was really grubby whereas they expected it to be a three or four-star experience.”*

While there was a general consensus around the need for more dynamic brand architecture, in the interest of confirmability we can see that this concept was not unanimous.

(Interview 13, USA) *“The idea that brand architecture should, needs to more change by place than it used to need to, that I kind of don't agree with I think, because I would say that, I would say that the highest level trend is towards globalization, although there is kind of a backlash about that right now (laughs)...that in general there is more of a trend with globalization which should actually push more towards the other direction, which means you should be able to push through better, global brands were able to in the past and you don't have to be so sensitive to local you know, I would say, I definitely don't think you can ignore what the local conditions are in the local market for companies like a Starbucks or something like that who essentially just deployed a global brand strategy, you know, yes they'll change items on the menu but they haven't changed their brand architecture³.”*

“I mean local competitive and cultural dynamic is certainly something that brands should take into account, but I would argue, have always done and I don't see anything different now than previously except that perhaps more brands are trying to be more global than used to be⁴.”

Interestingly, globalisation also impacts the way local markets compete and it influences their culture. For example in Turkey the culture is to have many different brands, always new and maybe not building that corporate equity, but then with a global brand entering the market, it actually changed how the local brand operates. This was the case with Turkcell when Vodacom entered Turkey and it caused them to need to adopt a more monolithic strategy to be able to compete.

With globalisation, the market dynamics change and so too must the brand architecture, in some cases to compete with this. Due to large and established global brands the cultural nuances are beginning to fade as they are unable to compete.

This is also perpetuated by technology.

(Interview 15, Brazil) *“And basically, what I see today, it is a discipline that has been impacted a lot by all of the...the market that has evolved a lot, and now companies are not any more specifically in one region, they are now, all of them,*

³ Starbucks did change its brand architecture in India, see Figure 7

⁴ This interviewee has previously worked as a “brand police cop” for Nestle and admits his experiences were tempered by that.

even if they do work in one region specifically, they are global companies, they have to work as global companies because the digital revolution.”

5.5.2 CULTURE

Country culture was identified as one of the potential variables that would cause a company to need to shift their brand architecture in order to optimise consumer-based brand equity. This was confirmed in the interviews.

(Interview 12, Thailand) *“...brand architecture is basically about, in my opinion optimising choices, right, for audiences, by giving them information which allows them to make choices...And basically minimising information that is not relevant to the choices or may be detrimental to choice. And so, therefore, pictures it follows that, different audiences. Audiences are different culturally or geographically, we make choices for different reasons.”*

“Reasons why a Japanese salesman buys a car, there are differences than why an American family would buy a car and therefore the way you can do a brand architecture... Where now, if we take cars still if Germans tend to make decisions fairly based on what they perceive to be the objective scientific reasons, whereas Korean's or Japanese tend to a little bit more subjective. Which is why you price your predominance of proprietary or named car brand architecture in Korea, where you see a lot more supposed alphanumeric use in Germany.”

“And there tends to be certain arrogance to the West about sort of imposing their standards upon them, the market they're going to.”

Here are a few examples of how country culture is impacting brand architecture around the world.

(Interview 9, Australia) *Yes, I think that's the point that in Asia the sense of parent brand resonates more than what individuality or authenticity of the product might have... I think it can be category specific as well. I mean country culture definitely plays a role in the nuances that we need to consider for every market. You know it varies so dramatically by category and there's a corporate brand and consumer brand and I think that we work a lot with Procter & Gamble throughout Asia and in the case of Old Spice, obviously in North America it is a very masculine brand and we did the original positioning... around the sense of rejuvenating masculinity. That strategy applied very well to India, so we were able to take a lot of the existing pack and architecture into the Indian marketplace*

but then tailor it to local talent and some level of adaptations. When you take that into Thailand, the Thai male is a lot more feminine form of masculinity which is a very different requirement so we've really had to dramatically change the strategy and the portfolio and architecture for that particular market. So certainly there are significant cultural considerations but I can't find a common theme. I think it is so specific to category and to market and requirements."

(Interview 12, Thailand) *"...there are certain categories... where the local culture plays a huge role. Most food products, most food categories are one because food is so visceral to us...Whereas technology...has been understood, in changing a little but, has been understood to be very international, so, therefore, there is more of the sort of homogenous approach. But even that is changing, I mean look at our technologies evolving in Africa versus India versus the West, and it is sort of trying to diverge a little because of the different uses technology is put to."*

"Even within a culture, I am really getting into complicated waters, so anybody who had really not worked in China that much, will look at China and say oh, they would say it is collectivist culture, I would expect it. Every, every key audience within that culture to value and desire a strong, you know a single strong (financial brand) to be their cultural background...But in fact, it is very different province to province. You know in some provinces like Ju-Jiang province or Fujian province they're very anti-collectivist and brands that make it in those markets are ones which are perceived to be small sort of scrappy players against the big guys."

While there is a sentiment to adopt a more fluid brand architecture across different country cultures, there is a caution on how far this should go as well. An example of this is given when it does not work to the company's advantage over time. However, it should be considered if this has affected consumer-based brand equity?

(Interview 13, USA) *"...my personal perspective would be to be very well, to have good knowledge of the local market, to not sort of ignore what the local market can put in the situation like what the local market cultural situation is, what people want and don't want, in those local markets, all of that should be taken into account, but not necessarily, and it all depends on the product, but not to capitulate and all that to go like completely off brand globally because that creates a bunch of other problems."*

“Tasters Choice example, you see that Tasters Choice as a classic example because that shows what can happen wrong the other way round, too sensitive to the local market caused 25 years of headache afterwards... Well in the rest of the world, not the States that became Nescafé Gold blend. So they basically decided to, raise the profile of Nescafé through this freeze dried coffee by launching Gold blend. In the States, they decided Nescafé was not a strong enough brand to carry that technological innovation so they launch in the States this Taster’s Choice. So there was Nescafé and Taster’s Choice. Well, the problem with doing it that way which was maybe done for very good reasons in the analysis in the market, was that forever after that you know, Nescafé was not a significant brand in the States and could not be because the biggest single technological innovation that they ever made they didn’t even call it Nescafé. So, it became very self-fulfilling proposition once they decided to do that... and the reason why they really wished they hadn’t made that kind of decision, all that time ago, was that because they wanted to create global brands. So, you know, when you want to create a global brand but decide not to use Nescafé in the biggest market in the world... that’s a problem.”

Another reoccurring insight from developing markets is how the corporate brand signals trust and therefore needs to be utilised to provide this reassurance.

(Interview 12, Thailand) *“When I first started working in China, and this is true of Korea still...the master brand was far more important than any product brand, so P&G had to actually elevate their P&G brand to a more prominent position on packaging and communication...because the reason being that there was, there is this desire for credibility, there is the desire for this large entity behind the products, you know making sure they are safe and that they are... that they are credible. And to a certain extent, one could argue that is also part of Confucian culture, this desire for a strong father figure.”*

(Interview 3, India) *“I think, I would just guess, that for MNCs coming into India, they don’t recognise that they have to build a corporate brand. You know, Abbott rebranded about a year ago, their whole idea is around ‘life to the fullest’, they considered India as one of their biggest markets in the world, probably the most important market, and research showed not much awareness of Abbott in general even though some of their product brands are recognised by doctors, and so now they’ve come to the market with a fully-fledged DTC (direct to consumers) campaign, spending millions of dollars on just getting the Abbott brand just out there, something they would not have done five years ago.”*

(Interview 7, Middle East) *“...you cannot rely on the rule book that much and say that you know what, we have decided that this is exactly how we do it so it has to be done that way otherwise you going to ruin our brand...If you are principles, if you have a really strong sense of self, if you know what you are about as a brand, if you know what you stand for, and what you fight for and who you are fighting for, then you can afford to do that in the most relevant way, in that particular market and still be true to yourself.”*

If you consider global brands across different country cultures sometimes even a simple tiering system can cause complications.

(Interview 11, South Africa) *“Frequent Flyer industry the airline industry with all of their frequent flyer programs. The whole idea of silver, gold, platinum or pearl, diamond, ruby or there are hundreds of different ones so these ones are always a little bit tricky when you are trying to make sure you are coming up with a tiering system that actually makes sense to people. You and I may think that a diamond is more valuable than a pearl but in some markets, a pearl is more valuable than a diamond, for example, You are then faced with those kind of challenges that not necessarily work across the world.”*

In developing markets as evidenced by South Africa, there is a benefit to the parent (corporate brand endorsement) brand due to an emotional connection with buying Western brands.

(Interview 11, South Africa) *“I definitely think there is a conversation or a positive conversation to be had about endorsing products with parent brands because a lot of consumers in these markets look at parent brands as a very positive endorser that gives you the quality, the know-how and to be honest there's a lot of emotional buying of Western well-known, big brands...It's as if, I can buy the global Western brand as opposed to only buying the local brand. There's an emotional thing there about buying Western or buying global.”*

Lastly, how the product will be consumed needs to be considered across different cultures. Here is an example of this point.

(Interview 5, USA) *“let's say the main thing that makes it hard to harmonise brand architecture across different regions is mostly the differences, meaning the way you consume the products, that fact that you might be interested in the kind of sub-category, and you have different drivers for choice, for instance, in detergents category, the fact that Asia is all about... it's in the purity...any detergent shouldn't have any smell or any... any perfume or fragrance, where in the US it is extremely important to kind of mask the smell of the clothes with kind*

of fake, artificial fragrance, it's completely the opposite. So this means, it doesn't impact the brand architecture, the brand architecture should acknowledge that across the world, but then it means that you will construct your portfolio and the needs, a bit differently depending on the region. So Asia will be different from the US, which will be different from France and Germany, for instance. But in a way, I would say that today, our clients are mostly inclining to find a brand architecture that fits across the world, but has room to plug the products or the sub-brands that are relevant to each region."

To sum up these insights in one quote.

(Interview 15, Brazil) *"So I think that the formula is the same everywhere. It's the way that you implement the formula that differs from country to country."*

The formula is about being responsive to the needs of the consumer and if this is done in all markets it's the implementation that needs to adapt from country to country.

5.5.3 DEVELOPMENT OF MARKET

An emerging insight to this research that became apparent in the interviews is that it isn't just a country's culture that could cause them to require a different brand architecture but that this may also be a market development issue as well. By market development the author is referring to the degree of economic development of the market. The interviewees often refer to this as 'market sophistication' indicating the expectation and demands of consumers as well as the degree to which branding is developed in the market.

(Interview 12, Thailand) *"If you think about it, if you think about it actually it is the fundamental of the role of brand. What is the role of a brand? The role of a brand is trust. First and foremost, the reason why we have brands is so that we can say that is not going to kill me, right? That is what a brand is for, is to say... because of the brand ones are more recognised and because I am assuming that there is a self-interest behind that brand to not hurt people, they have an association with that brand, I will trust that brand. And if you look at, going back five hundred years to the rise of brands, it really was essential that it became, it became the last way which, which a product could define a competitive edge. So it is in the best interest of the brand owner to maintain quality and to maintain consistency and consumers buy into that social contract. So it then follows that as general safety becomes more of a norm... the brands, the companies have to find other ways to distinguish their product through favour, through variation, through other benefits which can, which then if they are strong enough become brands."*

Here is an example of how the market sophistication plays out on Coca-Cola.

(Interview 12, Thailand) *“So the first thing you think you about is how sophisticated the market is, to what degree are they going to... seek perceived value in things that you are offering. So when Coca-Cola was first introduced in China, Diet Cokes not offered because people don't see a perceived value in that, they do not understand the difference. You know, you have to have about a decade of consumption before Diet Coke becomes a proposition.”*

This ties in with another insight around the brand portfolio architecture, which will be discussed in section 5.5.4.

Another example comes from Latin America, where market maturity varies greatly across the region.

(Interview 4, Mexico) *“I would say that location is really important for brand architecture decisions because the maturity of the markets are completely different.”*

And in general, Latin America favours a corporate brand approach.

“I would say that it (Latin America) is a little more leaned to the corporate brand”

Whereas in Australia, we see the exact opposite.

(Interview 9, Australia) *“...in Australia I think, and I also put it down to sort of a developed market where there's obviously a high degree of marketing cynicism and I think a big corporate doesn't necessarily resonate with the marketplace that much, rather something that has a sense of authenticity and provenance and feels less manufactured and corporate in its style.”*

“And I think there was a time when for instance you could put a Nestle on a pack and that would be a great reassuring element, but I think the market has moved beyond that and looks more for authenticity. A good example would be in the baby food category in Australia. Heinz was overtaken by Rapley's Garden. Heinz obviously a global powerhouse corporate brand versus Rapley's Garden or Irwin's which are very niche looking products in a different pouch format but they took the majority of the market share so it's interesting that consumer dynamic, but that went beyond big corporate brands and then I'm looking towards something that looks a lot more authentic.”

“And then from a brands outlook perspective for some of those larger players what it means is that quite often we're generating new brands that have a degree of authenticity rather than using these parent company brands. One example

that I can think of is Frito-Lay, rather than using any of their global brands to launch a new snack brand food into the marketplace, for instance, a very well-known snack food brand in the Australian marketplace, we created Red Rock Deli which had a sense of authenticity in being the smaller players and there is absolutely no mention what so ever of Frito-Lay on any of the packaging or any treatment of the pack], not even back of pack. Yeah, so there is definitely that sense of design in this market for that authenticity. I think you get a similar thing in the UK and I think there are some elements in Asia which are quite around that trust point.”

This is also evidenced in the states where corporates will acquire smaller players and not change the architecture as evidenced in the Whole Foods example, given earlier. Consumers in developed markets seem to be seeking a more authentic experience and a big corporate endorsement is seen in a negative light, unless it is providing a sense of purpose, wherein developing markets it provides a quality and safety reassurance. An interesting insight that perhaps the role or the importance of the corporate brand to provide that reassurance can be dependent on the degree of development in the market. So there is a clear difference here in the market requirements of developed versus developing markets. Conducting a word count analysis reveals that the developing and developed markets talk about the code ‘sophistication of market’ equally at 4% of their total worlds.

(Interview 10, South Africa) *“...so that can hold a lot of merit just understanding the way the markets are developing it may go through similar trends that the States went through you know 10 years ago for example.”*

(Interview 11, South Africa) *“Basically, my clients that I looked after were Western and Eastern Europe. There were slight differences between sophistication level of them and level of understanding of brand between those two regions. And then after that coming back to South Africa which as far as I'm concerned can be much more closely aligned with Europe and it can be with the Middle East.”*

Here is a great example of how this is managed across developing and developed markets in the hospitality industry.

(Interview 11, South Africa) *“Twenty years ago, when (company name) worked with many of these people like Hilton & Hyatt and Sheraton. There was a desire to portray a much more unified look if you recall Hyatt had this sort of very monolithic approach with Hyatt Regency, Park Hyatt, and Grand Hyatt, where they have quite turned this whole thing on its head. Where they've gone quite*

disparate again by introducing brands that are not necessarily aligned to the corporate brand. So, and I think this is interesting... the consumer is looking for a much more personalised boutique experience as opposed to a monolithic Hyatt, Sheraton and Hilton experience when it comes to the hospitality industry but I think this may be the case in North America and Europe. If you're travelling in Nigeria or in Kenya the consumer is looking for the mother brand endorsement to sort of give that of stamp of quantity. If I'm going to step into the Hyatt in Legos I know that I am going to get something that is kind of done the Hyatt way as opposed to an unknown. Whereas I think in Europe and America where more sophisticated markets are, I think the consumer is looking for a different approach. They don't want the cookie-cutter solution that often comes with these kinds of hospitality groups... So when I go to developing markets where my brand isn't that well known, I need to have this strong endorsement so that people know they are getting a good quality product versus if I'm in Paris or London or New York people are looking for a boutique experience, they really don't want the cookie cutter they want something completely unique and I have a have a solution that works for those markets."

As markets mature the need for corporate brand endorsement fades as well.

(Interview 11, South Africa) *"I think this has been softened slightly I think as the market matures, there is less of this desire to show this, conglomerate, monolithic approach. There's more of a desire, I guess it's becoming a little bit more like the sophistication level in Europe. There's an understanding that people don't want a one-size-fits-all solution. People are looking for uniqueness in their products, in their services that they buy the imports become slightly more subtle. They become slightly less in your face where is in the past there were in your face sort of very hard endorsements as a very monolithic approach."*

Whereas when markets are developing a master brand may be required to lend credibility and provide reassurance.

(Interview 12, Thailand) *"The socio-economic context in which a brand operates, in a market where fundamental delivery has been the issue. So in China, quality control since the time China became capitalist in the 80's it's been a struggle for consumers to feel that they are getting the best, reliable product. They are not cheated, so in that kind of market credibility is fundamental. Credibility tends to be things which are given size, scale so it tends to be something which is given by either the master brand or a foreign brand..: In a market where certain things are taken for granted, in the United States instance, it used to be true but I'm not sure anymore, but the United States I grew up in,*

food quality, the basic fundamentals of hygiene within food, were fairly taking for granted right? You needn't talk about the fact that this water was going to be, you know, was pure or healthy. That is changing, but certainly, in the 70's and 80's, it wasn't the case so we call those hygiene attributes. So anything which is sort of a hygiene attribute in any given market, you are saying that it is really not brand-able, you do not need to talk about, it is assumed, whereas those things are differentiating or are reassuring those are things are more likely to be brand-able."

"It is context, there is no, it all about what is the market context and also it maybe sort of systemic context, so the degree to which the market is evolving and more sophisticated, it may also be more event oriented context."

An example of what a market-oriented or even oriented context is provided.

"... melamine doctoring had been happening with milk, in powder milk, in China products, since last century, right? It was only when the CFDA became sufficiently concerned about it. There were a number of very public deaths and scandals. It suddenly because of a tactic, an issue which had to be dealt with through brand communication and brand architecture... So suddenly the...so before 2010, thereabouts, any products branded Mengniu, which is the biggest milk company in China, or Nestle, would have, so that would have been sufficient. But after 2010, when the whole melamine doctoring scandal was on people's minds, they wanted to know where the stuff, where the source came from, what was in it, you know they wanted more reassurance and credibility. Suddenly a sub-brand which spoke to a foreign source, or which reinforced a foreign source became much more important."⁵

There are differences observed across different markets in Asia as well, which can be attributed to the degree of country development over cultural influencers.

Interview 12, Thailand) *"I think there are probably three vectors or three axes; one is going to be a degree of that of that country, that market, there will be a degree of sophistication in that market."*

⁵ This scandal broke in 2008 and melamine tampering with the infant formula resulted in the death of several children. Melamine is a plastic substance that when nutritionally analysed reads like a protein, so through adding melamine to infant formula the product appeared to have a high protein content. The effects of this are still being seen in market eight years later. China now has the highest prices of infant formula in the world and over 3000 brands, many of which are imported brands capitalising on the element of foreign credibility.

“So, the way the Japanese view variety is different from the way the Chinese view variety, or used to. It is probably no longer the case, but certainly, on the early 2000’s you would advise a client moving into the China market or to reduce variety choices because it would confuse audiences and they were not used to it. Where in Japan you would say, increase variety because it is a market that wanted to have choice. “

The influencers are considered in terms of the cultural role versus the market development role.

(Interview 12, Thailand) *“I think it is a function of time not fundamental cultures and so forth.”*

Reflects on/refers to Proctor & Gamble earlier quotation in culture.

“However now we are seeing a shift where in China there is a lot of people under age of 30, and there is more of a desire for individualism, so they actually would like to, so 15 years ago if you ...put three stores, a Louis Vuitton, a Hermes and a Bottega Veneta you’d see every single person, who could afford it, would go to Louis Vuitton. Not because they understood the quality differences or philosophical differences in those three brands because Louis Vuitton is a brand which society said you should have... Now you are starting to see a significant divergence where there are people who are understanding and appreciating Hermes for what it is and saying I want to represent myself with that, not Louis Vuitton, partly as a reaction to the overrating or over in China but it is also because they are understanding that Hermes has a different philosophical culture that they can appreciate, right, so there is a very strong, a very strong sort of herd mentality which is starting to break apart or trying to diverge.”

“I think you probably can find a rough, a rough correlation between the size of the middle class and the desire for new jewels. I mean middle-class life tends to be one where we are trying to identify and can touch who we are as individuals right and that, that extends to what we buy. So if you look at it, you must understand the permanent needs...It is the middle-class culture be a culture of self-actualization right? And self-actualization means identifying your needs and your desires and not those of your parents or those of your neighbours.”

This could lead to a theory that the degree of sophistication of the market almost goes on a continuum from being very master brand focused (more collectiveness) to wanting more individuality as the economy improves, and the middle class grows. Understanding if this could be correlated with the degree of market sophistication and if this a greater driver than culture could be an area for future research.

(Interview 12, Thailand) *“I think that there is a broad correlation between the rise of the middle class and a desire for individualism in brands and then when you have a desire for individual brands, you tend to do have broader more reverse brand architectures, because you are relying on the master brand for less of the total.”*

Here is an example of this effect from India:

(Interview 13, USA) *“Because Mahindra, who we worked with at (company), is a massive company in India. That does, practically everything. I mean literally tractors to software. And, in India because of the running to development of the country I guess, you know, it makes sense for, as it does in some other Asian countries, it makes sense for a company to exist like Mahindra, that does all these different things. The brand primarily stands for is a stamp of quality, of guarantee of service...I said it makes sense in India because why, because in India there was a lot of companies that don't provide good service or good quality products. So, the fact that Mahindra has got a reputation for doing that, good service and good products. That is, that's the role of the brand in that place, it plays the role of guarantee of quality.”*

“...even the branded house examples we have in the States like Accenture, I mean you can still put a circle around what kind of things they're doing.... You could kind of say, what things Accenture did. You know, describe that as a category, right. But with Mahindra, you really can't.”

“And that makes sense in India. But it doesn't make sense what they think about going overseas to the States right. So they can't come to the States and launch a Mahindra Tractors, a Mahindra Motorcycles, a Mahindra Travel, a Mahindra Software. That just isn't going to work (laughs).”

Previously, America also had a corporate brand mentality.

(Interview 12, Thailand) *“Keep in mind that in the East, keep in mind that they were if you were going to go back to....so the two mentalities, corporate mentality versus product mentality have been out of sync for about 40 years, severely out of sync...You know back in the, back in the West in 1950's and 1960's it was very corporate brand mentality.”*

What's interesting here is that the West is so much more sophisticated when it comes to branding. The current shift is going to more of a focus on the corporate brand, corporate image and reputation so we are actually starting to come full circle and take a lot of the practices from the East, from the Eastern style of branding, even in a developed market.

This demonstrated the iterative nature of branding and consumer needs as markets evolve.

5.5.4 ADAPTATION

This section will show examples on how brands adapt their architecture when they enter a new market. This demonstrates how they are being more fluid, in response to the market requirements.

(Interview 13, USA) *“...sensitive to a local thing and yes I mean sometimes that sensitivity can be to do with brand architecture as well so P&G, even before Nestlé, P&G the only place where it ever used to talk about its brand was Japan. Because you have to, in that market you have to, so I would call that...accommodation to the local market, P&G has a strategy but it's not stupid (laughs) if we have to do that, we have to do that so you know it's a sun and moon⁶, so we will do our sun and moon in Japan, but we aren't going to do that anywhere else. So you know they are accommodating that strategy to the market, and they should, they have to be sensitive to the market and whether they chose to do that through product variation which they almost always do, or design because some colours don't work in some markets or even the architecture itself... I mean Mahindra obviously would have to adapt its strategy, brand architecture strategy to be successful in the States and vice versa. The local competitive and cultural dynamic is certainly something brands need to take into account.”*

(Brand Sliders, shared by interview 3, written by interview 13) *“More or less, the same factors are in play when companies consider expanding into new geographic markets. The more they want to adapt their products and services to local market conditions, the more likely they are to use a flexible brand architecture.”*

(Interview 9, Australia) *“...there is also the flexibility to actually adapt to market needs in terms of product formulation and innovations. So I think it's becoming almost a norm in terms of how we look at brand architecture. I don't think it is as*

⁶ Sun and Moon refers to a brand architecture model in which the corporate brand is at the centre (the sun) and the product brands circle around the (the moon, or sometimes called the planets) the closer they are to the sun the more they leverage it and the further away the less they will leverage it. This is a practitioner model, not an academic model.

simplistic as what the traditional models would imply and it is a lot more dynamic in how we approach it.”

One of the ways companies adapt to the local market is through their portfolio architecture.

(Interview 10, South Africa) *“I think for an international brand coming locally it's more about distinct product portfolio and they might have a different product portfolio elsewhere, versus locally... So the portfolio could be optimised or would be optimised to the market.”*

(Interview 11, South Africa) *“Citi Bank had very different brand architectural models over North America vs the rest of the world and not so much for the parent brand but more with the product brands and the way they branded products and services so the way they branded their account packages the way they branded their credit cards.”*

This is also evidenced in Asia where historically brand architecture may change, now the changes happen more at the portfolio level due to technology.

(Interview 12, Thailand) *“It is harder to now and where it seems less about different, completely different structures than it is about a difference in complexity of structure. So Caterpillar for instance, in China has fewer tiers and very interesting economics than they do in say in Japan and the States... So it is not that they have changed brand architecture it is that they have sort of a slim down architecture for China... a portfolio is being trimmed or de-featured to partly to allow for a cheaper price, right because China is still very price sensitive. But in the early 2000's, if China and the world were two different markets that never interacted with each other, you would have wanted to do two completely different brand architectures. But because they did interact with each other and because many of the products used in China were actually equipment that comes from outside China, you could not do it that way. You had to go and serve a de-featured sort of big and small variations.”*

“I think that is pretty much, that is pretty much more the rule now than in the past, now there are, having said that, there are products, let's just take soft drinks, you will find that often it will be sort of local brands, local variations. Which are, what we understand to be local, but we when, again it's not that they are, the same product, organised differently in different countries, it is just they occur in one county and not in another.”

Another example of a product adapting in reaction to the market dynamics was the introduction of Lays potato chips into China. In this example the portfolio varies across markets by flavour, which is managed by a product descriptor.

(Interview 12, Thailand) *“Americans for some reason, tend to like fairly well defined seamless flavours. For that, for the most part, except for the very high end, whereas Europeans and Chinese like sort of the more complex flavours. so the result was that the way in which a lot of the Lays products in China were and ended up being presented were more along the lines of the Walker’s Sensations which were an acquisition by Lays where it was sort of presented as a meal... is sub-brand in the sense in the sense that it is a certain presentation of the product as a more fully flavoured, more complete experience than simply a salty snack okay. Well for some reason the Chinese dug that and you will see a Lays in stuff in China now because along that line it is because of the American sort of single flavour departure....so essentially it is again a reaction to market dynamics about how they want to, you know what is important about the experience and partly because potato chips were so foreign to China, I think Lays decided they wanted a much more complete differential approach than simply just start using the flavour.”*

Understanding this, here are the top 10 Lays flavours in China:

“They’re in reverse order, number 10 French Chicken, number 9 Cucumber, number 8 Mexican Tomato Chicken. French and Mexican are complimentary in a lot of ways, but they have layer production that you will not use in America...number 7 is a Grape, I have had these, and they are weird, Blueberry is very strange...Number 6, Lemon Tea, number 5, Hot and Sour Fish Soup. Number 4, Little Tomato, and that’s actually just tomato, it is essentially ketchup, you know those tomatoes in the cartoon character. Number 3 one of my favourites, it is high in red meat, which is essentially spaghetti sauce flavour, bolognese flavour. Number 2 Numb and Spicy Hot Pot, which is a very specific flavour and a very familiar meal in the West of China and number 1, essentially plain, but they are not plain but they are called American Classic potato chips.”

Due to the difference across some markets, changes in how brands are positioned may also need to vary. Here are some examples of that.

(Interview 10, South Africa) *“What is mass in South Africa, in Africa becomes premium.. So that’s also true in India and developing countries because in this you can almost take, you know, South African brands as a proxy for Western brands.”*

(Interview 3, India) *“...there’s this brand called Skoda, which is from, I believe the Czech Republic or Yugoslavia, or one of the eastern bloc countries, and it’s a very mass market brand there, but they’re positioned as a premium brand in India, and they’re quite successful. It’s not entirely brand architecture, but they need to have a different approach to India because the market is so very different.”*

(Interview 9, Australia) *“I think Jacob’s Creek⁷ was different in a sense that the range in market place, North America, Europe and Australia, were very much at a seriously different price point but probably at the lower end of the price point index. Whereas in China, it was very much a positioning of a premium brand so high price point and, in terms of the architecture and treatment, a lot more premium in it (which was an) exception in the portfolio so the (products) that were launched into that market and the way it was treated were very different for China than they were for more developed markets. That’s a good example, that sort of difference of different portfolio in architecture by market.”*

While it is important to meet the needs of the local market, in the interest of confirmability a caution also arose to also ensure that the brand integrity is maintained, a difficult balance to strike.

(Interview 13, USA) *“I would say...that brands should adapt to the local market but I don’t think that they should, I think if I was in doing this myself that I would be trying to just keep as much of the brand integrity as much I could, both for cost reasons and other reasons, you know I wouldn’t just capitulate it and do whatever the local market does is necessary.”*

“I mean we have many examples of that in Nestle, by the way, so Nestlé for a while I was working in Switzerland as this brand police cop. Travelling with Nescafe around the world and we would get endless, two or three a week you know markets calling us, emailing us, sending letters or whatever telling us why they needed to be exception to the global brand strategy ...99% of that was just junk, I mean completely unsubstantiated, and it was all about markets wanting to have control on what they wanted to do, local agencies telling them this would be a good thing... so I guess my experiences was tempered by that, there’s always reasons you can come up with on why everything has to be different, but most of the time those things are false.”

⁷ Jacob’s Creek is a wine brand from Australia.

(Interview 9, Australia) *“I look at a Red Bull for instance. We did a big piece for Red Bull and then also Bee energy drinks which is one of their competitors, Bee energy drinks adapted product formulation and format and price point across every country on the globe and did local market research and adapted their portfolio accordingly. And the big challenge of trying to overcome is why they’re being outdone by Red Bull and if you look at Red Bull in terms of the consistency of pricing strategy product, product format, packaging and product formulation. So that’s a good case for consistency on a global level that works across markets. So that’s an interesting one for me in terms of how often it is possible to do something quite monolithic and it’s effective.”*

This shows how the balance needs to be found and that optimising for a markets requirements needs to be weighed against the consistency of developing global brands. This is context specific.

Another component that is affecting brand architecture and its need or requirement to adapt across markets is the millennial generation. Here are some examples of the effect that this is having on brand architecture.

(Interview 10, South Africa) *“And also remember there is such a young population right and most of the established brands were about an older population and this and that and then now everyone is, on the continent is so young that they just require something a bit fresh and a bit new.”*

(Interview 7, Middle East) *“You need to look out for these things and that, by all means, I think that the millennium generation today is the biggest demographic and the biggest consumer group on the planet is also having an effect because they do have a slightly different...they’re adapted to this and they a slightly different consuming pattern in the way that they think about brands and the way they act about brands and the way have an affinity, or not towards brands. Now, of course, millennials is not a target audience right, it’s a demographic. It much too big to be a target audience and of course there are huge differences between a 25-year-old here in Dubai and a 25-year-old Japan.”*

“But it’s also true that this is the most similar generation that we’ve ever had. There’s no other generation before that that had so many, even despite all the differences, there is still more similarity than has been ever before.”

In the Middle East family brands or conglomerates dominate and provide reassurance to the market, often times this comes more so from the family brand that brings the brand

into the country than the brand itself and business strategies have been built around this. This is starting to shift with the millennial generation.

(Interview 7, Middle East) *“The bonds with the customer has very much been with the family name... the question is now, is that changing, is that changing or is it still true with the new generation who have perhaps a slightly more global outlook on things. I’m actually working with one family group in Oman right now that’s asking that very question. They are the agents for some of the global brands that they sell them and own so to say in the local market. They have some brands of their own that they put on the market and this is a very big question for them. We have built our whole strategy on building up trust in the family name. And that might help us sell all these other different brands and products. But what if the new generation just doesn’t care about that. What if they actually care more about Pizza Hut than about us? And I think that is a bit of an existential question of...when I came here to the Middle East 13 years ago, it was not the question. It was still very certain that, you know what, here is....we are (names of family conglomerates) or what might it be and that is (it) and consumers would follow it, and I think that is going down, that is changing...”*

Another one of the ways in which companies will adapt their brands across markets is by localising them. Here is some evidence on how brands localise in market.

(Interview 1, United Kingdom) *“Telefonica, so they go to market as the Telefonica brand and loads of markets...I think ten or so, so they have a single brand that they go to market with, but then again, they will still make sure that it is connected locally, through local activations...in different ways to market and they will seek out local connections. So someone like, Nike will use a pretty universal product architecture, but what they would do is that they will make sure the local interests and countries are really connected to reflect on how they deliver that brand locally. So I am sure...in New Zealand, they would talk way more about rugby than they would in the USA.”*

(Interview 2, South Africa) *“Actually, I would say you start with the local feeling and then you see how....that can...marry the global strategy.”*

(Interview 6, South Africa) *“I think one of the brands I found fascinating, the way it has adjusted and embedded itself in countries, is Coca-Cola. Because, you know, do people think of Coke as an American brand coming from Augusta or do they think of it as their brand? And, I think, that’s where Coke is very, very clever of first of all appealing to very young people but also it becomes their brand.”*

5.5.5 CONCLUSION

The conclusion able to be drawn from these interviews is that if you are expanding globally then you need to be attuned to the local market requirements. Markets require different things from brands and this can be grouped into three different factors, based on insights from interview 12 and then also validated across the interviews. The first is the sophistication of market, on one end we have a desire for credibility and trust and on the other a desire for individuality, purpose, and authenticity. You, therefore, need to understand the degree of development of the market you are entering. The second is any cultural nuances that could influence how the brand is perceived or what consumers expect from the brand. Then the third is how the product will be used meaning how well is this category developed and in what way would consumers use this product? Once you have an understanding of these elements you can then begin to understand how to structure or adapt your brand architecture or portfolio strategy in order to optimise the consumer-based brand equity of your chosen market.

5.6 SHIFTING TIMES

Another one of the key themes that emerged from the research is the need for brand architecture to be dynamic across time. This is due to the increasing rate of change and the ongoing need for brands to be responsive to consumer needs, which are evolving at a rate not experienced previously. This requires brands to be fluid and responsive to this call in order to optimise consumer-based brand equity. Therefore the need for brand architecture to be dynamic over time is a key finding that emerged from the research.

A codes primary documents table was run to compare the code families in this section against the quotations given from developed and developing markets. Of the fifteen interviews conducted five were from developed markets (USA, United Kingdom and Australia) and ten were from developing markets (Mexico, Brazil, South Africa, Middle East, Turkey and Thailand). A relative incidence was then created of developing markets in order to compare equal sample sizes. Table 5 demonstrates the code families, the number of quotations as well as high-level insights.

Table 5: Dynamic Brand Architecture across Time, Quotations

	Developed Markets	Developing Markets Relative Incidence	TOTALS:	Insights
BA Changes over Time Trends & Future Considerations (Simplicity)	11	4	19	Developed markets are more likely to identify and lead brand architecture trends.
BA Changes over time, Examples	1	7	15	
BA Changes Over Time, shift drivers	30	49	128	As markets develop they may experience changes in brand architecture at a faster rate, evidenced by more shift drivers identified.
CB Benefits	6	2	10	
CB Endorsement	14	16	45	
CB Examples	9	3	14	
CB Shift Drivers	16	16	47	
Family Brands/Conglomerates	1	15	30	Family and Conglomerate brands are more prevalent in developing markets.
TOTALS:	88	110	308	

A word count was then run in order to identify the number of words that the interviewees used to explain brand architecture changes over time. Table 6 demonstrates that developing markets spoke about this for 34% of the interview, while developed markets spent 27% of the time in this area. This further supports the premise that brand architecture changes over time are more prevalent in the developing markets possibly due to the changes being initiated in the developed markets leaving the developed markets in a position of reaction rather than proactive behaviour which causes them more complications than what would be experienced in the developed markets.

Table 6: Brand Architecture across Time, Word Count

	Developed Markets	Developing Markets	TOTAL
BA Changes over Time Trends & Future Considerations (Simplicity)	812	425	1237
BA Changes over time, Examples	239	2278	2517
BA Changes Over Time, shift drivers	2486	8194	10680
CB Benefits	342	539	881
CB Endorsement	830	2732	3562
CB Examples	633	414	1047
CB Shift Drivers	1230	2555	3785
Family Brands/Conglomerates	180	2230	2410
Accum. Wordcount	6752	19367	26119
Total Wordcount	24331	56650	80981
Relative Count (%)	27%	34%	32%

5.6.1 CORPORATE BRAND BENEFITS

A trend that we have been experiencing lately is a shift to a corporate brand, this was explored in the interviews in terms of what benefits a corporate brand has. These benefits range from purpose to reassurance to employer brand benefits.

Here are some quotes that demonstrate the benefits that a corporate brand has:

(Interview 1, United Kingdom) *“The corporate brand plays a different role because the corporate brand is also there to attract talent...make sure you drive best practice and drive company synergies between all of the businesses.”*

(Interview 2, South Africa) *“...we have our corporate brand....what does the brand stand for? And sometimes, maybe it's just that we're a great employer...and sometimes it stands for sustainability. Sometimes it stands for a little bit more, focused...when you don't have such a huge range of products. But you should definitely, like any other brand, differentiate and add something to it.”*

Here is an example of how Unilever did this:

(Interview 2, South Africa) *“...by having Unilever on this, and before they didn't, or very well tucked away... it's nice to stand for something because they want to attract the best people to the business, right? If you're part of Unilever and it means something, then that's quite good. If you can make your employees part of sustainability then great. If customers care about it then you're the first one to own it. Unilever was one of the first ones to own it.”*

This also creates a mutually beneficial benefit of equity transfer for Unilever between the product brands and the corporate brand.

(Interview 2, South Africa) *“Unilever is standing for the future and for sustainability and when there's an endorsement on the product, and like oh, they stand for sustainability. And they do that by doing certain commitments to sustainability, the brand is not only saying but also doing stuff, so they actually do stuff. But the funny thing is that it also works backwards. So, for example, Unilever has the sustainable agricultural products, so were actually living sustainability so we have this code... Knorr has a sustainability partnership fund, so Knorr as a Unilever product also helps build the Unilever brand, so it's a vice versa. Both the corporate brand helps the product brand, but the product brand actually helps build equity in the corporate brand in this case...”*

Here is another example, from India on why Mahindra saw the need to create a corporate brand:

(Mahindra Rise Case, written by Interview 3) *“The group had identified the need for a strong corporate brand, a brand that could connect a diverse set of businesses with stakeholders across the globe, including its employees, end consumers, government, suppliers, partners, business customers and financial institutions.”*

Corporate brands also play a role in providing reassurance, trust and decreasing risk. Here are some quotations to that regard:

(Interview 6, South Africa) *“I think it was Anton Rupert who was the main person who said, think of a brand as a trust mark. What can you trust? And, you know, there was a time in this world where people was saying, well trust and integrity, isn’t that a bit yesterday. And then along came Enron. And...I don’t think trust or integrity will ever be yesterday. You know, today we all want trust.”*

(Interview 10, South Africa) *“you will spend more money for a brand you know and not feel like you've been cheated for something you don't know, even if it's of better value and I think that kind of translates into kind of the corporate brand mentality where if it's a corporate brand that I know and I almost don't think that it matters it's like which brand do I know better, right? If it's a corporate brand that I know and this is more in developing markets where more of your disposable income is going into purchases versus maybe you know in a, in a more affluent society... (A) You need to make sure that it's going to work and you can't risk your income and (B) if it's something that's obviously is a category that has been tainted or does have an inherent risk for you, your family or whatever...it starts to play a bigger role, you know, as opposed to just a soda.”*

(Interview 9, Australia) *“...there was a time when for instance you could put a Nestle on a pack and that would be a great reassuring element, but I think the market has moved beyond that and looks for authenticity.”*

(Interview 13, USA) *“...if you’re trying to launch in the States, you’re coming to the most developed, business market in the world. You need the brand to work harder and do more than just be a seal of guarantee...but it makes sense in India because why, because, because in India there was a lot of companies that don’t provide good service or good quality products so, the fact that Mahindra has got a reputation for doing that, good service and good products. That is, that’s the role of the brand in that place, it plays the role of guarantee of quality.”*

(Interview 11, South Africa) *“...if you’re travelling in Nigeria or in Kenya the consumer is looking for the mother brand endorsement to sort of give that of stamp of quantity.”*

This demonstrates the different dynamics between developed and developing markets in terms of the consumer needs. When Western companies expand to developing markets simply copy and paste what they are doing in the West may not work, due to the degree of sophistication of the market and the requirement for the reassurance that consumers get from the corporate brand. For example, a company going into Japan or China would, therefore, need to put more emphasis on the corporate brand, and to build that reputation and recognition than just going in with a pure individualistic product brand strategy. By contrast, if you are a developing market brand entering a developed market, you may also need to shift your brand architecture strategy in order to compete in a developed market.

Further to this corporate brands can add credibility and differentiation.

(Interview 1, United Kingdom) *“...because GSK has a really, really strong scientific background... starting to endorse their product brands, in a very small way by GSK, helps give them the credibility that they are scientifically based. And that is where the clear equity in the corporate brand is worth communicating to the consumer brand itself...so that is a point of leverage, it helps create a point of difference in how they talk about themselves...you kind of look at almost any of their products now...it will be quite clear...there will be a scientific part of them that helps kind of differentiate those brands.”*

Another emerging trend here is about purpose, and uniting your brands under a corporate umbrella allows for the diffusion of a sense of purpose, which, at the moment is a very developed markets concern.

(Interview 10 South Africa) *“And even in the US you see it coming more and more where you know it is about, whereas in India its quality and having that stamp of approval, in the US it's about purpose and having integrity in the brand. I'm increasingly having Unilever more present or P&G more present on the front of the pack and it's happening in the US and in Western Europe but then from a different perspective than the rest of the world. For the rest of the world I don't want to waste my money and buy something that I don't know is going to work so yes therefore I want more assurance and a stamp of approval, whereas in the US it's not about that, we have quality standards but it's like it's this integrity thing. It's about the food activism and the activism of the parent brand.”*

Corporate brands essentially serve as a company’s reputational piece. Here is a quotation that demonstrates this:

(Interview, 3 India) *“So perhaps, they are trying the hybrid of what Eastern companies know, is that reputation and who you buy from is important. I think they’re starting to recognise that reputation overall is very important and it’s not important to...yes, you have to advertise and create visibility for your product brand but your company cannot be too invisible like it was in the past...because of digital and the internet, you cannot actually hide anything. So you might as well, you know, talk about your reputation...build your reputation in the corporate entity and then leverage that across the business.”*

This, however, is a strategic decision depending on how much you want your consumers to know and in some circumstances, if you are involved in risky endeavours, there are advantages to not leveraging your corporate brand.

(Interview 7, Middle East) *“You definitely might want to keep that away from your otherwise pristine corporate reputation. So you choose to then build up (a new brand) even if it would be... a short cut to take your very well respected corporate name and use that to immediately get traction, and probably confidence from customers. It’s still the risk of if something goes wrong is so big that you want to keep a little bit of cash around.”*

(Interview 13, USA) *“...and sub-prime mortgages you know we found that... they were sort of aware of what they were getting into....they were aware to a point that sometimes they wouldn’t rebrand these lower, sub-prime companies with the company brand...the business they were getting into wasn’t meaning something they wanted associated with the company.”*

On the benefit of employer brand benefits, the corporate brand is seen as a vehicle to be able to attract talent.

(Interview 5, USA) *“...one thing that is super important at the moment, is building a stronger employer brand, and you do it usually at the master brand level, and many clients come to us saying, our master brand is quite weak in terms of attributes and equity, and we have issues attracting talent now, so can you help us build more equity at the master brand level.”*

Here is an example from Thailand to that effect:

(Interview 12, Thailand) *“That Thai company also owns about ten other tuna fish and seafood brands across the world. Single largest seafood processor in the world now, the problem they had was that they had a very, because they were built by acquisition, they had a very, very fragmented set of corporate brands, of B2B brands, thirty-six different companies, with all the different names and variations etc. When taken together \$4.5 billion company, but nobody knew that*

nobody was getting credit for that for that. They weren't able to hire the best people because people saw that they were, you know they did not want work for what they saw as a small Thai company. Their corporate culture was fragmenting because there were little systems being built. There is also reasons why the senior leadership realised that they had to somehow consolidate the internal brand architecture, internal brand. So they went from being very, essentially house of brands, B2B brands, to merge into one brand, Thai Union."

It is important to also consider, in the interest of confirmability that these benefits are often category specific and it would not be appropriate for all categories to leverage these benefits. An example of an inappropriate category, considering the current market dynamics, would be the automobile industry. Here is an example of how these benefits are not realised.

(Interview 1, United Kingdom) *"...the corporate or holding company places no value in that consumer interaction...so if I think about...Volkswagen/Audi Group, for example. So they have Volkswagen, Fiat, Lamborghini, Bugatti...you will see they have a whole host of...product brands, but what they don't do is they don't create any overlaps between the consumer-facing brands because they can get it back to maximising that market opportunity."*

(Interview 6, South Africa) *"Well, I think, someone like BMW, you know, do people realise today that BMW is a Mini. I think a lot of people do but do they realise also it's a Rolls Royce? This time last year the Volkswagen emission story started breaking and remember Volkswagen isn't just Volkswagen...It's Fiat, it's Porsche, it's Audi. And a lot of people again, I think they were surprised, didn't make that connection. They saw an Audi as an Audi...fast forward now twelve months what's gone on. Volkswagen has obviously taken a huge, huge hit... It's about 12 or 13 billion American dollars. That is the hit it's taken. But that's Volkswagen. It hasn't seemed to affect Rolls Royce or Audi."*

So in this case not leveraging a corporate brand can actually be an advantage and prevent reputational damage.

Corporate brands have multiple benefits to companies from attracting talent, standing for a unified purpose, and playing the role of a differentiator through adding credibility. They are also able to enhance the trust of a product and decrease perceived risk. How and when to use a corporate brand is a strategic decision and sometimes it's more beneficial to keep a distance from the corporate brand if there is risk in the venture to create reputational risk.

5.6.2 CORPORATE BRAND SHIFT DRIVERS AND EXAMPLES

Understanding the benefits that a corporate brand can have for a company there has been a recent shift to a corporate brand orientation to leverage these benefits. There are a number of reasons for this shift, the drivers of which are explored in this section.

(Interview 3, India) *“I have to say that it’s interesting that in the West, they’ve actually recognised that diversification of the product brand, and then in the past four or five years, we have seen that a lot of these West companies are spending a lot of money promoting the corporate brand.”*

“Whether it’s a P&G, with the ‘Thank You Moms’ campaign, or a BASF which is reaching consumers, or even an Abbott, which has recently rebranded to have much more of a consumer face. You will see that the company that was comfortable taking the back seat to their product brands. Unilever and P&G are prime examples. They are changing, they are spending a lot of time and energy on promoting their corporate brands as well.”

“So I would say that in the past three, four years, and I think that there is a report somewhere on Google from one of our competitors, that shows, I think that last year, there was a 15% increase in corporate advertising, showing that, across the board, from B2C to B2B, companies are investing in their corporate brand and having more of a face with the public.”

There was a total of eight different drivers for this shift that were identified in the global research. These drivers are detailed in the quotes below with examples provided.

5.6.2.1 THE FRAGMENTATION OF BRANDS

Brands have become fragmented which leads to a loss of clarity and understanding. Here is an example from developing markets of the complexity of understanding a very fragmented portfolio.

(Interview 14 L Turkey) *“...so, for example, this sub-branding or prolific branding goes with this new segmentation of products and services, but it also goes with location. We had worked with an energy company which is distributing natural gas and in different cities of Turkey. And they had...they were doing it in eleven cities and for each city they had again created a new brand. Because these decisions are not done strategically it’s more like ad-hoc, it’s a misunderstanding of branding, they see it as, ‘let’s create a nice name and a logo’, but it comes to a point that, okay, ‘we need to grow our brand equity’. But then, now we have twelve brands. They have eleven brands different in each city and there was a like a group brand, overall, and in the end twelve brands. And when they decided*

to invest in the brand and increase their equity, they questioned again, ‘Do we need these twelve brands?’, and ‘Can we do it with one brand?’ The same brand in every location...They were not like a big company to invest in twelve brands, so there was the issue of the investment budgets and the cost of keeping these brands.”

This leads into the next driver raised which is cost considerations.

5.6.2.2 COST CONSIDERATIONS

Cost considerations are affecting brand architecture in both developed and developing markets, here are examples of this from both India and the USA.

(Interview 3, India) *“I think that the proliferation of products and services. There’s so much growth happening in a large company, it may be all decentralised, and suddenly you realise that you have two hundred brands in your portfolio, and that’s taking up resources. So I think the quest for growth leads to the spawning of brands and sub-brands, and then at some point, it becomes too much, where a CFO or somebody will realise that...hang on, wait a minute, this is really inefficient.”*

(Interview 5, USA) *“Where things have changed, and now we are grilled by our clients more and more in this way, in that, it costs so much money, we are all over the place. We have been...we haven’t been successful in building equity amongst all of the brands, and they are moving most of them today towards more master-branded or branded-house model...moving from house of brands, with millions of brands. When you have the luxury of linking in many brands, because of you have billions of marketing budget, and we were in this era of one brand for one consumer, because it was the era of consumerism, to something now today, which is all about branded-house, building equity in the master brand, consumers wanting less brands, more simplicity and marketing budgets which have been reduced so much.”*

5.6.2.3 LEVERAGE IN BRAND ARCHITECTURE

A driver towards a corporate (or master brand) orientation also speaks to the need to achieve leverage in the portfolio. By building equity into the corporate brand this equity can then be leveraged across many product brands. Here are some examples of what is happening to this effect, across markets.

(Interview 3, India) *“It’s really about leverage...I lead with clarity, simplicity and leverage. You know, how pure is the architecture scenario, is it simple to manage internally, is it simple for consumers to understand, and then, is it setup in a way*

that we're actually leveraging equities that we're building, either at the corporate level or the product level. Are we stretching brands to the extent that they can be stretched, and gaining maximum efficiency from them."

(Interview 5, USA) *"The other thing is, there is a sense of centralisation at the moment in terms of marketing practise. You see the example we have with Hennessey, we had recently. Basically the cognac brand Hennessey, had an original approach to marketing, and basically everyone did whatever he wants in his own country and you end up then, fifteen, twenty years later, oh, we have footprint which is so diluted across the world and we cannot leverage any global company at the moment, because our brand architecture has so many regional products, so many regional sub-brands or SKUs⁸ and you're like, we need to rationalise at the moment."*

(Interview 10, South Africa) *"I think the challenge for a lot of these brands going forward globally, is that everyone kind of expand their influence and look at innovation but we, what we do know is that too many brands is kind of hard to manage and that we don't have the budgets to launch that many brands. So, there the idea is, 'how do I start to bring in other aspects of my portfolio and equity in my other brands into new product categories?' so, there needs to be a twist to signal difference then we still need to leverage on the equity of something...And even here you see iWyze Insurance, its Old Mutual, that's a twist on the corporate brand. You still know its Old Mutual but it's going towards a different mindset and a different segment that doesn't necessarily fit with the master brand."*

(Interview 15, Brazil) *"...the possibility of doing cross-sell and having more...a more connection, a more focused connection between all of the brands of the portfolio, to make sure that they can...that the brands can interact, and they can co-brand and they can appear together and they can...even though they have their own positioning and their own niches and their own segments, they can all have some input from the corporate system that can have some specific basic values, that can orient the entire portfolio."*

"So, what I see today is B2B brands turning house of brands, and house of brands...like B2C brands turning more, I wouldn't say branded house, but I would

⁸ Stock Keeping Units

say more precise about the number of brands that they have, more concise as well, not having so many brands and really betting on a family of brands instead of too many different brands not connected at all, so...betting on the role of the corporate brand as an endorsement, as a big endorsement and a cross-sell tool to all of the other brands of the portfolio.”

5.6.2.4 RATIONALISATION

Linking in with the idea of finding leverage in a portfolio also speaks to the need for brands to be rationalised. Here are some examples of this:

(Interview 5, USA) “...the need to simplify the portfolio. Basically, too many inefficiencies and the need to rationalise, because the budgets are being rationalised.”

(Interview 6, South Africa) “*Unilever caused a bit of a riot, what, roundabout 2002 when they said we have 1600 brands, we going to bring them back to 400. And it was about that time they created that one Unilever mark that you - with all the illustrations and they started putting it on everything...And bringing down their 1600, I don't think they ever got to 400 but they got down to about by 450 odd... They said they didn't have the financial wherewithal or the emotional wherewithal, which was an interesting comment. It wasn't just financial, they're having 1600 marketing departments.”*

(Interview, London) “*...lets be a bit more lean and really play to win with the right brands in the right markets in the right category...we can really support those...GSK were too, they rationalised their portfolios over time. So GSK got rid of products that are less scientific. They disposed of Lucozade...a sugar based drink, and they got rid of...Ribena, I think...to focus on brands where they have a more coherent role for the corporate brand. And I think Unilever, as well, had a massive rationalisation of their product portfolio, to slim down the number of brands they use, the number of brands that they kind of take to market.”*

(Interview 7, Middle East) “*And there was no way that this can make sense, that this can make money. So the model that we applied there was a very simple business tally, you know, everybody who felt that they owned this brand was, well can you come up with a business plan that shows that you are going to make more money if you retain this brand instead of aligning the product under one or the other umbrella brands, then we'll keep it and if you can't then we are going to*

realign it with something else, and I think that is a, if that is a model or a methodology, but I think that is a way that it happens most often.”

“So a big driver between brand rationalisation, where you clean up the portfolio and you put brands together and you try to find umbrella brands and so on, is to keep costs down.”

(Interview 9, Australia) *“And a lot of what we’re quite often doing is rationalising a lot of these brands and getting rid of them because they are not really adding any value. It might be the easy way out in many cases. It is easy to create a brand without really looking at the consequences of how it matches against the bigger picture.”*

(Interview 10, South Africa) *“... you need to optimise your portfolio and then in that age of innovation from 2000 to 2010, where we had product proliferation, like 27 types of coke, for example, people lost the optimal mix and it was about retracting back into kind of a limited core of products.”*

5.6.2.5 SIMPLICITY DUE TO ACQUISITION

Another driver for a more corporate brand orientation has to do with integrating disparate portfolios post an acquisition. Here is an example of that:

(Interview 5, USA) *“Basically, they are like...we have a need to simplify our portfolios, which, over the course of the past twenty years, has been, let’s say, not booming because we went through M&A...Citi being a great example. So we have bought in all those brand, their equities, when we bought them, we integrated them, we didn’t want to frustrate anyone so we took their brand and now we are like, okay, we are forty brands in our portfolio, and it’s so complex or our customers don’t understand anything, and our organisation is inefficient at its utmost.”*

“So I would say that, at the moment, our clients are really shifting their brand architectures. Something that they want...more simple, because the more brands you have, the more it requires discipline and at the same time, budget to maintain them.”

5.6.2.6 INVESTOR ENGAGEMENT

Investors are consumers too, and there has also been a rise in the corporate brand to better engage with this audience.

(Interview 6, South Africa) *"I think more and more when you're talking to investments and you're talking to reputation and you want people to look at the investment of the deal, then you want people to understand the range of brands that underpin your main corporate brand."*

(Interview 11, South Africa) *"...if you look at P&G products now, on the back of their products, they say this is the product under the Procter & Gamble family. But, they never used to do that before. That may have to do with the investor story basically just getting the P&G name a little bit more known out there, which probably wasn't so well known."*

"The same with something like the parent company of a sort of Phillip Morris. So, Altria, the parent company of Phillip Morris. There was a slightly different story there. They had to establish the brand Altria when they when they sold the craft food part of Phillip Morris. And, and then in order for them to list themselves on the stock exchange, and not be so 'in-your-face' as Phillip Morris, the cigarette company, they established a new brand like a holding company and of the name Altria. Now, if you look at Albert Cigarettes, you don't see anything on there, you don't see any endorsement there as a member of the Altria Group, it's very much still Phillip Morris."

5.6.2.7 MARKET EVOLUTION

Over the past few decades, in the West, the product brand was generally more dominant and in the East, the corporate brand was more dominant. Recently this is starting to adapt and this is due to evolution of the markets. Here are some examples of that:

(Interview 12, Thailand) *"ITT was International Telephone Telegraph, but it was through most of the 1970's the parent company Sheraton Hotels, for a number of high-tech companies, for engineering companies, all branded ITT, in other words, there was a very strong master brand of ITT for credibility. But in the late 1970's, early 1980's the leverage buyout culture of America, which held that, if you had a diversified conglomerate, you can actually make money by leveraging and then buying that conglomerate and breaking it up and selling the parts. To make, to make more money on the individual sale that you pay for the whole thing. That culture, the shift to perceived value from the whole of the corporate brand to the product brand, you say how much I can I make, I can make more, I can persuade Wall Street to give me more if I say that I have got you know three billion dollar brands rather than one three billion dollar brand."*

“Whereas in the East you still have this very strong desire for credibility and stability. So I think in the 1950’s, the 1960’s and the 1970’s that you were way out of whack, I mean they were out of phase and I think they are all coming back to a happy medium. Keep in mind that in the East, keep in mind that they were if you were going to go back to....so the two mentalities, corporate mentality versus product mentality have been out of sync for about 40 years, severely out of sync. You know back in the, back in the West in 1950’s and 1960’s it was very corporate brand mentality.”

“You know, consider GE, right, so GE started out as being a very monolithic brand, and they then acquired more and more divisions, which maintained the monolithic nature of the brand, but over time they found that it becomes very hard to persuade Wall Street to believe they can be competent in that many things and they started to divest themselves. So I do not think we are talking about a fundamental shift, I think we are talking about, we are talking about cycles.”

5.6.2.8 CHANGE IN MANAGEMENT

While the external evolution of a market can shift the brand architecture, internal human dynamics in the company can also be a driver for a shift to a corporate brand orientation.

(Interview 3, India) *“I’ve also found that as management comes and goes, as there’s a churn in CEOs, every CEO has their own approach....brand architecture is so dynamic, it needs to constantly change.”*

(Interview 5, USA) *“...changes within organisations. For instance, a new CMO, who arrives, and who then is like, my first task at the moment is to rationalise this portfolio which is all about the place. Changes in the C-suite, especially the CMO, who can be joining the firm, and wants to launch a big programme, which runs over the next two years, and he knows he will be around for the new two to three years, so you know he wants to have, you know, this kind of big, impactful project that leaves a legacy after he has left.”*

“I think that, on brand architecture, there is a bit of ego running into that.”

5.6.3 FAMILY/CONGLOMERATE BRANDS

Family or conglomerate brands present an interesting dynamic in a dynamic world, more connected than ever through technology. Mainly seen in developing markets as

demonstrated in Table 7, and successful due to the ability to provide a guarantee of trust and quality in an environment where this cannot be taken for granted.

Table 7: Quotations about Family Brands

	Developed Markets	Developing Markets	TOTALS:
Family Brands/Conglomerates	1	29	30
TOTALS:	1	29	30

As the world becomes more connected the future for conglomerate groups is questioned. The research began to shed some light onto this concern and even more so provided insight into the current dynamics.

(Interview 7, Middle East) *“I came in here and I was just as arrogant as everybody else was coming here...that’s just corporate ego...that’s just family ego. It doesn’t matter. But I have eaten humble pie in that area and have come to learn that it actually does matter. And that the big groups that have a good reputation that is real brand power. That has the power to make or break even quite big brands. That said, again I do think that this is changing all the time. I do think that we are getting to more and more of a similar structure around these things, but that is the biggest difference that I have come across but it is a very, very, prevalent, very strong in the Middle East, quite strong in India as well.”*

(Interview 3, India) *“...this company is always in energy, and they now started as an energy company. They spun off, and they wanted us to help them on their name. So they, the first briefing, they told us that they’re all about sustainable energy. And once they, at the second meeting, after we had created a hundred names around energy, they said...oh, we’ve changed our minds, actually, we’re now into hospitality and education. It’s the dynamic nature of the business. It’s more entrepreneurial, a family business is. They’ll just keep doing these things.”*

(Interview 4, Mexico) *With family brands “decisions are usually much more vertical. Decisions are made in the dining table sometimes, not even in the business office... but it’s always just the nature of the decisions are completely different. So the main influence that I see is that all of these family owned brands are really powerful. Usually, they have, even higher budgets than a regular, let’s say, with a much more regular governance structure, in a more maybe American type of business.”*

“I would say that they are also much more traditional and even conservative... about these decisions. So I would notice that in these countries, usually, you will have portfolios that are...less flexible portfolios... my perception is that usually decisions relating to how much flexibility and how much differentiation I want to get with my portfolio, its...its less flexible, let’s say, they look less for flexibility and they look more for control and sometimes I would say, simplicity on the decisions. Basically, I think this is because of the vertical structure that they have.”

(Interview 6, South Africa) *“Samsung until 1999, you couldn’t buy anything Samsung... they were a huge, rambling industrial conglomerate but they supplied everyone. And they said ...we’re being squeezed by the people who own the brands and they changed their whole strategy.”*

There is a sentiment that the family brands are losing their significant to some extent.

(Interview 7, Middle East) *“Not to the extent that the families are no longer relevant and important but I think the relationship between the family name and the family brand / corporate brand and the brands that they represent is changing. And for some of the strong global of brands now like, Apple, for example...who has...Apple has had a quite small presence in the Middle East in terms of the retail stores and their own institution and because they have refused to conform to this. They have refused under one of the family groups and have said we are strong enough to go in there by ourselves and they have not always been able to get the license to do that. But it has been happening now, out of their strength, they’re coming into the market as independents. And are operating as an independent brand not tied to any of these family groups.”*

(Interview 14, Turkey) *“I can say that it was influenced a lot previously, but now it’s changing, and again it’s the general tendency, the market becomes more professional and professionally led brands. Before the brands were led by the company or the company owners or families kind of thing...so now even the family companies want to become more corporate and the brands are becoming more professionally managed, so I can say that this cultural influence is becoming less dominant in the market, and the companies are starting to get more professional consultants on their brand architectural system as well...They are becoming more professional with their brands and they are now more aware that the brand equity is art of the biggest assets of the company.”*

With family brands there are emotional components to consider as well, with the identity of the individual or family tied to the success of the enterprise. Here are some examples of this:

(Interview 7, Middle East) *“I think in this part of the world the internal perspective has a higher relevance and the way that the owners of the business sees things and the way they want to be there, because it is so much of their own identity, plays a bigger role in what they do.”*

(Interview 11, South Africa) *“So, that's just one topic, but, but basically they are entering African markets and they have the challenge of being proudly Chinese but not really, not really being in a position to claim that in some African markets because of people's attitude towards certain brand or nationalities. And while, this one is also slightly different because we are dealing with a CEO that is also the owner of the company. So, very personal. It's his company that he started from scratch. It's not like you dealing with the market with a very open mind and a very, sort of, liberal approach to it, this is very emotional, very personal.”*

“And when, we saying well StarTimes the name is fine, but you can't, in South Africa, think people are going to be attracted by 'Proudly Chinese', this is just not going to work. And so, we tread carefully in order to not insult the client by diminishing his pride in his nationality or his pride in his company, but also making sure that we advise him accurately and with advice that's going to do well for the brand in the local market.”

(Interview 15, Brazil) *“And this is something that, when we talk about culture we have to ...sometimes we have all the data behind a recommendation, we have everything settled and the best recommendation, but we have to count on the family's sentiment and sometimes they go against the best recommendation, and since they own the business, sometimes the best recommendation doesn't win and we have to battle this.”*

The power that conglomerates have raises the question whether the architecture is brand strategy or if it is business strategy.

(Interview 7, Middle East) *“And also the fact that I own it, therefore, I want my name on it. It might not be a market driven rationale for why the brand's architecture looks like it looks like. It's more driven by shareholder shape and other things...so here like it is in India like it is in many places, the family groups,*

the big trading families...have had a tremendous importance and help but still cause a lot of trust in the marketplace. So while Toyota is the strongest car brand nobody can debate, the question is, if you buy a Toyota or if you buy it from the family group who are selling them in the UAE...and there would be another family selling them in Saudi Arabia and so on, and traditionally the family name has probably had the biggest place and then they have been the agents for various brands but falls under that but the bond with the consumer has very much been with the family name.”

With two different views being held on the example of Starbucks in India shared here and shown in Figure 7.

(Interview 3, India) *“There’s a company in India called Tata Starbucks. I don’t think they have done that anywhere else in the world. They believe so much in the value of their partner, Tata, that it’s actually called Tata Starbucks in India. And even if you go to a Starbucks, the sign will say Starbucks, but the endorsement would say that it is a Tata company, a Tata start-up, venture or something like that. For me, that’s also a very telling signal that they are so desperate for the Indian equity, and connect with the Indian consumer and Indian partner, the Indian brand is as hallowed as Starbucks, as sought after and associate as part of an Indian brand.”*

Figure 7: Starbucks in India, Source: Interview 3



(Interview 13, USA) *“So I would say that is not brand strategy , that’s a business strategy, that is an accommodation to Tata based on the fact that they wanted to get distribution and they felt that they had to accommodate Tata to do it and that*

Tata has insisted on you know getting a piece of the pie, it's not brand architecture."

5.6.4 SHIFT DRIVERS AND EXAMPLES

Markets are dynamic, in investigating what would cause brand architecture to need to shift thirty-four different codes appeared containing 130 quotations. These were then grouped into eleven different categories which will be discussed in this section.

5.6.4.1 CONSTANTS

This driver highlights how companies are constantly looking for ways to improve.

(Interview 1, United Kingdom) *"...the best companies are going to always be really keen on...we've really got to understand our markets, really understand our consumers, are we really best...creating the best offers to the audiences and is what we doing distinctly different from the market. I think those truisms will always be there as that constant hawk-eye on, is what we're doing really relevant to our audiences, is it really credible for us to be talking about or delivering things, is it really differentiated from the competitor set and is it a kind of forward-looking dynamic as well?"*

5.6.4.2 FINANCIAL DRIVERS

Financial concerns causing a shift in companies brand architectures are witnesses across markets with a shift moving away from brand proliferation to stronger, more monolithic brands in order to maximise investment.

(Interview 3, India) *"I think growth leads to proliferation, and at some point people realise proliferation is expensive and inefficient, and it rolls back...I think it's also driven by cost consciousness, which perhaps wasn't there as much ten years ago. That's a huge element today."*

(Interview, Turkey) *"...the costs and the profit margins were going down and that's generally the case for everything in the markets, in all markets I think. When you look at P&G as well, we see that the number of brands are decreasing all over the world, because in every market, in every sector, for example, the banking sector, FMCG the costs and profit margins are...the costs are increasing and the profit margins are decreasing. So creating a new brand or sub-brand each time, is a very costly thing, it needs investment to keep those brands....there's a global tendency I think, to more like a mono-brand, not maybe mono-brand, but a less fragmented structure. So in Turkey, again for these cost reasons, and for competition reasons, it's a bit changing."*

(Interview 1, United Kingdom) *“...it’s really expensive to maintain multiple brands in multiple kinds of markets, so to make sure that your portfolio is optimised for that.”*

(Interview 3 India) *“...its money. It just takes up too much money to manage all these different logos and brands, and its ultimately not adding to anything. You’re not creating impact in a very cluttered world. If you were more unified and had a very singular approach, the impact of your brand could be that much more.”*

5.6.4.3 GROWTH AND NEW MARKETS

One of the primary reasons cited for companies changing their brand architecture is for competitive reasons.

(Interview 12, Thailand) *“... (dynamic brand architecture) exists, I mean and what drives it is it is market dynamics, they may sound simplistic, but again we come back to our first principles, the reason why you have brands and brand architectures is fundamentally for competitive advantage, right?”*

(Interview 12, Thailand) *“With all that credibility, not about the nuance of delivery, but now you see more and more, as the products are being endorsed or variants of the master brand... it is due to competition!”*

Some of these competitive reasons are due to falling sales or having a new competitor.

(Interview 10 BU, South Africa) *“...when people see a loss of relevance in their brand, is when they start to think about it, you know I mean honestly people don't really think about it until A) there is a merger in acquisition right, same thing for name changes, people don't think about changing their name unless you have to is point A, people don't think about changing their brand architecture or their brand communications unless they see a downturn or they see their sales falling or they see another competitor coming in, taking their lunch.”*

A change in brand architecture is also driven by a desire for further growth.

(Interview 8, USA) *“So what I have noticed lately is an interesting move to separate foundational brands from their growth brands. So there's been a lot of articles, General Mills as an example, and even Campbell's, I saw something come through the other day, where their business strategy is shifting, so to get to your point about the brand spectrum and just how they think about, you know, within their company, it would be provocative, I think, to take a look at how does that master brand play into foundational brands versus growth oriented brands. Do those growth-oriented brands mean that they need to be further separated*

away from that master brand? I would say that, yes that seems like what has happened that they've created their own product brands and have lessened the role of the master brand now. Now that's not in all categories but I do find it that interesting thing and it's starting to pick up speed I think."

"...some of their new product lines have not as heavily emphasised the Campbell's name, and even some of their extensions outside of soup, haven't seemed to emphasise Campbell's as much, so they are definitely using varying degrees of an endorsement strategy."

(Interview 9, Australia) *"So really what we're doing is helping define some clarity in terms of what's needed and what's not needed, and how you can use the future architecture as a platform for growth. It seems obvious but it is quite often not the case."*

Here is an example of how brands shift their architecture over time, due to growth:

Interview 12, Thailand) *"You know not in similarity but without the political differences, probably just to expanding tented ion so when Nike, you know Nike started out as a running shoe and then got into clothes and gone into golf and then they went into basketball shoes they discovered that the interest in personalities when basketball shoe buyers were much higher, it made sense to develop the Air Jordan as a sub-brand, right?"*

Brand architecture will also shift when there is an insight or strategy on how to use it to recruit new customers.

(Interview 5, USA) *"So this is another one, so in that case, research is heavily influencing the shift. So, for instance, lest say the CMO has run a new research on the brand equity, on the consumer needs, and then you might see that there might be some consumers that are not being leveraged enough, so you need a new brand architecture so that you organise the portfolio so that you appeal more to those kinds of new consumer."*

Or just simply when a company enters new markets or new categories, in order to respond to the market need.

(Interview 3, India) *"I think another reason for the shift is just new markets and new categories or customers that are different."*

Brand architecture will also shift due to new customer segmentation.

(Interview 8, USA). *"So oftentimes it's because they've come up with a new consumer segmentation. They've gone out and realised that the folks that they've been marketing to have changed and they've changed perhaps in the way they*

view the category and engage with the category. Or perhaps they were speaking to an older segment who just quite honestly, is no longer relevant for the brand and where it wants to go for its future so they need to rethink who they're going to action against. So I think changing, in the consumer segmentation, is probably the lead driver of shift and that typically leads to a change in business strategy, a change in brand strategy."

(Interview 10, South Africa) *"...when on the corporate side, you know, yes the corporate brand is the corporate brand. If you look in financial services or other things you know or just, I would say the SAP's of the world, right, and then there's more of like corporate brands that still have a consumer based element. And, they still, they still need the flexibility to go after unique, niche or lifestyle needs, right. So, you may depart from the corporate brand architecture if you want to target like a unique, young-adult financial services product, right. You wouldn't put ABSA necessarily on it and you see this more in established markets but kind of in markets where there are emerging segments and you want to tap into that mind-set of an emerging segment you may do a twist on the corporate brand if that makes sense."*

Due to external competition, Taj was forced to better define their customers, here is how they managed this:

(Interview 12, Thailand) *"So we ended up going from one brand Taj, a monolithic brand where Taj was a measure of credibility, you knew that you weren't get ripped off or whatever, the basics were there, right? To one which was a little more nuanced ...so it went from a monolithic architecture to a very well defined four level architecture, with a very clear definition about what each of those levels meant in terms of delivery, audience, quality etc."*

The Taj example is also an example of increased competition in developing markets, another significant driver.

(Interview 2, South Africa) *"I think because there are more brands out there. So in Africa for example, we are getting more and more brands. So people now for the first time have to think about hey, we have to define our brands very well. We have to look at how it makes sense and the more it evolves in the US and the EU as well, if so many brands that you really have to be clear about who you are because otherwise, people are just confused, right? So I think the brand architecture in the US and the EU, by nature, has to be clearer than in Africa where you have some leverage because there are not too many brands, you might say there are a lot of them but not too many yet, and they have some time*

to establish themselves. But you know more companies start feeling now like the pressure of other international brands are coming in and we have to clean up our act as well as get some clarity from the outside in.”

Here is another example from Turkey of developing markets facing increased competition from developed markets brands:

(Interview 14, Turkey) *“In our observation, there was a very little Turkcell master brand communication and all these variety of services, products and other things that they were providing, even the social for example, their social responsibility programs, again they were seen as a separate, all independent brands and they were not helping to build the Turkcell equity, in the long run. Because they were all invested...done on their own, and the link between the master brand was very weak in consumer’s minds. And why they wanted to change it actually, because then ...of course cost is a reason to change, but in this particular case, it was more of a competitive landscape situation because Vodafone entered the markets. As you know Vodafone is a very mono-brand, driven brand and they are heavily and in whatever they do, if they are communicating about their, let’s say, like a VIP service, or their products, their 3G, whatever they were communicating, it was all under Vodafone and it was very impactful. And it was a fight between Turkcell and Vodafone at that time on the prime time on TV’s for example. They were the top two major spenders in Turkish markets. It was...but, Vodafone was advertising something and then Turkcell’s 3G, but it was just 3G. Vodafone something, it was this TIM, their shops. Vodafone was doing something, it was Ishtacell, something again from Turkcell, but again signed by another brand, a sub-brand of Turkcell. So, because of the competition, they invited us to evaluate the situation, whether they need to continue with this world of different mascots. And they had one mascot in the logo and even though that mascot was used separately in those brands and they said, ‘Do we need to change our brand architecture system or should we keep it the way it is because this is Turkcell because we are kind of like crazy.’ But actually...after analysing the situation we advised that consumers should 100% be sure that, whatever service or whatever product that you are giving, is coming from Turkcell, not TIM, not 3G, not Ishtacell, you don’t know Turkish but the other brands, it’s coming from Turkcell. In the long run, they need to build the Turkcell equity and also because at that point, the costs and the profit margins were going down and that’s generally the case for everything in the markets, in all markets I think.”*

After implementing the brand architecture changes recommended, Turkcell was able to compete more effectively and regain their leadership position in the Turkish market.

“Vodafone had acquired, I don’t know, quite a remarkable market share at that time, but then they increased stock and they even decreased and Turkcell again secured their leadership position....And I can say that they were more fragile at that time against Vodafone, now they’re stronger. ...Their equity was less, we can say and Vodafone used that to gain more market share at that time.”

With globalisation, the market dynamics change and so too must the brand architecture strategy to compete with this. Due to large and established global brands, the cultural nuances are beginning to fade as they are unable to compete. This is causing a shift in brand architecture across markets.

5.6.4.4 LEGAL

Legal considerations for brand architecture present a potential barrier causing a company to need to shift their brand architecture due to trademark availability and the desired mark not being ownable in a particular market.

(Interview 11, South Africa) *“...you can have a very unified in one market but for whatever legal reason or trademark reason or registration reason you can't do it in another so that's just the nature of the beast, I mean there's no way of getting around that even if a client wanted to they understand that okay we can do with this way in this market, in another market we may have to do it a bit slightly different way. And it's not because they want to but really because they were forced to for legal reasons.”*

5.6.4.5 ACQUISITION

Acquisitions were often cited as one of the main reasons why companies would need to change their brand architecture across both developed and developing markets.

(Interview 11, South Africa) *“...bunch of different brands that they either developed quite independently over time or that they've purchased over time. And then, are faced with a challenge of let's bring it under one umbrella and go forward with the unified look in terms of our brand architecture.”*

Here is an example of how acquisition strategies changed the architecture of FedEx:

(Interview 12, Thailand) *“In the case of FedEx, they made major shift brand architecture because they are moving from, they were trying to broaden their, run their types of logistics that they are offering and to do so they were acquiring a set of companies and they referred to me how do we incorporate these foreign, these new companies into our business? So they in the phase of five years, they acquired Viking, the acquired Robertson, they acquired Kinkos. So and did that for competitive reasons, they did because they wanted to, they want their operational portfolio to match UPS.”*

Considering how brands can be integrated should be done prior to the acquisition, however, this often isn't the case.

(Interview 13, USA) *“So really before you buy another company, you should do an evaluation of the brand strategy ahead of time. I mean that should be part of the decision-making process about, at least about whether you, what part or whether you should or shouldn't buy the company. But also, in terms of what you should pay for it because if you are going to use the brand, that's one thing and if you're not, that's a different thing. There should be a price variation depending on that. But, mostly that doesn't happen because companies when they make acquisitions or planning to make acquisitions, only involve a very limited number of people... It doesn't happen. So, (scoffs) after you've made the acquisition, well it's really too late.”*

The local equity of brands needs to be considered when there is an acquisition in order to choose the optimal brand architecture.

(Interview 4, Mexico) *“...same international or my original global brand in all the markets or should I consider the local equity that will make my portfolio a little bit more complicated, but how important is this equity locally?”*

(Interview 7, Middle East) *“I mean, it was easier to command a higher price if you were an international brand. I do think that has changed and I do think that it is a much more strongly growing feeling that we should have stuff that comes from here that we can respect, I do believe that the local firms are rising around the world.”*

“You can see it in China and we have done some research on this because I think in China if you go back 15/20 years, it was probably lifted on the international brand had a halo... People in China today, are just as likely or even more likely to aspire to a Chinese brand, something that comes from here, something that we can be proud of ...more than an international brand. And I think that is where, that is a change, that is happening, and I think that is a change that is coming also from people having a global view, they can see what is out there, it's not so magical and mythical with the international brands. Of course the international brands have an advantage because they are well established, they have a tremendous marketing machine.”

(Interview 15, Brazil) *“We recently did a merger between two airline companies, one called Tam, which is the major airline company here in Brazil, and one called*

Lan which is the major airline company in Chile. So can we imagine, it's a very difficult problem to solve because its two brands, two different markets, actually they all work in ten markets through all Latin America, so we had to audit all of these attributes in all of the regions that these companies operate to make sure that we had the right profile for each brand in each region. So basically this is what we are looking at. And for instance, again in the case of the airline, if...we ended up with an entirely new solution for this industry, which would be a new brand. We had two very strong brands, Lan and Tam. We ended up with a new brand, which is called Latam, which is also a connection to Lan and Tam...so it's a combination of the two brands, Lan, Tam, Latam, and it refers to our region...Latin, okay? So it has this first impact of referring to the Latin region for people abroad, and also, of course, it has a mission to reconnect the Latin countries here. But it's one single brand, instead of two brands. What happens in the market, is that normally when you face an M&A in this market, the business either maintains the two brands, or they choose the stronger brand. At most, they choose the stronger brand and they have a...subtle reference to the other brand. For instance, as...United. United merged with Continental Airlines, so the name is United now, but the symbol is the symbol...the former symbol for Continental. We...we cannot...we couldn't move it all but we had to decide basically the aircraft that were...had the biggest awareness. So this is the sort of detail that we're coding to make sure that this scenario would pay for itself. And just so you know, this wasn't the most economic scenario for the company. The most economic scenario for the company in the short term was to maintain the two brands. But this was not going to deal...the promise that we wanted and the change that we wanted for a long term, in terms of the offer that they were expecting. And again, this would not respond to their vision, their business vision for the region. So that's why we came up with this solution."

5.6.4.6 INNOVATION AND FUTURE GROWTH

Brand architecture is now being planned to accommodate for future growth, here are some examples of this.

(Interview 9, Australia) *"I often talk about future growth in a portfolio, so building an architecture that will be relevant to the brand in 5 years' time and that means something that is flexible and adaptable enough to accommodate change with product innovation and adapt to circumstance."*

“I think, in a more monolithic sense there're things like FedEx and Citi Bank... both of those brands have been built to be quite monolithic and also simplify their portfolio at the time and also give them a platform through innovation as well. So they may appear to be quite conventional monolithic architectures but they're actually more sophisticated in the sense that they allow for a high degree of adaptability.”

(Interview 5, USA) *“...we have new portions of the business that we have developed over the course of the recent year. We are developing, for instance, cross-category offers, so we need to acknowledge that and have a brand architecture that reflects that.”*

Here interestingly, it seems that instead of shifting brand architecture, brand architecture is being built for change, it is adaptable in anticipation for the need for future change.

Here is an example of where innovation is launched into a master brand, while still maintaining the equity:

(Interview 3 India) *“Crest, which started out as a toothpaste brand, but now it's over a billion dollar oral care brand. So how did they go from just toothpaste oral care, all very tightly under the Crest master brand? You could have easily fragmented, you could have had, you know, six different sub-brands in oral care, but they didn't allow it to happen, even though they went into new categories with new innovations, they kept Crest at the core. So for innovation, I'll give you another reason, sometimes it's just...harmonisation.”*

In the American FMCG market space, it's about clarifying the brands positioning and ensuring that the innovation introduced speaks to that. So instead of planning for adaptation, they make it fit the brand.

(Interview 8, USA) *“So another reason is, they also desire greater rigour for innovation. I would say that in the past 11 years, you know, I, what I have seen is that there is a desire and need for rigor and organisation and to help really inspire, in an effective way, how to go about innovating the brand and assigning a clear role for each one of the sub-lines within a product brand. So I think that, that desire has always been there, but ability to truly live with that solution and mine it, I don't...I don't know that...it's tough right?”*

(Interview 8, USA) *“So another reason is, they also desire greater rigour for innovation. So I'll give you an example of that, just in the snack category how and even in other categories many clients have wonderful R&D departments and they're coming out with unique products, but sometimes those aren't necessarily*

a fit with the brand and so it's a matter of, are we launching the right products that really mirror who we are as a brand, from a heritage standpoint, and then what we need to do to grow effectively. So I think that the snack category is one of those where you see a lot of new entrants coming into play, a lot of new ingredients, and so do those always make sense in terms of going back and thinking about, alright this is the right move to make, and so what brand architecture can do is provide those guardrails, to say, we stand for this as a brand and we've organized ourselves and these sublines, and the role of each sub-line is X, Y, Z. And so how we enter the space, within subline number one, is to look at these particular flavour profiles, they're more in line with what we are known for, so more of our heritage flavours etc.”

5.6.4.7 TECHNOLOGY AND RATE OF CHANGE

Technology is affecting the rate of change in business and with that, brand architecture.

(Interview 4 Mexico) *“...ability to change faster. I would say that a lot of architecture decisions are not considering the fact that the market and the target consumers are changing much more than before. And the companies have to be able to have a portfolio that can react to these changes or anticipate these changes.”*

(Interview 8, USA) *“I think what has influenced brand architecture solutions the most is just the rate of change. So those marketplace dynamics that are changing so fast, much more than I think they were ever before, and then the changing philosophies of different cohorts, like millennials and Gen-Z, have really shaken things up, and so that's what I've seen. Both of those have impacted brand architecture solutions the most.”*

(Interview 12, Thailand) *“I cannot think of a category where I can, where my experience has always been a single thing, you know a single approach to brand architecture through its entire history.”*

“ WeChat was introduced, had it been an American brand it would never have been introduced, it would have been introduced two years later, but they were so anxious to serve to get it out there, that they threw out the marketplace and more reason it is being successful is that they are able to integrate and sort of building consumer response to it very quickly. And that is partly because of the technology brand, right, but even things like cosmetics, food beverage, you're seeing faster

cycles, you have seen flavour variations that will sort of evolve into sub-branded rights, because, just because they can.”

(Interview 13, USA) *“...things are changing faster, so the fact that everything is changing faster means everything including brand architecture should change faster.”*

The rate of change is so fast that sometimes strategies don't last for very long, and brand architecture projects need to pivot even during implementation due to another acquisition.

Technology is often responsible for driving this rate of change. Here is some evidence of that.

(Interview 1, United Kingdom) *“I think people have got key to data analytics, there's a much deeper understanding of consumers and markets, I think that has been quite a big growth.”*

“...how you go to market has changed a lot...that's pretty obvious that the whole thing around...you've got to reach the audiences in a new kind of ways and mediums there, so are your brands the right brands to really connect with audiences, because we can't...you'd go out of business pretty quickly.”

(Interview 3 India) *“I think dynamism driven by the transparency of the internet, everything...you can't hide anything, right. It's all out there. So if something doesn't work, you have to quickly change that.”*

(Interview 6, South Africa) *“You see that with social media and modern communications, you got to have a strong corporate underpinning brand and that supports everything unless you are doing naughty things or...you want to keep it out of the way. But would you say a lot of these examples were given from, like the 80s and the 90s where companies wanted to almost disguise how big, what they were doing or who they were working with which you say now that would, accessed information on the internet that it's actually shifting to being more transparent because the information is out there anyway.”*

“...today especially with reputation the corporate brands are more important than they've ever been. And continue to. And with all the social media and communications and transparency and speed, so it's going to increase all the time.

(Interview 7, Middle East) *“...technology there is so much of the brand experience today it’s an online experience that everybody has access to everything all the time, instantly. That you are almost forced, not almost, you are forced to be living in a multi-channel world and if you doing...I was about to say that if you anything except having a little mom and pop coffee shop around the corner but even if you do that you probably need to have an online presence and that online presence is going to be global and somebody in Taiwan is going to pick that up is going to influence somebody. It might not be important for you but it does have that ...generally, everything is going much quicker and everything is much speedier and having an impact on that and I think the fact that you see...there are big interruptions coming from unexpected places.”*

In the car industry, the purchase drivers are expected to adapt in the coming years, this will also require a shift in brand architecture.

(Interview 12, Thailand) *“...the automobile category has been built around better service, different people’s ideas of how they want to drive, right? Do they want to be the rough rugged individualist, do they want to be the, perceived as the male man of substance and success. Do they want to be perceived as urban culture, you know it is socialising culture. But as cars, but as cars become less desirable as individual purchase objects, which they are, you know fewer and fewer cars that, the only remuneration is the amount, the climb in the number people or audition that say they want to buy a car, is staggering. I mean I knew a car engine will be significantly different in ten years. Now that will affect how separating works. Because some of these separatings are not going to be about projecting your image, it is going to be where you’re writing experience as past year is or it may be about safety if it’s a self-driving car, don’t you think? So, you know if you think about the car industry in the next five to ten years is going to have to come, start thinking about how they want to adapt and evolve their brand architectures. Not because, you know because technology is fundamentally changing that category and how people interact to that category.”*

5.6.4.8 MARKET EVOLUTION

As markets evolve, this can cause brand architecture to need to shift.

(Interview 8, USA) *“And then there’s also just changing market dynamics in terms of competition and how well that they’re innovating versus that particular brand that we’re working on right? So I think all of those really impact a call to action for a different brand architecture.”*

(Interview 1, United Kingdom) *“I totally agree that brands are always evolving, they always need to evolve the product architecture, and they always just...develop their kind of products. The best businesses are kind of on that, and they’re always evolving it, really kind of clearly and cleanly.”*

(Interview 12, Thailand) *“Hyatt, five years ago, six years ago just a major change where each of the four, their four variations are different, plus they added in three or four boutique concepts which are how to high at all. So you get a very, very, a whole bunch of writing and as a response to the rise of the popularity of boutique hotels. Okay? So why did it happen? It happened because of market dynamics. Now why did Hyatt become monolithic in the first place? Because people wanted to trust that they were going to have a consistent experience in a hotel... So they went from incredibly ‘boutiquey’ to the nth’ degree, to monolithic and back to ‘boutiquey’, right? Why, from market dynamics, because that is what the market asked for, because the market was, in the first place they wanted consistency, because they were tired of not knowing what they are getting, but then they wanted to have equalisation, it may be in 20 years, we go back to some other variation or not because now what is happening it is you got Air Bn’B coming in.”*

5.6.4.9 BRAND ARCHITECTURE TRENDS

One of the global brand strategy agencies interviewed has identified and shared four major trends with regards to brand architecture. Brand architecture trends, naturally may cause a shift in a company’s brand architecture.

The first is the rise of the FMCG power brand. Power brands can utilise global communications, require high investment and allow for management focus. An example of this within the beer industry would be a Budweiser or Stella Artois, compared to a local champion which requires reduced communication, low investment and reduced management focus.

The second is the rise of the corporate brand (and monolithic brand) they say that this is because of increased transparency both culturally and digitally and therefore avoiding contamination through brand architecture is a strategy that no longer works, there is geographic convergence as well as technological convergence. There are also blurring audiences between B2B and B2C as well as treating investors as consumers. Leveraging a corporate or monolithic brand also assists cross-sell and bundling.

(Interview 3 India) *“I think corporate brands are coming into great prominence. So, you know, unless it’s just a pure product brand, the role of the corporate brand is becoming more and more... (important)... it’s knowing...who is behind.”*

(Interview 6, South Africa) *“A lot of the business to the consumers, the corporate brand wasn’t regarded as a corporate brand. It’s regarded almost as a quoted entity on the stock market. Now today, you know, that’s all changed quite dramatically. That’s been one of the bigger shifts.”*

The third links to the rise of the corporate brand, which is the rise of purpose. This helps enhance the corporate profile and can be used to do good or recover a reputation. This also assists with employee pride and consumer participation and engagement. An example of this is P&G’s “thank you mom” campaign.

(Interview 1, United Kingdom) *“I guess what companies stand for has changed a little...there’s a debate about what is our purpose and what are we really going to stand for as a company...I guess that’s shifted over time.”*

“...it’s being really, really clear that you know...that...if you’re deploying products into the market, are they really happy to build that kind of brand, are they really ready to hear it, are they really standing for the kind of right things. So...if a brand is a promise to your consumers on what you stand for and what you’re meaning is, are your brands and products really, really kind of supporting that? Because I think consumers really want to know where brands are from, what’s kind of backing them? So I think that’s where, you know, if you just...you’ve got to look, not just to the market, but what it is you kind of stand for...I think a mix of those brands...that kind of combination creates really compelling architectures.”

The fourth and final trend is the rise of joint ventures and how these joint ventures then choose to present themselves with regards to their brand architecture.

It is important to remember that brand architecture is also a relatively new construct, this is demonstrated with a book that was shared as a part of this research.

(Interview 6, South Africa) *“And so you look at that book (Brand Strategy, John M. Murphy, 1990) I’m not even sure it got the term brand architecture.”⁹*

5.6.4.10 OPTIMISATION

One of the drivers of a shift in brand architecture choice is the increased importance that has been placed on brand architecture.

(Interview 3, India) *“...it’s become so much more critical, in the sixteen years that I’ve been at (company name), the number of pitches in the past two or three years, and the interest from companies. Firstly, I don’t think companies even*

⁹ John Murphy is the founder of Interbrand, a leading international brand strategy agency. The book, Brand Strategy from 1990 has no reference to brand architecture.

talked brand architecture ten years ago, to the extent that they're talking about it now."

(Interview 4, Mexico) *"I would say that there is more awareness of the importance of this relationship between brands than before."*

There is an increased focus on portfolio optimisation as well.

(Interview 10, South Africa) *"I think the expand and contract and expand and contract...I just remember thinking how can so many people, like how many choices of coke can there be on the shelf and for me it's more about the portfolio optimization versus the brand architecture structure."*

(Interview 14, Turkey) *"And when you look at P&G again, you leverage big organisations, they do optimisation studies and then they kill some of their brands, they merge some of their brands, under one brand, so there's a change of optimisation going on and wherever they don't have a real reason to exist, it's dying, in parallel to the new brands coming up every day, there is a tendency of optimisation as well."*

The current movement in the brand architecture seems to be an overall desire to adopt more monolithic principles. Here are some examples of this observation.

(Interview 4, Mexico) *"Recently, especially for more B2B businesses, I have noticed that its...they try to be more monolithic, they try to be more of a branded house, because sometimes what they want to achieve is a much more consistent way of working and behaviour within their companies."*

(Interview 11, South Africa) *"...majority of brands that I worked on is a case of quite a disparate bunch of brands that have the desire to get much closer. So, getting in sort of monolithic brand approach as opposed to a row of different brands. (The brands that) either developed quite independently over time or that they've purchased over time. And then, (they) are faced with a challenge of let's bring it under one umbrella and go forward with the unified look in terms of our brand architecture."*

"If you look at the nature of where this typically happens, the Middle East and Africa. It is a desire to portray a much more sophisticated, organised look to the outside world. So, you may have some good independent brands but they don't actually leverage anything. The strong brands don't actually give you anything to leverage off when you look at some of the other brands in your portfolio and then

clients start to see that and say actually if I could build a better overall, unified look. I can probably endorse this to the other brands that may not be doing necessarily all that well.”

(Interview 3 India) *“Growth leads to proliferation and at some point people realise proliferation is expensive and inefficient and it rolls back and I’m seeing a lot of rolling back in the last two, three years as companies realise that they’re just not...the brand system is not synergistic, and there’s a lot of scope for optimisation.”*

With this evolution in the field of brand architecture now we are seeing an increased need to quantify.

(Interview 4, Mexico) *“I think brand architecture, in general, is evolving a lot, and what all practitioners are trying to do is to be as articulate as possible. So if we could even quantify the risk of this scenario versus this other scenario, of course, it’s better, because the client will feel much more secure about making the decision.”*

“What I know is that, from brand valuation and from analytics in general... just considering much more let’s say, business cases, it helps a lot more to understand risk in terms of numbers. But of course, this is also really complex, because you’ll have to approach brand architecture also from the...let’s say, maybe asking one specific question more than having a much wider view of it. Of course my experiences are much less quantitative, in this sense, and usually, it’s because of the nature of the projects, but I would say that brand architecture has evolved into that, to be as quantitative as possible.”

As well as deliver value to investors, through focused messaging and spin off.

(Interview 3, India) *“But it’s a very big issue, and as companies grow more and more, the whole emergence of new units, and the desire for older units to be spun off, I think in the West, it’s very driven by focused messaging for investors. So if you’re Bayer and you’re in healthcare, and there is a part of your business that has nothing to do with healthcare, you spin it off. We’ve just spun off a part of Bayer, it’s now called Covestor.”*

5.6.4.11 HUMAN NATURE

Another one of the big drivers of a shift in brand architecture is simply the human element, the human ego.

(Interview 5, USA) *“I think that, on brand architecture, there is a bit of ego running into that.”*

(Interview 11, South Africa) *“I think there's less a push to have a monolithic brand approach to what there was maybe 10 years ago. Maybe I think clients are much more open to the idea to say we have five brands four of those, one is different doesn't really fit with the rest of them and we are going to keep that as a separate offer because it talks to a completely different type of audience... 10 to 15 years ago people didn't do that, there was this real drive to make everything monolithic under one big parent brand and I think it had to do with showing size, showing scale potentially for reasons that were not necessarily always economic. I think a lot of it has to do with egos, it had to do, of course in the Middle East a lot of these big conglomerates are owned by families and a lot of these big conglomerates carry those family names as their conglomerate name so there was a desire to show success growth scale through this sort of very unified approach and I think maybe that generation has passed on and the next generation is there, it's much more about economics or doing things for the right reasons.”*

5.6.5 TRENDS AND FUTURE CONSIDERATIONS

Owing to an exploratory approach, the research was also able to identify trends and future considerations that are relevant for brand architecture which emerged from the research. Brand Strategy experts have identified two important factors to consider when strategizing a brand architecture. The first one is designing the architecture for the future and the second is a current trend of simplicity.

(Interview 12, Thailand) *“And in fact, the real secret to success, the art is to figure out, not what is happening now, but what is going to happen in five years. So if you are going to be a hit, if you can sort of get a good of a sense of what market is going to be like in five years and you optimise your brand architecture to that horizon, you got a slam dunk. Often you will see cases where you have created a brand architecture which makes sense today but doesn't take into account you know X, Y, Z change, so it is also why I talk to clients about what, what's happening in your market, what are the trends in your market, in your category. Forget about brand, what is happening in technology, what is happening socially, what is happening, where is your next expense area. Not in depth but just so that you have a sense of this because I think that influence is how we think about, where our answers should be.”*

(Interview 9, Australia) *“...a lot of what we quite often do is underlying that with an understanding of segmentation or market needs and also rationalising what is quite often or has become a more complex scenario than what it really needs to be. I think, quite often, we’re coming in when something’s evolved over time, it’s become complex and lacks rationale. So really what we’re doing is helping define some clarity in terms of what’s needed and what’s not needed, and how you can use the future architecture as a platform for growth. It seems obvious but it is quite often not the case.”*

Here are some quotes that demonstrate the current trend of simplicity:

(Interview 3, India) *“...there is a desire for unification, cohesion and connection. That’s another reason for which companies embark on looking at their brand architecture.”*

(Interview 5, USA) *“So I would say that, at the moment, our clients are really shifting their brand architectures. Something that they want...more simple, because the more brands you have, the more it requires discipline and at the same time, budget to maintain them.”*

(Interview 9, Australia) *“...originally they (Citi Bank) had a number of product brands that were sort of being used individually so we’re actually simplifying their architectures, so they were in a situation where they needed to necessarily create a new brand every time they got a new innovative product to market. So in many ways, it was a simplification... it is also shows the evolution of how that brand moved from something a lot more complex to something that was simplified. And then that also demonstrates how they generated market value from that as well, over time, by simplifying their portfolio and rationalising they were also able to unify the business on the one existing culture and then also drive customer service delivery in the same revenue growth. So it’s a whole chain effect in terms of unlocking value of the business through a more simplified and adaptable architecture.”*

(Interview 10, South Africa) *“‘How do I simplify, simplify, simplify?’ So the architecture started to revolve around kind of broader part product suites as opposed to branding every innovation that came out. If I brand every innovation that comes out, globally no one understands what I do. So you trying to understand the core innovation pillars and branding around that.”*

5.6.6 CONCLUSION

Markets naturally evolve over time and this evolution can even be thought of as cyclical. We are seeing the West move to traditional Eastern branding practices with a focus on the corporate brand, albeit it for different reasons. As markets continue to grow and develop, so will brand architecture. This research has identified eleven key drivers for a shift in brand architecture over time. These drivers, however, can be simplified into one common element which is continually working to optimise consumer-based brand equity, through strengthening the brand.

5.7 DYNAMIC OPTIMISATION

In this section some high-level thoughts about the concept of a dynamic brand architecture are shared before closing with an understanding of what the drivers are for this new concept.

5.7.1 DYNAMIC BRAND ARCHITECTURE THOUGHTS

The notion that brand architecture needs to be dynamic in order to be responsive to market requirements emerged as a finding in the research. Practitioners shared their thoughts on this concept indicating that brand architecture is not as static as the current models depict.

“Brand architecture is guided by business strategy, by its very nature it’s dynamic.” – Interview 3, India

(Interview 2, South Africa) *“I think it’s always, it’s not finding structure, it’s about finding what is in people’s heads and then saying, what story do I want to tell and how I do I tell the most structured (way)...each market, most of the time, it will be different. And then you have to make choices, right...at its core, brand architecture needs to be fluid and dynamic and almost of it’s done optimally, it would be. But then dependent on the resources and the capability of the company, it may become more and more structured? And also, the insights within the company, if they have them and are able to respond to them or not.”*

(Interview 3, India) *“So I think it’s also just the nature of business and how much you pivot. Start-ups are like that. That they’re pivoting every six months, their business strategy didn’t work, or they have to pivot to a new business strategy, so obviously the structure of the brand portfolio will need to be re-looked at again. Because the speed of change, agility, and in many cases disruption as well. We*

live in a very, very agile world, things are moving really fast, and as I said, disruptors can come from anywhere. You have to have a system that's much more dynamic. It's not, it's not the rule book that lasts forever anymore. I think that you've got to keep looking out for opportunities, you have to be less rigid about brand, which includes brand architecture."

(Interview 7, Middle East) *"...the whole discipline of branding and brand management is becoming more fluid, more dynamic, more agile, and there's a consequence of that, you're also prepared to look at your brand architecture in a more...actually, I think it is fair to say that if you go back some years, to define brand architecture it was kind of the whole experience, you know, in many organisations. That was not something that they messed around with. Then we have decided this and now we are going to stick to this and I don't think that we are taking it for granted in the same way."*

"...there is a bigger understanding today for brand architecture as a tool, as a dynamic tool if you want to help to drive the business and to...where it used to be about law and order, and it used to be... we need to bring some order to this, and it was more static in that sense. And today it is more, one of the tools that a brand owner or a brand manager or a CEO has to play with and knows that you can use. Does that make...it's a bit 'freer', if you understand what I mean?"

"Obviously, the other point I'd make is there is the need to build a platform for future growth, so a degree of fluidity and adaptability to the portfolio gives you options in terms of how you move forward in a more dynamic and changing marketplace. So really having the tools in place to allow the brand to reach its full market potential."

"I think my point would be that that is becoming the norm, that brands need to be agile in how they go to market and then as a result of that, the conventional theories don't apply. You need to apply an agile methodology as to how you develop brand architecture and that means looking at prototyping, financial modelling and looking at different scenarios to allow for a greater degree of adaptability to explore a wider range of scenarios in how to go to market. I think that whole idea of an architecture that is more fluid and adaptable is pretty much becoming essential now for brands."

(Interview 11, South Africa) *“...is something that we will probably face more and more in the future, especially with our global clients, that we are potentially faced with different brand architecture models based on different geographies and even based on different client scales, and the product lifecycle. And that is an issue that we need to be aware of...I mean (company name), as an agency and as a brand consultant has become much more open to the idea of agility and having to be less rigid and less rule focused versus being much more open to looking at individual scenarios and making sure that you are doing what's best for the brand and for the client as opposed to what will you look the best for a brand or from a visual perspective.”*

(Interview 12, Thailand) *“There is no rule book, there is no such thing as rules, and the rules are constantly changing, in reaction to the market. There is no way you can say these are the rules which you work under for brand architecture. The guru of brand architecture for many years was David Aaker and in the 80s and 90s he sort of set down these rules and I was operating in Asia and I found that very odd because, I think, there are principles and I think those principles change in reaction to what's happening on the ground.”*

“They are going to ensure that they are not, they are not changing anything which is confusing and or inconsistent, now it is not impossible, there can be variations, again you have to take into account fact that there are no more black boxes in the world.”

“Agile is the new mantra for (company name), which is basically just recognising that, that what we used to do when we used to have a ten-year cycle on it is now five-year cycle, you know and then it turns into a three-year cycle. That ...also means that I think a lot of the tools of brand architecture or brand are being brought in-house, you know, the agency's role is going to be a sort of a guiding hand, not a sure a guru that does everything. That is our decision tool, it means it can allow middle management to make decisions that are sensible decisions with thunder group perspectives. But yeah, things are changing must faster. There is also, in this also, by the way, I think that also there is a Chinese element to this, to that, with the Chinese business management style, which you know we directly call you ready-shoot-aim, but it is to move to market fast, even though you are going to make a mistake and we used, I mean westerns just used to ridicule that, but in actually proved to be very effective in some areas.”

(Interview 15, Brazil) *“...this tool is something dynamic, and you have to be made to...really accommodate future movements so it’s not static, as static as it was as Aaker defined this, at first okay, and as I said, what I’ve been seeing here is more and more of the middle field, not fragmented, not monolithic, in the...in the middle space, because of our, of our velocity, the time and the movements and everything that we’ve seen in the...our actual scenario, everywhere in the world. ...most of these brands were made to operate in a specific region and now they are not, they...they just go everywhere, either digitally or physically, so we have to think in a global environment, even though we are talking locally.”*

Interesting concept that due to technology all brands are now global brands.

(Interview 4, Mexico) *“I don’t know how to explain it, but I think brand architecture...as it’s not one static thing, it’s completely adaptable and it’s just a tool for businesses to somehow make decisions. It’s somehow...what I mean is that there is brand architecture in every business, even if people are not aware of it.”*

“So what I mean is that it’s not something that could change because it’s not something. It’s just much more of the fact that you are aware of this discipline and this strategy behind it, that the fact that it has always been there. So what I do think is that it’s not evolving itself, it’s more the fact that it’s more dynamic and the fact that it’s evolving, is how people use it.”

Companies are also more demanding in what they expect from the brand architecture tools as well.

(Interview 12, Thailand) *“...the tools we use to present it can now be cheaper, faster and the audience’s expectation chain is faster, they expect things done faster, they expect things to be done, and in fact change much quicker than they used to.”*

5.7.2 DYNAMIC BRAND ARCHITECTURE DRIVERS AND EXAMPLES

The notion of a dynamic brand architecture is happening in practice, around the world. The concept has resonated with brand strategy experts and is a universally appealing concept. This is supported by Table 8 which shows that both developed and developing markets spent a fairly equal time providing examples and discussing the drivers of a dynamic brand architecture system.

Table 8: Dynamic Brand Architecture Drivers and Examples

	Developed Markets	Developing Markets	TOTAL
DBA; Dynamic BA Examples	1324	1320	2644
Dynamic Brand Architecture, Drivers	3139	7948	11087
Accum. Wordcount	4463	9268	13731
Total Wordcount	24331	56829	81160
Relative Count (%)	18%	16%	16%

The drivers of this concept of dynamic brand architecture can be summarised into three main categories, demonstrated in the network view Figure 12, found in Appendix 3. The first one is place, which speaks to how brand architecture needs to shift over different places. The second is time, which represented how markets evolve and the external factors that shift causing a need for a responsive brand architecture, with the last category being optimisation, demonstrating the desire for growth in business which covers any internal drivers to shift brand architecture selection.

5.7.2.1 PLACE AS A DRIVER FOR DYNAMIC BRAND ARCHITECTURE

Globalisation, as discussed in section 5.5.1 is a driver for a dynamic brand architecture system. With the rise of globalisation, it is causing brand architecture to need to be more dynamic as well, to respond to the local cultural and market needs. With this rise, a requirement of geographic portability emerges to provide the brand with options.

(Interview 9, Australia) *“Optionality is becoming increasingly important, and that’s not just in consumer goods categories but, we’ve rebranded the largest insurance company in Australia and obviously Asia is an incredibly important market for them going forward. So they need to have the option to use their parent brand, not just as the shareholder brand, but also as potentially a consumer-facing brand in Asian markets. A part of that is geographic portability.”*

“...product treatments and architecture treatments adapt to those particular market needs and to those particular consumer needs, so it’s set up to be a consistent treatment but also has that flexibility to adapt to individual cultural needs.”

Here is how this would be put into practice:

(Interview 9, Australia) *“I think that’s particularly the case in China obviously because that Western product commands a significant premium. I think you particularly see that in categories in terms of food quality and that’s particularly the case with products like baby formula for instance and milk powders and those*

sort of categories. So food categories, in particular, I think that sense of endorsement from parent companies is obviously, as you say, incredibly important and I think there is no one answer on that. I think in some instances where the role of the parent brand altogether, in other cases we're actually dialling it up when it's seen as something that adds some sort of equity to the situation."

"An example might be Nestle for instance. Say in their foods division, we work on their cereal partners brands and on those brands Nestle plays a back of pack role and it's, you know, a back of pack endorsement. It's almost when the consumer goes to the next level they discover that it is from Nestle and that might give a degree of reassurance but it's not seen as being a critical component and it doesn't really deliver any equity. In actual fact, in some cases, it might cause confusion because there's a brand, a sub-brand and you put a parent company brand in the mix as well and you just end up with a confused situation. But then in other instances obviously Nestle, you know, in bottled water in Asian markets or in formula or coffee, Nestle plays an essential role and the parent company brand is seen as being more important. So in Nestle, there are some very good examples there of cases where it plays a more prominent role and then other cases where it is more secondary."

This is about enabling and creating future growth and to do that brands need to be able to respond to the local market context, in order to create the required consumer-based brand equity.

Another consideration here is language and the effect that it has on brand architecture across place. In countries where it is not possible to use the primary brand language brand names can be translated and maintain the same meaning, they can have a transliteration and maintain a similar sound, they can have a transliteration which is keeping a similar sound and meaning or they can be re-created based on brand equity. Here is an example of how this impacts brand architecture when a Chinese company enters Nigeria.

(Interview 11, South Africa) *"So, their brands are obviously written in Chinese. So, that immediately made us make them have to relook this from the beginning. Which then leaves the door open to say actually we now going to have to change this to bring it into English and the opportunity and more rationalise the brand architecture. So, the usual way of structuring their selected TV channels and*

products in Africa versus China is completely different but it really stems from the language difference.”

Across place, there appears to be a spectrum of market requirements and country development. On the left-hand side of the spectrum, we have developing markets who require trust and reassurance from brand architecture and then on the right-hand side in developed markets we have the requirement for a more unique and authentic experience.

Here is an example of this in developing markets:

(Interview 9, Australia) *“I’ve worked with Fonterra on their global milk brand and looking at how they apply that brand to every different geographic region around the world and what was fascinating about that was that Australia and New Zealand, in particular, have been very different to Asia in terms of what the requirement was. I think... the primary requirement in Asia is trust and food safety obviously and for that reason the parent company brand plays an integral role in terms of giving that sense of reassurance.”*

The insight here and it’s occurred in multiple times across the world in the research is that insight in terms of that the role or the importance of the corporate brand to provide that reassurance can be dependent on the degree of development in the market.

Keeping within the food industry examples here is a parallel example of market behaviour across Europe and the Middle East.

(Interview 11, South Africa) *“I think this has been softened slightly I think as the market matures, there is less of this desire to show this, conglomerate, monolithic approach. There’s more of a desire, I guess it’s becoming a little bit more like the sophistication level in Europe. There’s an understanding that people don’t want a one-size-fits-all solution. People are looking for uniqueness in their products, in their services that they buy the imports become slightly more subtle. They become slightly less in your face where as in the past there were in your face sort of very hard endorsements as a very monolithic approach.”*

“I think there is a lot of, a lot to be said for consumers in the likes of Britain, France and Italy, that look at let’s say food products and say actually there’s a whole drive towards organic, home-made, constant-made, hand-made, uniquely made for me, as opposed to Fatti’s & Moni’s branded pasta, for example. Or, Crosse and Blackwell branded mayonnaise, there is, there’s a different mindset in different geographies when it comes to this, this endorsement. So, really...the

global brands that decide... this is what we going to take and want to do it all across the world the same way; not necessarily the best answer.”

5.7.2.2 TIME AS A DRIVER FOR DYNAMIC BRAND ARCHITECTURE

“The industry you are in defines who your audiences are and your audiences define choice and choice and defines brand architecture. It is fundamental and also industries change over time.” – Interview 12, Thailand

As markets develop and the rate of change increases in a connected world, the impact that this has on brand architecture increases. Here are some examples on how brand strategy experts are approaching this.

(Interview 4, Mexico) *“I would say that a lot of architecture decisions are not considering the fact that the market and the target consumers are changing much more than before. And the companies have to be able to have a portfolio that can react to these changes or anticipate these changes.”*

(Interview 3 India) *“It’s no longer about brand guidelines and more around principles that you follow. I think also because the speed of the growth that’s required, you need to give people more flexibility, you can’t, let’s say, be as locked and tied in as before, but you have to allow that within certain parameters...it has to be dynamic because otherwise, we are choking new businesses of growth possibilities because of some archaic rules.”*

(Interview 7, Middle East) *“The speed with which the world changed and I am not talking from the perspective of sitting in the Middle East but perhaps the speed with which new brands are coming in, and where you perhaps would have five to ten years to build something up, now you just need to move much quicker.”*

Timing is also a reason for brand architecture shifting. The example below shows how while a brand architecture strategy is being implemented, a process that can take a year or longer business strategy charges ahead and then the brand architecture strategy is impacted and needs to shift again.

(Interview 15 IB Brazil) *“We’ve worked a lot with the financial market, okay, with a bank called Itaú here in Brazil, which is the leading institution here in Brazil in Latin America. And Itaú has acquired, or has merged I would say, with a huge bank called Unibanco, which was....basically their, or one of their biggest competitors...Basically, they were both retail banks that also had wholesale, and they were both ‘a serve-all’ bank, that would have all sorts of offers in the system. So they would have very similar offers and they had also a similar story, a family-*

owned institution that was very professional by the time but still had the owners in place so far, so on. And we finally did a huge assessment and we decided that this brand would have to a single brand after the merger, that would be Itaú, which was the strongest brand, which was the most compelling brand, which was analogism, which was a name that we could give....the meaning that we wanted wasn't related to be...to the bank system, like Unibanco, for instance, which is a different category, and there were many reasons for that. And finally, we could evolve as one single brand like Itaú. But this was five years ago, and we were doing fine, we had lots of brands that would come up from Itaú from the segments, for instance, Itaú Insurance, Itaú Wholesale, Itaú Credit Cards, so far so on. And we could make the deployment to Itaú to a single brand, but since in the middle of this process, that would last like two years, Itaú acquired other banks, that wasn't on the plan, that wasn't something that they were thinking of, because of the Brazilian economy and how things have evolved here and it's very difficult to predict, as you may hear. Institutions have to make some fast movements or sometimes, there is an offer for them that they would never imagine. So they had to make a lot of acquisitions that weren't predicted and some of these acquisitions were actually indeed acquisitions of very strong brands, in other segments, that weren't so strong, like credit cards, for instance, they had a lot of equity in their, in their brands. So our basic strategy that was monolithic brand, a very strong one, that really worked in the first two or three years, that was still something that was in process, we had to roll out other brands with something that wasn't really pure anymore because, we as a consultancy, decided that a couple of these brands that were acquired, really had to remain as they were, because with the new scenery, with the new environment, these brands were brands that really were worth to be kept. So, we had a plan that we...we thought it would last more than five or ten years, and actually it's something that really lasted for two years."

(Interview 8, USA) *"I do think that the brand architecture change is happening more so, you know I think that the rule of thumb that you might quote a few years ago would be, you know, live for about five years and you felt you needed to relook at everything and kind of do a health check on your consumer segments as well as your strategy. Now I think that's definitely dropped down to a two to three year time period and you need to just always be doing a pulse check on it."*

Competition is also a driver of a dynamic brand architecture, over time and highlighted in section 5.6.4.3. With this increased rate of change and increased competition also comes the risk of disruption.

(Interview 7, Middle East) *“I mean who would have imagined that five years ago that Netflix could actually move into broadcast television in any important way or who could have imagined that a little payment management company like Uber would manage to upset the entire transportation industry? And these things just come out of nowhere and you cannot. I think if you are running any business you will need to be prepared that you will always be a little bit paranoid and lookout. I think the old philosophy that only the paranoid survive, it has proven to be right.”*

This increases the need for brands to be able to optimise consumer-based brand equity and achieve consumer resonance. Adopting a more customer-centric strategy is one-way companies try and mitigate this risk. Here is an example of this from the USA.

(Interview 5, USA) *“And there’s one that can change, it’s the transformation of the business for some clients, who are like, for instance, digitally disrupting the way I do things, I need to launch more services that come with my products, and basically, I need to leverage more synergies, I need to build platforms of services, and they haven’t thought about their brand architecture and the changes in terms of business and they are fearful. Everyone thinks they will be ‘Uberised’ on their business, but this pushes for changes and for thinking about their business in a more customer-oriented perspective. And this is great because now clients are really wondering...hey, I organise my portfolio based on my organisation, I should organise it so that makes sense to my consumers. So at the moment, many of them are running customer research, needs state research...it’s not new in the business, but before that, there were many clients that did not care about it, and now they are really pushing for it, thinking more...what do my consumers need, how do they navigate the category and my products, where are my next innovations, how do I organise my portfolio to be ready for that.”*

(Interview 7, Middle East) *“But if you’re building your success on...I’m going to be as relevant as possible to each and to all of my customers... I am going to build my service around you. I’m going to make sure that you can do this service on your terms here. Financial services are so much about, build it around me, let me do my banking on my terms, on my time, in the way I want to do it and so on. And you cannot take what is good in Spain and adopt in Nigeria. You would need to start with what is relevant and to do that and this comes back to where we*

started about being more agile....and so you cannot rely on the rulebook that much and say that, you know what, we have decided that this is exactly how we do it so it has to be done that way otherwise you going to ruin our brand.”

There has been a paradigm shift with regards to how brands need to operate.

(Interview 7, Middle East) *“I think we generally can see that while 10 years ago or even maybe 5/6 years ago there was still a paradigm where you were looking at brand building as...preferably and you do an exercise and you define your brand assets and you document it all in a guideline that really nails down how everybody should do and how everything should work and then you lean back for the next 7/8 years while this is executing and then you do some adjustments. There is a little bit of a caricature but I think that is very much how it worked for many, many, years and I think what we see now is just not like that anymore.”*

“It took being able to grow and to be a successful brand today you need to be much more on it all the time. It is now an ever ongoing iterative process when you do something you put it on the market you try it you adjust, you might do different things in different parts of the world, you adjust it for different target audiences and you are much, much, quicker than other parties and just as true of branding in general but it’s also true for brand architecture.”

“I think the idea that you show a lot of research, defined the brand architecture is and then you will be able to live with that for 10 years. I don’t think that is true anymore. I think this is much more of a living thing and something that is changing all the time. You will need the tools and the insight to manage that change.”

The idea of market dynamics arose and it is important to keep in mind and that there are expansion and contraction cycles in the market.

(Interview 12, Thailand) *“...you are not ascending to some perfect ideal, you are going through customary reactions to what is happening in the market.”*

(Interview 10, South Africa) *“I feel like we went through expansion and in the early 2000's I was part of the expansion where it was like a product brand for every need and then it's contracted, that contraction has been about optimising shelf space and getting more bang for the buck was kind of phase one and then phase two became about the influence of the corporate brand, this is a very U.S perspective now, then it became an influence of the corporate brand and how the*

corporate brand can bring things to life and now I think it's on the consumer brand level and the corporate brand level depending... it's about going back to understanding how can I leverage my brands to kind of, how can I start to go more towards a house of brands than a branded house to kind of infiltrate certain segments.”

There is also an enhanced understanding of brands as assets.

(Interview 7, Middle East) *“The flip side of that is investments and it’s because branding is also an investment and also branding is an asset. It is an investment in intellectual property and I do think that...that you would have probably seen in the past 10 years is a big and more widespread interest and understanding for intellectual property, and that intellectual property is something that is an asset that fits into the balance sheet or can fit on the balance sheet in the same way as your factories or your sales or what else you have there. And of course you can still invest in one asset and you are heavily invested into it, even if you could save some operational costs by abandoning that and going with something else, that would also mean that you that you write down the asset.”*

Here is an example of how this has an impact in practice.

(Interview 7, Middle East) *“We did a piece of work in the aviation industry a couple of years back. It was a serious offence of creating a new world class player, of bringing together 5/6 different companies from around the world and bring them together on a...one kind of umbrella that would become a global market leader both by size and reputation. That was the grandiose plan and the whole thing. And as we were working on this and thinking about...so, we have five different names and five different brand names, five different reputations, five different images, how do we, which one do we choose, one of those or should we choose something new? That’s always an obvious question for to begin you know? How do we bring the cultures together in that? And an unexpected obstacle turned out for one of these companies, which was one of the star companies in the group, it turned out that when this investor had acquired that company they had takeover agreements. They had valued the company name, the brand name...to many hundred million dollars, which now sat on the balance sheet of that company.”*

“Of the five hundred million, which could be a great idea if you are making lots of money and need the tax deduction. But that was not the case here. That would actually bring the company into bankruptcy. And finally there were things like that

and then well we cannot do that then. So there goes that model for brand architecture. We will need to keep this brand name in one way, shape or another and build around it.”

“The awareness of intellectual property and what that means and what it adds to the value of a company. That the brands are not just decoration or ego, or I want my name on it and so on but, to actually...just as if you were building a building, you are building a brand, you are putting money into it, and you want to make sure that you can have that. And related to that thinking about brands as tradable assets, where it once was perhaps...the default was, ‘of course I am going to put my name on it because I am starting it.’ This is another product, another business line from my company, of course, it’s going to be there. I think, today it is much more of an option than a.... perhaps if I reassign we are going to send this to someone else and we don’t to have the mess of having our corporate brand involved in this. It is much better to have a separate brand to that.”

5.7.2.3 OPTIMISATION AS A DRIVER FOR DYNAMIC BRAND ARCHITECTURE

Looking to the internal drivers for a dynamic brand architecture this can be categorised as an on-going desire for optimisation.

Firstly, one of the cautions is for companies to understand that their brand architecture needs to be constructed to allow for ease of navigation for your customers, not necessarily reflect your internal structure. There is an awareness that the internal structure and the external structure for the brand architecture do not need to be identical and that brand architecture needs to assist the customer. Understanding this can cause companies to shift their brand architecture.

(Interview 1, United Kingdom) *“it’s all about corporate structure...about how really connecting to your audiences, you got to probably separate what’s the corporate structure from what’s the consumer or forward facing brands.”*

(Interview 5, USA) *“...brand architecture is a kind of practice that works across the world. What changes, in terms of culture, is mostly the internal aspect, I think, and I would say that this is the main issue when it comes to brand architecture, is that you are running into the organising principle of the firm. And you need to make people understand, which is not the case today that brand architecture is solving for your customers, rather than reflecting your internal organisation.”*

Dynamic brand architecture is also driven by a need for growth, here are some examples of that.

(Interview 10, South Africa) *“...honestly I just think more and more people are trying to figure out how they can use their brand to target more segments or get more specific in each segment to be relevant.”*

“South Africa, lately it's more about getting into new segments and leveraging my brand architecture to get into new segments is one thing and when my brain can't stretch, I need to come up with a new brand architecture solution that is kind of like for I see being the main driver, plus it's less the cultural context more than anything but more about expanding my footprint.”

Growth is often pursued through acquisitions which can add complexity to a brand architecture strategy.

(Interview 5, USA) *“...J.V., M&A, and those kind of things, means that they expand the portfolio, de facto, and usually because they are, for instance, integrating a new firm, in that case, usually, from a brand engagement perspective, and from an HR perspective, they usually accept...keep the brand within the portfolio, even though sometimes it doesn't make sense. But, it means the main reason why their portfolio is mushrooming.”*

(Brand Sliders, written by Interview 13, shared by Interview 3) *“But now you have a branding dilemma. How best to brand this new acquisition? Your first thought may be to use your existing brand because it's the more efficient path. But there may be some important reasons not to. What if the acquired brand has a lot of equity, or your own brand doesn't have credibility in this new space versus its new competition? Maybe the better option would be to use the acquired brand?”*

Growth and acquisitions can lead to proliferation, here are some examples.

(Interview 3, India) *“Last year we did a big piece of business for Marriott, and they just realised, what the hell are we doing with twenty brands in our portfolio, that's over the top! Ultimately, the role of the management team is twelve people, and you still have to go through the how in the world are you managing twenty brands.”*

(Interview 7, Middle East) *“That's not to say it's the best reason for a brand architecture but it's quite common for why it is the way it is. Simple proliferation of stuff over the years. I was working with one company in the farming sector some years ago and we did things to a corporate brand, so we said let's clean up*

the trademark while we are at it and many other brands, and we started to just try to map out what they had and we stopped counting at 250...250 registered product brands!”

Once proliferation is identified, it, in turn, can lead to a desire to be more monolithic.

(Interview 14, Turkey) *“Yes, especially, in the last, I think, 3, 4, 5 years. Even though we have more brands there are lots of brands coming up, new players like Airbnb, Uber, kind of new services, new ways of doing businesses, but at the same time, we see that there is a lot of cleaning in the brand architecture spectrum.”*

Or sometimes a desire to be less monolithic and to have differentiation.

(Interview 3, India) *“Another factor is the desire for differentiation. I get calls all the time from different units of the Tata group, who want their own branding. Tata Consultancy Services Healthcare wants to be differently branded than Tata Consultancy Services that goes to financial services. But that’s where we go back and say, well you could be differentiated, but that’s not the strategy of your group. The strategy of your group is to go with one brand, master brand. So I think it’s the pressure from the business, the desire for growth, the desire to be different with customers, the desire to have a very relevant message. Because sometimes when you have these master brand architectures, the overall message of the group, of the master brand, may be lost on the specific messages the business needs. So that could also prompt changes in architecture.”*

Another driver identified for a dynamic brand architecture system is that brand architecture needs to be built for future growth and requires adaptability.

(Interview 9, Australia) *“...if you look at decades ago I think brand architecture was a lot more simplistic. I think we could look at a single monolithic solution or you could look at a hybrid approach but what I’m finding is that we need to build a brand that’s built for change and that gives you almost a platform for future growth. I often talk about future growth in a portfolio, so building an architecture that will be relevant to the brand in 5 years’ time and that means something that is flexible and adaptable enough to accommodate change with product innovation and adapt to circumstance So as a future point, I think it’s one that’s increasingly important and also using brand architecture as a lever for growth for portfolio as well.”*

This adaptability links into what is being seen in the States which is a movement away from the legacy brands and the introduction of growth brand, to allow the brands more freedom to innovate and expand.

(Interview 8, USA) *“and really treating those growth brand as more of those incubator start-ups, so that they can be more agile and fluid, and go to market a lot faster than what I think...what I think has stunted FMCG a bit, is the ability to go to market and capitalise on trends quickly.”*

Another consideration for drivers of dynamic brand architecture is the influence of technology and data-driven decisions

(Interview 7, Middle East) *“There might be more things but, you are going to see more and more data driven...data driven decisions. And am talking about real data, real data of what people really did as opposed to the old data that was very much focus group driven. You know asking people how would they do in this situation, that situation. Now you are tracking people, you are tracking people for what they do and how they say and how they connect and...everything that you can derive from the big cloud and from your behaviour online, and so I think that that data is going to have a big impact on these kinds of decisions. Not on an individual level but on a level of markets and demographics and target audience. I think you are going to see these things more and more, exactly how that is going to work out, I don't know, but I am pretty sure that's where it is going.”*

There has also been a realisation behind the corporate brand and its ability to create value for investors.

(Interview 6, South Africa) *“But I think more and more when you're talking to investments and you're talking to reputation and you want people to look at the investment of the deal, then you want people to understand the range of brands that underpin your main corporate brand.”*

Dynamic brand architecture is practically a requirement for start-ups due to the dynamic nature of the businesses themselves. And lastly, a dynamic brand architecture is also required to create separation in the event of product failure.

(Interview 4, Mexico) *“I will need to be able to react if this business or unit or this product line is not working, and then saying that it's a brand architecture problem. So obviously it has to be dynamic in the sense...of course in reaction to...people from inside the company to be able to make decisions...much more dynamic decisions.”*

5.7.3 CONCLUSION

The notion of a dynamic brand architecture is happening in practice, around the world and the term 'dynamic brand architecture' was a universally appealing concept. With both developed and developing markets spending fairly equal times sharing examples and drivers of dynamic brand architecture. The need for brand architecture to be dynamic was unanimous across the world. How this is defined, to what degree this should stretch to and whether or not this is anything new were the few cautions that were raised. Importantly, brand experts see the need to adapt brand architecture in accordance with both time and place. How this is being done in practice and has been given across numerous examples from multiple countries.

5.8 CHAPTER 5 CONCLUSION

The research indicates that brand architecture needs to be dynamic across both time and place in order to optimise consumer-based brand equity. A practitioner definition for brand architecture has been contributed, drawing on a global perspective. The considerations that influence brand architecture choice have been identified and summarised into market, brand, company and stakeholder influences and also identified that this needs to change over time as well as that these elements have different degrees of influence across place. A total of eleven drivers for a dynamic brand architecture over time were identified through this research.

A key emerging insight from this analysis was while brand architecture may need to be dynamic across place that the reason for this goes beyond country culture to an additional consideration of market development. This also touches on trust and reassurance required from the corporate brand which links this into the market development. An increased role of the corporate brand is identified in developing markets, indicating that this is happening while it may not be implicitly understood.

The concept of dynamic brand architecture resonated with the respondents who provided rich examples of their experience with this requirement. Brand architecture is changing more frequently due to the rate of change in business and the speed that changes are happening. Brand architecture must therefore also be more dynamic in order to keep up. Further to this, adaptation in brand architecture strategy is also required in order to be responsive to different country cultures and degrees of market development. These requirements create an environment where firms may need to have multiple versions of brand architecture around the world, one model may not solve it all and if it does it may not do so for very long.

The validity and reliability of these findings is set out in section 4.11. Triangulation of the finding of a need for a more dynamic brand architecture is achieved with industry thought leaders that call for more agile brands (Jacobs & Ordahl, 2014). Additionally, grounded data was conducted because conclusions made come from the data set. This research showed dependability and confirmability with the research methodology processes explained in 4.2 being utilised and also followed the robust analysis approach set out in 4.9, with data saturation achieved.

6 CHAPTER 6: DISCUSSION OF RESULTS

This chapter will examine the results demonstrated in Chapter 5 in terms of the research questions and the emerging themes. The results will be contrasted against the existing literature in order to establish whether theory supports practice and to identify new insights.

6.1 DEvised DEFINITION

The need for a comprehensive practitioner definition for brand architecture became an emerging theme of the research. During the interviews it became clear that the term was being used in different ways, replicating what is seen in literature as a fragmentation in definitions. Inspired by this, the researcher began asking the interviewees at the start of each interview how they define brand architecture. Out of this the following definition was born:

Brand Architecture is a tool of organising principles to allow customers to navigate and make choices, in the simplest way possible, while enabling companies to maximise their market opportunities, now and in the future.

This confirms and also helps to unify the academic definitions of Aaker, Keller, Balmer & Gray.

Brand architecture is “*an organising structure of the brand portfolio that specifies brand roles and the nature of relationships between brands.*” (Aaker, 2000, p.8).

“*Brand architecture refers to the relationships among and between corporate, company (subsidiary), and product brands. Such relationships embrace products and services, or a mixture of the two across the hierarchy of brands.*” (Balmer & Gray, 2003, p.983).

Brand architecture helps consumers understand the products and organise them in their minds (Keller, 2015).

Brand architecture according to Keller (2015) plays two critical roles: to clarify and to motivate. The clarification role is to assist in consumer understanding, raising brand awareness and communicating similarities and differences. The motivation role is to enhance brand image through transferring equity of the brand to different offerings in order to improve trial and repeat purchase (Keller, 2015).

The proposed practitioner definition unifies the academic definitions through incorporating the relationships (organising principles), consumer understanding (navigation), and the motivation role of equity transfer (now and in the future). This also incorporates Keller’s (2015) maximised brand equity contribution through the firms being

able to maximise their market opportunities. The research definition that emerged therefore confirms the academic literature as well as proposes a new contribution of a consolidated and unified, global practitioner definition for brand architecture.

6.2 ARCHITECTURAL INFLUENCERS

The primary research question proposed in Chapter 3 is:

RQ1: What influencers should be considered when designing the optimal brand architecture?

This section explores the research findings with regards to the primary question.

A compelling brand architecture will better position a firm to maximise the equity of its brand (Keller, 2015). If a firm is optimising brand architecture, then it is helping to drive consumer-based brand equity. Therefore it is important to understand what the influencers of brand architecture choices are in order to optimise brand architecture.

Brand architecture is about “optimising choices... for audiences, by giving them information which allows them to make choices. And basically minimising information that is not relevant to the choices or may be detrimental to choice. And so, therefore...it follows that, different audiences.... Audiences are different culturally or geographically, we make choices for different reasons.” (Interview 12, Thailand)

The research uncovered two different models or frameworks that summarise what influences brand architecture choices used in practice. These frameworks were consolidated and used to compare against the research findings, as well as to identify any additional findings. The majority of brand architecture considerations can be grouped under the headings of company, brand, stakeholders and market as identified in the Brand Sliders framework discussed in Chapter 5.

Using the four categories of influencers, the author summarises the elements that make up these categories.

- *Company*: business strategy, product and business mix (range), market profile (across different markets), economies of scale (cost savings, supply chain efficiencies), growth plans (focus), cross-selling opportunities (between products/services), business risk, marketing resources (people, budget) and culture (organisational structure and internal culture). Note business risk has been added to the company category to cover the insights about how architecture will be influenced by the risk that the venture could have on the corporate or master brand.

- *Market*: category norms, future of category, disruption of change, competitive competencies (current, future market leaders) competitive footprint, barriers to entry (potential product substitution) and local market conditions (adaptation of products/service).
- *Stakeholder*: consumer (end users) (interests, needs), Retailer (distributor footprint), customer concentration, media/investors (positioning) and employees (loyalties, mind-set).
- *Brand*: equity of acquired/portfolio brands, brand positioning, brand stretch and corporate brand (potential leverage).

The research conducted validated these considerations and added risk as an additional consideration in the company category. Accordingly, this answers the primary research question of what influencers should be considered when designing an optimal brand architecture. The factors of company, market, stakeholder and brand considerations all influence brand architecture and need to be taken into account when designing an optimal brand architecture solution.

In addition to '*what*' influencers should be considered in developing a firm's brand architecture, the research also pointed out that '*where*' these influencers should be taken into account as an additional consideration. The disparity is evidenced across developed and developing markets with the key concerns in developed markets being market optimisation, financial considerations and company capabilities whereas in developing markets the concerns revolve around brand stretch, cost and the influence of the company owners or internal emotions, a full table of differences can be found in Appendix 3 Table 12.

Another insight that became apparent through the research in addition to the *where* is *when*. This highlights the idea that brand architecture needs to be responsive over time due to changing industries and environments. Understanding these differences will allow companies to better equip themselves to be able to compete effectively when entering new markets.

The academic literature has identified three different characteristics that drive brand architecture choices. These are firm-based characteristics, product market characteristics, and market dynamics (Douglas, et al., 2001). While the research has confirmed these influencers, they serve as a foundation and almost as the '*why*' there should be an international brand architecture. In this research the '*what*' is considered at a greater level of detail across global markets and from a practitioner perspective, what will optimise brand equity for the consumer as opposed to what drives firms to have an

international brand architecture. These additional ‘*what*’ influencers that are not taken into consideration in the existing framework are detailed in Table 9 as emerging considerations.

Table 9: Emerging Brand Architecture Considerations

Douglas et al, 2001: From the view of the (European) Firm	Emerging Considerations: From the view of creating consumer- based brand equity and maximising market opportunities
Firm-based Characteristics: Administrative heritage, expansion strategy, importance of corporate identity, product diversity	Business strategy, economies of scale (cost savings, supply chain efficiencies), growth plans (focus), business risk, marketing resources (people, budget), market profile (across different markets), and culture (organisational structure and internal culture).
Product-market Characteristic: target market, cultural embeddedness, competitive market structure	Stakeholder: Customer (end user, interest and needs), retailer (distributor footprint), customer concentration, media/investors (positioning) and employees (loyalties, mind-set). Brand: equity of acquired/portfolio brands, brand positioning, brand stretch
Market Dynamics : political and economic integration, market infrastructure, consumer mobility	Category norms, future of category, disruption of change, competitive competencies (current, future market leaders) competitive footprint, barriers to entry (potential product substitution) and local market conditions (adaptation of products/service).

The research therefore updates and extends this framework. The extension of the framework makes it more practical for global brand managers to consider and view from the perspective of how to build consumer-based brand equity, which ultimately drives business value.

To answer the research question, company, stakeholder, market and brand considerations are all influencers to consider when choosing the optimal brand architecture. Importantly, the research also highlighted the considerations of both time (when) and place (where) which can be utilised to assist in the decisions leading to the development of a more adaptable global brand architecture for firms that can optimise market opportunities.

6.3 DEVELOPING FLUIDITY

The second research question proposed in Chapter 3 is:

RQ2: What role does country culture have in optimising brand architecture?

The theme that speaks to this is that brand architecture changes across place and in order to be responsive, it needs to be fluid. Additionally, the optimal brand architecture appears to vary with regards to the degree of market development which is a new insight emerging from this research.

Globalisation causes increased competition and an enhanced rate of change. Through this, we see impacts on country culture with examples of brands adapting to remain competitive. This has an impact on country culture as demonstrated in the Turkcell and Vodacom example from Turkey, and it also impacts international brands in that they have to adapt to the country culture requirements in order to be accepted which is demonstrated with Proctor & Gamble in Asia up weighting their corporate brand to provide reassurance and trust.

With specific regards to country culture, the research confirmed that brand architecture does vary across cultures to respond to the local market needs. The comments to this question shown in Table 3 from Chapter 5 received more information coming from developing markets indicating that they may see the cultural difference and the need for change more so than what is seen in developed markets.

“...in Asia the sense of parent brand resonates more than what individuality or authenticity of the product might have... I think it can be category specific as well. I mean country culture definitely plays a role in the nuances that we need to consider for every market.” (Interview 9, Australia)

There is empirical evidence in the literature that brand equity drivers are indeed sensitive to the cultural environment (Zhang, et al., 2014). Cui and Liu (2001) state that a primary reason for many multinationals not reaching their desired growth levels is that they have not adapted their marketing strategy to local market conditions (Zhang et al., 2014). This demonstrates the importance of the cultural understanding to multinationals so that their strategies can be adapted to the market. Erdem et al. (2006) present empirical evidence that there is a positive effect for brand credibility on choice for consumers from a high collectivism or uncertainty avoidance cultures, with credible brands being perceived as being of higher quality. This reinforces group identity and provides more value to high-uncertainty-avoidance consumers due to a lower perceived risk and information costs.

Research has confirmed that country culture is an influencer for brands to be able to optimise their brand architecture, this agrees with the literature in this field and supports the brand credibility requirement in a collectivist or high uncertainty avoidance cultures being, such as Asia.

Additionally, the finding emerging from this research indicates that it may not be just a country culture requirement, but also a market development requirement that causes brand architecture to need to be dynamic and responsive across different countries. The indication is that the less developed the country the more risk in purchase decisions and the greater the requirement on a corporate or master brand to deliver the reassurance. In more mature markets, however, this hygiene factor does not exist to the same degree as the trust is already assumed therefore not brand-able. It is possible that some of the market development influences could be misread as cultural influences. A greater understanding of the degree of influence that these two drivers have remains an element for further research. A literature review did not reveal any current literature to this effect. Additionally, the way in which companies adapt their brand architecture across place appears to be more within their portfolio architecture. This agrees with the literature which has found that due to globalisation and increased competition multinational companies are moving towards more complex portfolio strategies to transcend borders, known as global brand architecture (Talay et al., 2015).

The research therefore agrees with the literature (Talay et al., 2015) in that brand equity drivers vary across different cultural environments and therefore in order to optimise brand architecture the global brand architecture needs to adapt across different contexts. Furthermore that these differing drivers may be more related to market development than country culture adds insight to the current research in the field and remains an area for further study.

6.4 SHIFTING TIMES

The third research question proposed in Chapter 3 is:

RQ3: *Are there shifts in brand architecture choices? If yes, what are the drivers of these?*

This question was added in order to understand the market dynamics and identify what else could cause brand architecture to need to change.

Douglas and Craig (2013) identified that whether certain architectures are more effective in maximising brand equity across different country markets is a critical issue. Empirical evidence indicates that alternative strategies for some markets may be advisable due to country culture (Talay et al., 2015) This needs to be considered with the research indication that markets are cyclical and naturally evolve over time. This indicates that there is no ideal target and that the brand architecture is required to remain flexible, to maximise brand equity as the requirements of it are constantly developing. Understanding the emerging finding that market development may be mistaken for

cultural requirements, the need for brand architecture to be dynamic over time in response to customer requirements is a key finding that emerged from the research.

Understanding why brand architecture choices would shift highlights the changing market dynamics. To understand this the research findings from Chapter 5 will be compared with the existing literature, where available. This section is broken down into the emerging findings from the research which were: 1) the results of current practices around corporate brands, 2) what drives a shift in a corporate brand, 3) family and conglomerate brands, 4) brand architecture shift drivers, and 5) future considerations.

6.4.1 CORPORATE BRAND

In both the literature and in practice there is evidence of the West moving to more traditional Eastern branding practices with a focus on the corporate brand, albeit it for different reasons. The benefits that the research identified for a corporate brand range from creating a sense of purpose, serving as an employer brand, aiding investors or creating more efficiency in the portfolio, these are listed in Table 10.

Table 10: Corporate Brand Benefits by Market Development

Corporate Brand Benefits	Cited in Developed Markets	Cited in Developing Markets	Recorded in the Literature
Sense of purpose	✓		✓ (Balmer, 2001; Balmer 2011; Balmer, 2013)
Connect stakeholders	✓	✓	✓ (Balmer & Gray, 2003; Balmer 2013; Aaker, 2004)
Provide reassurance, trust and decrease risk		✓	✓ (Balmer & Gray, 2003; Aaker, 2004)
Add credibility and differentiation	✓	✓	✓ (Morsing & Kristensen; Aaker, 2004)
Create efficiency in portfolios/cross sell	✓	✓	✓ (Morsing & Kristensen, 2001; Aaker, 2004)
Company reputational piece	✓	✓	✓ (Balmer & Gray 2003; Aaker, 2004)
Employer Brand	✓	✓	✓ (Balmer & Gray, 2003; Aaker, 2004)

The benefits that a corporate brand holds are consistent across markets except for two items that can be thought of at differing ends of a country development spectrum, the risk and reassurance on one end and the sense of purpose on the other. This is explored further in Figure 9 in Chapter 7.

Corporate brands are a powerful navigation tool to a variety of stakeholders assisting with employment, investment and consumer buying behaviour (Balmer & Gray, 2003). Corporate branding has increased due to change in focus from consumers, products and services to an emphasis on a stakeholder and societal approach (Balmer, 2011). Due to the speed in which innovation happens, the high costs associated with building and supporting a brand and the diminishing brand loyalty in the market in modern times, corporate brand building has become a strategic tool and one that allows organisations to maintain differentiation (Morsing & Kristensen, 2001). Additional benefits of a corporate brand is that they are quality guarantees that insure against risk, help consumers define who they are or how they wish to be seen and create pleasurable experiences (Balmer & Gray, 2003). Balmer states in 2001 that corporate brands communicate the brands' values, provide a means of differentiation and enhance the view of the organisation by stakeholder groups (Balmer & Gray, 2003).

The research agrees with what the literature has identified, and also adds an additional contribution that is not in the literature. This is likely due to this study being the first of its kind that covers all continents and thus exposes the research to the happenings across a number of both developed and developing markets. Due to this it was able to be identified that while all of the benefits are recorded, it is where the benefits are important that varies. Highlighting the differences between developing and developed markets strengthens the finding that brand architecture needs to adapt in accordance with market development.

6.4.2 DRIVERS OF A SHIFT TO CORPORATE BRANDS

With the benefits of corporate brands understood, the research was able to capture, from a practitioner perspective what the drivers are behind this shift to corporate brands. Eight different drivers of a shift to a corporate brand approach were identified through the research.

- 1) Fragmentation: the fragmentation of brands creates complication and reduces consumer understanding of a portfolio.
- 2) Cost Considerations: this proliferation becomes expensive to maintain and so a more consolidated portfolio becomes an attractive option.

- 3) Leverage: a corporate brand orientation allows a company to create leverage within their portfolio.
- 4) Rationalisation: rationalisation is the natural consequence of due to proliferation of a portfolio.
- 5) Acquisition: as companies acquire they will look to simplify their portfolios either immediately or down the line.
- 6) Investor: the corporate brand is an investment vehicle.
- 7) Market Evolution: as markets evolve consumer requirements change
- 8) Change in Management: changes in senior leadership may take the company in a different direction with regards to its brand architecture for either strategic reasons or ego.

Balmer (2011) has identified the reasons for the shift to corporate brands being driven by a shift in focus from consumers, products and services to an emphasis on a stakeholder and societal approach (Balmer, 2011). In addition to this due to the speed of innovation and the cost of developing new brands another reason for a shift to corporate brands is due to the cost savings and differentiation able to be achieved with consolidation of investment behind the corporate brand (Morsing & Kristensen, 2001).

These drivers are supported in the research and additional findings not in the literature that are driving a shift to a corporate brand orientation are acquisition as well as changes in management which considers more of the human ego in addition to the academic benefits.

6.4.3 FAMILY AND CONGLOMERATE BRANDS

Conglomerate or Family brands present an interesting dynamic in the developing markets through providing a guarantee of trust and quality. This dynamic appears to be shifting with increasing access to information through technology with the millennial generations. This is a key concern for the groups, and the research conducted indicates that the power these groups' experiences is likely to wane in the future. A need was identified in the research to understand how much of the endorsement of family or conglomerate brand is due to the market requirement versus how much is business strategy and control of the market. A literature review reviews little information available on conglomerate or family brands available from a brand architecture perspective in developing markets, therefore the understanding of business strategy verses brand strategy in this context remains an element for future research.

6.4.4 BRAND ARCHITECTURE SHIFT DRIVERS

The third research question proposed in Chapter 3 is:

RQ3: *Are there shifts in brand architecture choices, if yes, what are the drivers of these?*

This section specifically answers this question through the eleven different drivers identified. These are highlighted in the list below.

1. Constants: the best companies will constantly work to better understand the market and improve their offerings.
2. Financial: finding ways to maximise investment will cause shifts in brand architecture.
3. Growth and New Markets: changes in businesses operating environments requiring them to respond through their company strategy and brand architecture strategy.
4. Legal: the (non-) availability of a trademark will cause a shift in brand architecture.
5. Acquisitions: a change in business strategy changes brand architecture.
6. Innovation and Future Growth: building strategies for future growth that are dynamic by nature affect how this is communicated through brand architecture.
7. Technology and Rate of Change: business strategy continues as brand architecture strategy implements and technology continually evolves forcing the business and brand strategy to evolve with it.
8. Market Evolution: markets continually evolve and consumer requirements change, these changes are then responded to and reflected in brand architecture.
9. Trends: current trends are the FMCG powerband, the rise of the corporate brand, rise of purpose and joint ventures. New trends will emerge and brand architecture will respond.
10. Optimisation: optimising the portfolio and an increased understanding and importance of brand architecture to allow for this.
11. Managerial Egoism: the element of the human ego cannot be overlooked, sometimes there are emotional drivers behind brand architecture shifts.

Literature to date has highlighted the need for global brand architecture, due to globalisation and increased competition multinational companies are moving towards more complex portfolio strategies to transcend borders (Talay et al., 2015). Recent

research argues that more dynamic models are required and that they need to be formed from the customer perspective (Ugгла & Lashgari, 2012). It also predicts that the brand relationship spectrum idealism will, over time need to be replaced by pragmatism to create a sustainable brand strategy that integrates both business and brand management leading to a replacement of the current brand architecture models (Ugгла & Lashgari, 2012). This is because of weaknesses in the brand relationship spectrum due to its restrictive nature, failing to capture the dynamics between brands and being overly reductionist (Ugгла & Nyberg, 2014).

While the need has been identified this study is the first to seek to understand the drivers, from a global practitioner perspective of why companies would shift their brand architecture. This research serves as the foundation for the development of the more dynamic models that the literature calls for, which is out of scope of this study. The findings therefore are not in the literature.

6.4.5 BRAND ARCHITECTURE FUTURE CONSIDERATIONS

There were two interesting future considerations identified in the research. The first one is designing the brand architecture for the future and the second is a current trend of simplicity.

Designing brand architecture for the future is about considering where the market is going, not just where it is now. Brand architecture projects take time to implement and the market is ever evolving so considering where the market is moving to and future proofing the brand architecture emerged as a common practitioner strategy. This is not currently in the literature although Ugгла and Lashgari (2012) have identified a need for more dynamic brand architecture models which indicates a shift in this direction through recognising the need for adaptation and change. Brexendorf et al (2014) also argue for fresh branding frameworks with greater agility.

Further to this a current trend is around simplification, this is driven by a desire to clean up the portfolio, focus resources and save costs while unlocking value for the business. The closest finding to this in the literature is from Balmer (2010) where he finds that Corporate brands are a currency across the various stakeholders in both a financial and an emotional sense, they are a language in that they are known and understood either globally or locally, and they are a navigation tool in that they help with positioning through defining what a brand is as well as what it is not (Balmer, 2010). While the benefit of simplification and focus is not directly stated it is due to these benefits that the benefit of simplification is able to be achieved by firms. This therefore both agrees with and adds to the literature.

6.4.6 CONCLUSION

As markets continue to grow and develop, so will brand architecture. This research has identified eleven key drivers for a shift in brand architecture over time. These drivers, however, can be simplified into one common element which is continually working to optimise consumer-based brand equity and through this driving firm value and performance.

The research questions of *'Are there shifts in brand architecture choices, if yes, what are the drivers of these?'* is clearly answered in 6.4.4 with the eleven key drivers identified. Further to this due to the exploratory nature of this research additional contributions were made about what is driving a shift to corporate brands, what the future looks like for family and conglomerate brands and future considerations for brand architecture. This has identified additional areas for future research.

6.5 UNCOMMON PROCESS

The final research question proposed in Chapter 3 is:

RQ4: Does brand architecture need to be more adaptable than in the past? If yes, what drives this?

From this question, two themes emerged the first is 'uncommon processes' and the second is 'dynamic optimisation', which is discussed in section 6.6. The theme of uncommon process emerged due to the insight that there was no commonality of process from brand strategy practitioners across the markets. A number of different models emerged which were mapped and compared to generate a train of logic in order to build one comprehensive model. Gaps in practitioner models were also identified through the research. The research has shown that there is a need for a new dynamic model to consolidate these processes as well as fill the identified gaps. This is out of scope for this research.

6.6 DYNAMIC OPTIMISATION

The second emerging theme was the theme of 'dynamic optimisation' which speaks to the finding that brand architecture needs to be dynamic in order to optimise consumer-based brand equity across time and place, this is in scope for this research and will be discussed in this section. To answer the research question of *'Does brand architecture need to be more adaptable than in the past? If yes, what drives this?'*.

"Brand architecture is guided by business strategy, by its very nature it's dynamic."
(Interview 3, India)

The need for brand architecture system that are more fluid and responsive to market needs was a universally agreed concept across the brand strategy practitioners. Here are a few quotes that demonstrate this.

(Interview 7, Middle East) *“and the whole discipline of branding and brand management is becoming more fluid, more dynamic, more agile, and there’s a consequence of that, you’re also prepared to look to at your brand architecture in a more...actually, I think it is fair to say that if you go back some years, to define brand architecture was kind of the whole experience, you know, in many organisation. That was not something that they messed around with. You know, then we have decided this and now we are going to stick to this and I don’t think that we are taking it for granted in the same way.”*

“I think the idea that you show a lot of research, defined the brand architecture is and then you will be able to live with that for 10 years. I don’t think that is true anymore. I think this is much more of a living thing and something that is changing all the time. You will need the tools and the insight to manage that change.”

(Interview 9, Australia) *“I don’t think it is as simplistic as what the traditional models would imply and it is a lot more dynamic in how we approach it. Obviously, the other point I’d make is there is the need to build a platform for future growth, so a degree of fluidity and adaptability to the portfolio gives you options in terms of how you move forward in a more dynamic and changing marketplace. So really having the tools in place to allow the brand to reach its full market potential. I think my point would be that that is becoming the norm, that brands need to be agile in how they go to market and then as a result of that, the conventional theories don’t apply.”*

There is a shift seen across the interviews that brand architecture is no longer about punctuated change but that it is more fluid and responsive to the market requirements.

Through this research three drivers of a dynamic brand architecture requirement were identified. The first is Place, the second is Time and the final driver is Optimisation. Each driver will be briefly explained here with further detail for this provided in Chapter 5 section 5.7.2.

- *Place*: brand architecture needs to be responsive to the market requirements. With the rise in globalisation the market requirements can vary due to both country culture and market development. Brand

architecture needs to be able to adapt across place to respond to this need.

- *Time*: markets evolve over time, as they develop and the rate of change increases this impacts the requirements that consumers have from brand architecture. Additionally as brand architecture is responsive to company strategy, as this strategy changes brand architecture is required to adapt to this as well.
- *Optimisation*: there is an on-going desire for growth in business. Strategies pursue acquisition which can lead to proliferation, then simplification of the portfolio and ultimately preparing it for future growth through adaptability.

Recently, literature has begun to ask for more dynamic brand architecture models. Examples of this include Ugglå and Lashgari (2012) who state that the brand relationship spectrum idealism will, over time need to be replaced by pragmatism to create a sustainable brand strategy that integrates both business and brand management leading to a replacement of the current brand architecture models to new more dynamic models that are formed from a customer perspective (Ugglå & Lashgari, 2012). Weaknesses are highlighted with the brand relationship spectrum being overly reductionist. A preliminary solution to this was proposed in the brand portfolio paragon which considers consumer need states and brand portfolio expression (Ugglå & Nyberg, 2014). This model covers, at a very high level, the considerations of why, when, what and how but does not offer knowledge about what influences this or what to anticipate in various situations and why this would vary. It serves as a good foundation for future models to study and develop further, which is out of scope for this research.

This research agrees with the literature that brand architecture models need to be more dynamic. It further expands the literature with the contribution of what the drivers are behind this need being time, place and optimisation. To answer the research question, yes more dynamic models are needed in practice. One such attempt is the brand portfolio paragon which requires further exploration and testing of the independent variables identified (Ugglå & Nyberg, 2014).

6.7 CONCLUSION

This chapter provides a discussion of the results around the research questions of what influencers should be considered when choosing the optimal brand architecture, as the primary research question. The chapter also discusses the role of country culture as an influencers to consider when choosing an optimal brand architecture as well as what the drivers are of shifts in brand architecture and if brand architecture needs to be more

adaptable. Due to the nature of exploratory research being conducted in the tradition of grounded theory additional insights emerged resulting in a practitioner definition for brand architecture and the findings for a logical train of thought demonstrating how to build a dynamic brand architecture, which is out of scope for this research. A number of ideas for future research emerged in this discussion.

Understanding that brand architecture needs to be responsive to consumer requirements provides the base from which the research questions have been answered. Through responding to consumer requirements brands will be able to drive consumer-based brand equity and optimise their brand architecture, resulting in enhanced financial performance for the firm (Keller, 2015).

The findings answer the research questions proposed in Chapter 3 and also expose areas for further research. For the primary research question of what influencers should be considered when choosing the optimal brand architecture the four areas of company, market, stakeholders and brand were identified as a framework to follow and guide these considerations. For the second research question of what is the role of country culture as an influencer when choosing the optimal brand architecture the findings indicate that both country culture (individualism vs collectivism) and market development need to be considered when optimising brand architecture. For the third research question there were eight different drivers identified that are causing shifts in brand architecture over time. Lastly the research indicated that there is a need for more adaptable brand architecture solutions due to the pave of international business with three primary drivers identified as the reasons for this.

The discussion of results is consistent with the literature findings and also advances the literature through identifying the drivers of shifts in brand architecture as well as identifying the drivers behind why a more dynamic brand architecture solution is required.

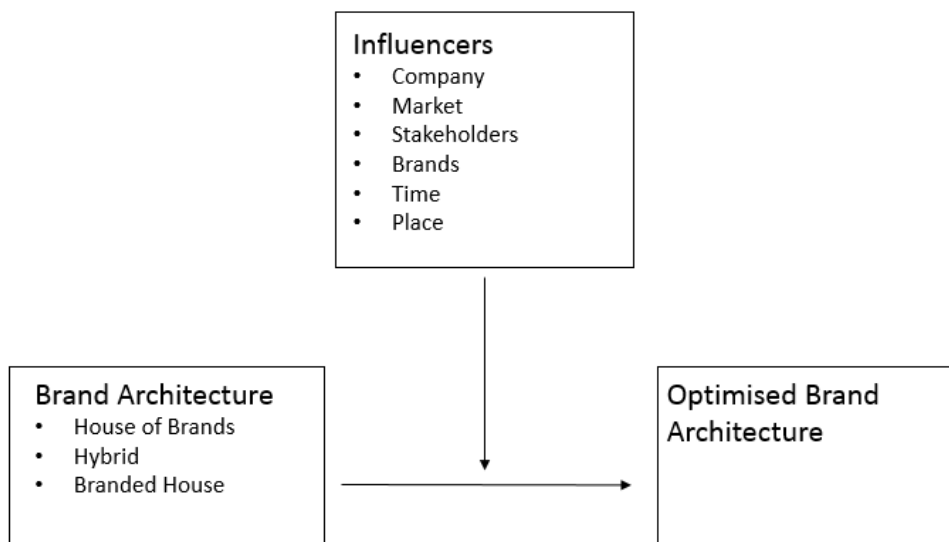
In addition to answering the research question the research reveals additional scope for further research and has identified the detailed practitioner thought process as well as gaps in practitioner models. These insights can then be reviewed with the brand portfolio paragon from Uggla (2014) to form a for dynamic brand architecture module.

To summarise the research, the findings indicate that corporate brand's signal reputation and a sophistication of a market signals trust. Therefore in mature markets, there is already trust and the corporate brand is less important. However, in developing markets, a company's reputation signals trust which is why it is important to understand who you are doing business with. This is all changing due to technology. In the past four to five years due to the availability of information, mature markets start to demand that they

understand who they buy from and align with their beliefs/morals and in developing markets the traditional family brand is losing prominence due to access to information these trusted organisations are losing clout.

The research met its objective of understanding what influencers should be considered when choosing the optimal brand architecture. The results from the research are summarised in Figure 8. This framework answers the primary research question and indicates that company, market, stakeholders and brands are the influencers to be considered with optimising brand architecture. Further to this time and place have been added to the framework. With time indicating that a brand architecture has to remain fluid and responsive to market need and cannot be left stagnant as it has in the past. Place is arguably the most important consideration symbolising both the consideration of country culture as well as the degree of market development.

Figure 8: Optimal Brand Architecture Influencers, Source: Author's own



The literature has identified a need to understand the impact of cultural differences on consumer benefit perceptions (Zhang et al., 2014) understand category motives and their relationship with country culture (Mooij & Hofstede, 2011) and understand multinational branding strategies across various markets (Xie & Boggs, 2006). This research is the first to consider these elements through brand strategy practitioners, across six continents.

7 CHAPTER 7: CONCLUSION

7.1 INTRODUCTION

This chapter revisits the research objectives and compares these against the research findings. The discussion and results are consolidated into comprehensive key theoretical findings, which are then considered for their business implications. The chapter then concludes with research limitations and recommendations for future research.

7.2 RESEARCH BACKGROUND & OBJECTIVES

Brand architecture is a critical aspect of strategic branding. How firms organise their brands maximises their brand equity (Keller, 2015) and enables them to achieve long-term financial prosperity. Despite its importance, and although the field is evolving, little has been written about how to select the optimal brand architecture in the context of dynamic environments and globalisation (Erdem et al., 2006; Strebinger, 2014; Talay et al., 2015)

There is a call for more dynamic and pragmatic brand architecture models from academics (Uggla & Lashgari, 2012) and practitioners. Current research indicates that brand architecture frameworks need to be more flexible (Strebinger, 2014) with further research required to devise global marketing guidance principles (Douglas & Craig, 2013). It has been demonstrated that there is a gap in the academic literature within the context of country culture and global brands, the studies that exist have been chiefly confined to the regions of Europe and North America (Erdem et al., 2006; Strebinger, 2014), with little emphasis on the importance of brand architecture and what influencers should be considered in order to optimise its impact in practice (Talay et al., 2015).

The purpose of this study was to explore the academic and the global brand strategy practitioner perspectives on brand architecture, through identifying the influencers that should be considered when designing an optimal brand architecture in a dynamic global context. Qualitative, exploratory research was conducted to identify influencing factors which are considered when designing an optimal brand architecture. A total of fifteen in-depth interviews were conducted with leading brand strategy consultants across North and South America, Europe, Africa, Australia and Asia in order to explore brand architecture choice influencers, drivers of a shift in brand architecture as well as the notion that there exists a requirement for dynamic brand architecture.

7.3 KEY FINDINGS & THEORETICAL RECOMMENDATIONS

Findings showed that dynamic brand architecture is indeed occurring in practice. Drivers of such development were further identified. Finally, a framework for optimal brand architecture was developed which proposes that brand architecture incorporates the drivers of both time and place in order to build a dynamic brand architecture that optimises business results and drives consumer-based brand equity.

Out of the inductive data analysis eight different themes emerged, five of which were retained and deemed relevant to the purpose of this research. The five themes are: 1) devised definition, 2) architectural influences, 3) developing fluidity, 4) shifting times, and 5) dynamic optimisation. The key findings of this research are summarised in accordance with these themes.

7.3.1 DEvised DEFINITION

A practitioner definition for brand architecture was an emerging theme from this research. The definition devised consolidated explanations of brand architecture from practitioners all over the world and was able to be mapped against the academic literature. The practitioner definition that emerged is:

Brand Architecture is a tool of organising principles to allow customers to navigate and make choices, in the simplest way possible, while enabling companies to maximise their market opportunities, now and in the future.

7.3.2 ARCHITECTURAL INFLUENCERS

The theme architectural influencers answers the primary research question of:

RQ1: What influences should be considered when choosing the optimal brand architecture?

The research found that company, stakeholder, market and brand considerations all influence the optimal brand architecture. This is consistent with the findings in practitioner literature (Bishop, 2008) with the inclusion of one additional element added in the company category, the consideration of risk. Importantly, the research also highlights key differences across time and place which can be utilised to assist in these decisions.

Using the four categories of influencers, the author summarises the elements that make up these categories.

- Company: business strategy, product and business mix, market profile, economies of scale, growth plans, cross-selling opportunities, business risk, marketing resources and culture.

- Market: category norms, future of category, disruption of change, competitive competencies, competitive footprint, barriers to entry and local market conditions.
- Stakeholder: consumer requirements, retailer footprint, customer concentration, media/investors, and employees.
- Brand: equity of acquired/portfolio brands, brand positioning, brand stretch and corporate brand leverage.

In addition to the above, another key insight from the research was not only what influencers to take into account, but also ‘*where*’ these influencers should be taken into account. In regard to primary concerns a disparity surfaced between developed and developing markets with market optimisation, financial considerations, and company capabilities being the most important in developed markets, while brand stretch, cost concerns and the influence of the company owners or internal emotions around brand architecture were most important in developing markets. The other insight that became apparent in addition to the ‘*where*’ is the ‘*when*’, supporting the idea that brand architecture needs to be responsive over time due to changing environments.

7.3.3 DEVELOPING FLUIDITY

The theme developing fluidity answers the following research question:

RQ2: What is the role of country culture with regards to its influence on brand architecture?

Research has confirmed that country culture is an influencer for brands to be able to optimise their brand architecture. This agrees with the literature in this field (Zhang, 2014). This also supports the brand credibility requirement in collectivist or high uncertainty avoidance cultures, such as Asia.

The findings from this preliminary study suggest that the degree of development and sophistication in the market may indicate the brand architecture strategy to employ. The research found that in developing markets brand architecture needs to respond to consumer needs of trust and reassurance, whereas in developed markets the requirements are more about more choice and options. Developing markets look for a trust mark, something that will ensure they will not be defrauded like a quality seal. In developed markets corporate brands are becoming more about customer association with corporate purpose as in agreeing with what this company stands for. Examples of times where the corporate brand can work against a company in developed markets have been provided (Nestle, Australia).

These findings indicate that the expectations and requirements of the corporate brand evolve along a spectrum in line with the market's development, shown in Figure 9.

Figure 9: Dynamic Brand Architecture Spectrum, Source Author's own

GDP Per Capita & Market Evolution	Low GDP	Middle GDP	High GDP
	Developing Market	Emerging Middle Class	Developed Markets
Market Requirements of Corporate Brand	Trust, reassurance, quality seal	Individuality and product brand proliferation	Sense of purpose, do I agree with what you stand for? Anti- corporate Authentic experience

This concept raises a new question concerning the drivers of market requirements being about country culture or market development. This would need to be further studied and validated with quantitative measures.

7.3.4 SHIFTING TIMES

The theme of shifting times answers the following research question:

RQ3: Are there shifts in brand architecture choices, if yes, what are the drivers of these?

There were eleven drivers of a shift in brand architecture identified through the research. They are listed and explained as follows:

1. Constants: the best companies will constantly work to better understand the market and improve their offerings.
2. Financial: finding ways to maximise investment will cause shifts in brand architecture.
3. Growth and New Markets: changes in businesses operating environments requiring them to respond through their company strategy and brand architecture strategy.
4. Legal: the (non-) availability of a trademark will cause a shift in brand architecture.
5. Acquisitions: a change in business strategy changes brand architecture.
6. Innovation and Future Growth: building strategies for future growth that are dynamic by nature affect how this is communicated through brand architecture.

7. Technology and Rate of Change: business strategy continues as brand architecture strategy implements and technology continually evolves forcing the business and brand strategy to evolve with it.
8. Market Evolution: markets continually evolve and consumer requirements change, these changes are then responded to and reflected in brand architecture.
9. Trends: current trends are the FMCG powerband, the rise of the corporate brand, rise of purpose and joint ventures. New trends will emerge and brand architecture will respond.
10. Optimisation: optimising the portfolio and an increased understanding and importance of brand architecture to allow for this.
11. Managerial Egoism: the element of the human ego cannot be overlooked, as sometimes there are emotional drivers behind brand architecture shifts.

While the need of having a more dynamic, customer centric brand architecture has been identified (Uggla & Lashgari, 2012), this study is the first to try to understand the drivers from a practitioner perspective of why companies would shift their brand architecture.

7.3.5 DYNAMIC OPTIMISATION

The theme of dynamic optimisation answers the following research question:

RQ4: Does brand architecture need to be more adaptable than in the past? If yes, what drives this?

The research identified three drivers of a dynamic brand architecture. The first is Place, the second is Time and the final driver is Optimisation. The drivers are briefly explained here with further detail for this provided in Chapter 5 section 5.7.2.

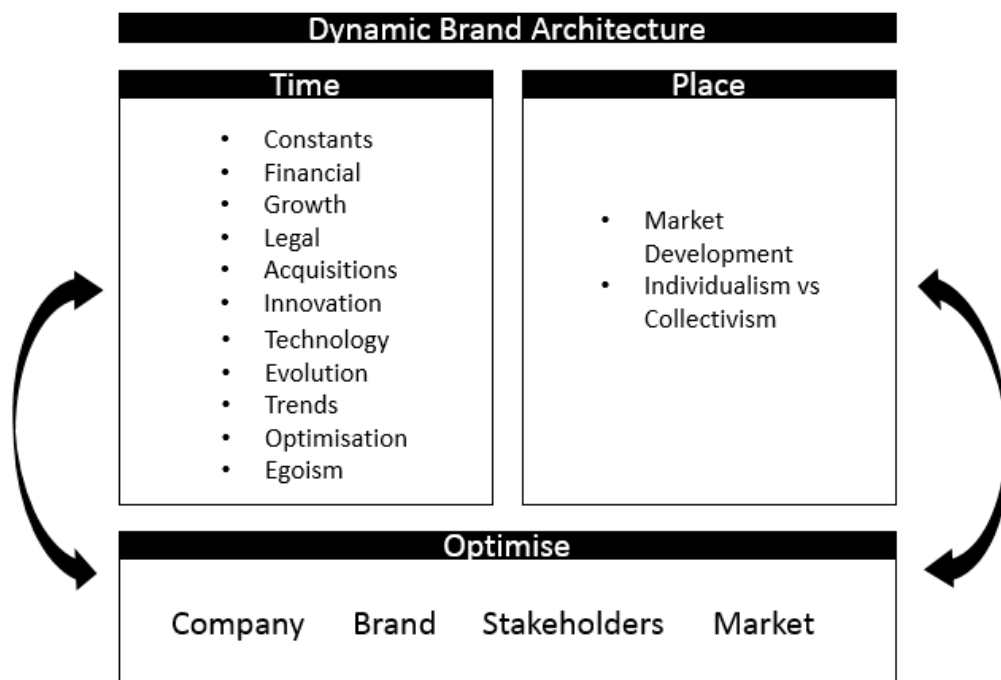
- Place: Brand architecture needs to be responsive to the market requirements. With the rise in globalisation the market requirements can vary due to both country culture and market development. Brand architecture needs to be able to adapt across place to respond to this need.
- Time: Markets evolve over time, as they develop and the rate of change increases this impacts the requirements that consumers have from brand architecture. Additionally as brand architecture is responsive to company strategy, as this strategy changes brand architecture is required to adapt to this as well.
- Optimisation: There is an on-going desire for growth in business. Strategies pursue acquisition which can lead to proliferation, then

simplification of the portfolio and ultimately preparing it for future growth through adaptability.

7.3.6 EMERGING MODEL

The research findings are incorporated in the dynamic brand architecture model shown in Figure 9. The objective of the model is to optimise brand architecture. The considerations are how brand architecture can be optimised which is then considered or adapted by place and time. By place, this is considered in line with the country culture and degree of market development. By time, the drivers of why brand architecture would need to shift over time are considered indicating that brand architecture is iterative in order to respond to both the business strategy and consumer requirements. The model represents an iterative feedback loop as the drivers of brand optimisation are constantly evolving as is the market development and the drivers for why brand architecture is required to shift over time. Understanding this allows firms to be able to optimise their brand architecture strategy and plan for the future. A firm's brand architecture strategy provides a road map for a brand's future, defining where it can go, and how it can get there (Keller, 2015). With a compelling brand architecture strategy in place, a firm is better positioned to maximise the equity of their brand (Keller, 2015). Using this framework will enable firms to optimise their brand architecture and maximise the brand equity, across time and place.

Figure 10: Dynamic Brand Architecture Framework. Source: Author's own



7.4 RECOMMENDATIONS TO BUSINESS

Growth by international expansion has become the norm as developed markets saturate (Broyles et al., 2010). However entry into a new market is difficult and companies commonly do not achieve their performance goals (Ross et al., 2008). In order to take advantage of global business opportunities, the recommendation to business is to ensure that they understand the local market requirements. One way companies can leverage this understanding is through optimising their brand architecture so that they can foster brand equity. This is because brand equity in the local market is a key reason for success or failure (Brady et al., 2008).

The framework proposed in Figure 10 can serve as a guide to business in developing a dynamic brand architecture. Firms will either consciously or subconsciously already have a brand architecture in place. If they intend to expand globally they can use the Dynamic Brand Architecture framework as an effective guide to highlight the considerations they need to take into account as they plan for future growth and expansion.

In a global environment, companies will often play across this spectrum provided in Figure 9. Therefore it is important to understand what the requirements from the consumers are, across place and be able to employ a brand architecture strategy as dynamic as the markets themselves in order to optimise their brand architecture and build consumer-based brand equity.

7.5 LIMITATIONS

The exploratory research conducted was qualitative and therefore preliminary with non-probability sampling being used. The ability to generalise these findings to the greater population is therefore limited. The findings describe and develop constructs that emerged in the research, with further quantitative analysis required to validate them.

A delimitation of the research is that it only focused on the consumer rather than any other stakeholders. Therefore the research was framed from the perspective of consumer-based brand equity. Another delimitation concerns the focus of the research is on the '*what*' is happening in practice rather than the '*how*' this is being done.

A research limitation is the sample. Although leading global brand strategy agencies were chosen so that their years of experience across markets and categories could be explored, in some markets only one interview was conducted to represent the region. Time to conduct the research, as well as no research budget, are also limitations. Accordingly, the methodology chosen needed to fit the research time-frame and the sample selected needed to be achievable. Data reliability could be improved with additional interviews covering more regions.

Lastly, there is the limitation of researcher bias. Due to the exploratory nature of the research and the interview design there is a risk for personal bias through the interpretation of the data. To minimise bias, the interviews were transcribed and internally triangulated with Atlas software. Memos were recorded in Atlas in order to distance the researcher from the data and package the bias. Further triangulation was achieved across the sample, and with the business and academic literature as well, to support the findings.

7.6 RECOMMENDATIONS FOR FUTURE RESEARCH

This research makes a contribution to further understanding about how to optimise brand architecture in a dynamic context, over time and place. This serves as a foundation for future research. By design, this research is intended to discover new findings due to its exploratory nature. From this, a number of new questions have emerged which are ripe for future research

The first idea for future research would be to validate the dynamic brand architecture framework proposed in this research through a quantitative study. Ultimately, a dynamic brand architecture model that incorporates the process followed by practitioners and fills their currently identified gaps would be a valuable contribution to firms and to the academic literature, answering the call of Ugglá (2012 and 2014).

Another future research area to explore revolves around the role of country culture versus the role of market sophistication and development in order to better inform the shifts required in brand architecture. Building on this, it would be useful to understand at what level of GDP a country will shift from a primarily corporate brand requirement to a primarily product brand requirement and what correlations can be drawn in this regard. If this is validated, parallels to Maslow's Hierarchy of Needs could be considered to understand how economies develop and how the needs of the economy mature in line with its development.

A final area for future research stems from the insights on family brands. There are three different areas of research identified here. The first centres around millennials and how the brandscape is shifting to adapt to this new demographic. The second is the future of family brands in a connected world, considering the degree of influence family brands hold in a world with freely available information. The last would uncover the drivers behind family brands and the role they play at a business strategy level, as well as in the consumer decision making process.

7.7 CONCLUDING REMARKS

Firms are continually looking to developing markets and deploying global brand strategies in an effort to maximise growth. Firms often, however, do not achieve their desired success when entering new markets. One reason identified for this is that firms seldom understand the implications of their brand architecture as it relates to building the required customer-based brand equity. To date limited academic research exists on the subject.

The scope of this research focused on understanding what influences brand architecture decisions in order to better understand how brand architecture can be optimised in a dynamic context. In-depth exploratory, qualitative research was conducted. A sample of fifteen brand strategy experts from around the world were interviewed, spanning all continents in order to grasp the global prospective of leading practitioners in the branding field.

The contributions from this research not only offer answers to the research questions but also serve as the foundation for future research. The research resulted in a dynamic brand architecture framework which incorporates the research themes and bridges the gap between brand architecture and country culture/market development in order to enhance consumer-based brand equity, offering branding perspectives from all around the world. The findings suggest that brand architecture is shifting from a predominately static mind-set with punctuated changes to something that is much more dynamic and flexible across both time and place. This brings about the new term of '*Dynamic Brand Architecture*', a term and a capability of competitiveness in an evolving yet connected world.

8 CONSISTENCY MATRIX

Questions	Literature Review	Data Collection Tool	Analysis
1. What influencers should be considered when choosing the optimal brand architecture?	This is the overarching research question. Key sources: Keller 2015, Douglas 2001, Balmer 2013	This will be explored in the in-depth interviews with brand strategists and recorded on the interview guide. Questions 2 in the interview guide.	open coding, axial coding , selective coding
2. What role does country culture have in optimising brand architecture?	Hofstede's cultural dimensions of collectivism vs Individualism were used as a model to analyse against. The literature review indicates that country culture influences consumer behaviour and values. Key sources: Robbins and Judge 2013, Zhang et al, 2014, Balmer 2001, Erdem et al 2006, Mooij and Hofstede 2011	Question 2 c in interview guide	open coding, axial coding , selective coding
3. What are the drivers of a shift in brand architecture choices?	This is a supplementary research question to allow for additional drivers beyond what was identified in the literature review. Forms a foundation for the model requested by Uggla.	Question 3 in the interview guide	open coding, axial coding , selective coding
4. Does brand architecture need to be more adaptable than in the past? If yes, what drives this?	This supports the most recent research Uggla 2012, 2014, ties into the global business context.	Question 4 in the interview Guide	open coding, axial coding , selective coding

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10 APPENDICES

10.1 APPENDIX 1: INTERVIEW GUIDE

The purpose of the in-depth interview, as well as preparatory questions, were sent one week prior to the interview date to allow the participant time to consider the questions, clarify if anything may be unclear and to maximise the time that is spent conducting the interview. Permission will be requested to record the interview.

Preparation Brief: I am interested in the different brand architectural options you have come across in your experience, and how the different architectural options can be optimised through combining brands (product, corporate etc.) to assist in the creation of brand equity. With a specific interest in consumer-based brand equity through understanding the drivers of equity associated with the product brand and the corporate brand and how these might vary across countries, product risk and also industries. I'd like to understand, in your experience what drives brand architecture choices and what drives changes in brand architecture. There is a suggestion in the literature that actually the optimal way of managing brand architecture is much more fluid, it's more dynamic and that that you evolve it as you shift over time and potentially place. I'm interested in understanding any experience that you may have with this and with brands that showcase this dynamism.

Interview Context, opening: I'm doing my research in the area of brand architecture and its role in optimising consumer-based brand equity, understanding that you help organisations build brand equity I'd like to get your views today across some of the brands and contexts you've worked on. Specifically, the projects that you've worked on which have involved brand architecture choices, your views on what drives those choices, about what drives changes in brand architecture, as well as the rate of change around brand architecture and what you are seeing as a brand consultant around the dynamism of brand architecture.

Questions:

- 1) With some of the different brands you've worked on, what are some of the different brand architectures you've come across?
 - a. Probe: what model is being used to give advice i.e. Aaker (2000). Are there any variations to this model used in practice, if so why?
- 2) I'd like to explore some of the things you think might have influenced those types of choices?

- a. Probe: Industry
 - i. Follow-up probe: query what is recommended across the industries mentioned in Q1, why is this recommended, what are the results once implemented?
 - 1. Ensure understanding of the brand architecture and the relative importance/weighting of each driver.
 - b. Probe: Product Risk
 - i. Follow-up probe: query does brand architecture recommendation vary in industries/product categories that carry a higher risk? Examples could be pharmaceuticals, infant formula, food; pull from answers to Q1.
 - 1. Ensure understanding of the brand architecture per and the relative importance/weighting of each driver.
 - c. Probe: Country culture
 - i. Probe: Do you advise international clients different than local clients in terms of their brand architecture? If yes, what considerations are taken to determine this? Do consumers react more or less favourably to an international or domestic corporate brand, why?
 - ii. Follow-up probe have you worked in other countries? What differences have you noticed?
 - 1. Ensure understanding of the brand architecture and the relative importance/weighting of each driver across different country cultures.
 - d. Probe: anything else?
- 3) What are the drivers of a shift in brand architecture choices?
- a. Probe for examples of brands they have worked on and get rich quotes. (Brand worked on and the primary driver of changing that architecture was X i.e. (change in consumer needs or take over acquisition)
 - a. Probe any experience with country culture might lead an organisation to have two brand architectures simultaneously to cater for different requirements.
- 4) 4) What are you seeing as a brand consultant around the dynamism of brand architecture and what do you believe is driving the rate of change?
- a. Probe: Have you noticed changes in the brand architecture over the span of your career? If yes, what is this due to?

- b. Probe: There is a view in the literature that BA is becoming more dynamic, it's becoming more fluid, it's changing more frequently, what's your view? Get some quotes
 - c. Probe: examples of companies/brands that are showcasing this dynamism.
 - d. What challenges do you experience (time/place), do you need more dynamic models?
- 5) Is there anything else you'd like to share?



10.2 APPENDIX 2: CODE LIST

Code-Filter: All

HU: Transcripts 23

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Africa

Asia

BAC; Competition

BAC; Cost Considerations

BAC; Mahindra

BAC; Owners

BAC; Stakeholder Impact

BAC; summary

BAC;accidental architecture

BAC;Brand Architecture Planning

BAC;brand organization

BAC;business strategy

BAC;capabilities

BAC;Catagory

BAC;company strategy

BAC;competative forces

BAC;data gathering

BAC;design elements

BAC;desired attributes

BAC;equity of current brands

BAC;financial

BAC;focus

BAC;industry influence in BA

BAC;internal brand architecture

BAC;internal considerations

BAC;Internal Emotions

BAC;intuitive portfolio building

BAC;market oriented considerations

BAC;master brand requirements

BAC;maximising market opportunities

BAC;Organizational

BAC;outside in

BAC;principles

BAC;reciprocal

BAC;Relationships/Trust

BAC;Risk in BA Strategy

BAC;stretch

BAC;Structure

BAC;sub brand optimisation

BAC;tradition

BAC;unify

BAC;visual cues

BACP A; accommodation to market

BACP A; adapt to market needs

BACP A; adapted portfolio

BACP A; adapted positioning

BACP A; business strategy changing BA

BACP A; maintain brand integrity



BACP A; millennials
BACP A;localise
BACP C; confucius cultures
BACP C; country culture
BACP C; resistance to new brands
BACP C;adapt to cultural needs
BACP C;Brazil
BACP C;CD Africa
BACP C;CD Asia
BACP C;CD Consumption
BACP C;CD India
BACP C;CD ME
BACP C;CD USA
BACP C;country pride
BACP C;cultural differences going global
BACP C;differing perception
BACP C;negative country connotations
BACP C;Western Brand Driver
BACP E; different brand architectures
BACP G;east buying western brands
BACP G;geographic portability
BACP G;global brands
BACP G;globalisation
BACP G;international brands
BACP G;necessary visibility
BACP SM; Professional
BACP SM; sophistication of market
BACP SM;boutique/unique/authentic
BACP SM;competition
BACP SM;hygiene attribute
BACP SM;individualism
BACP SM;location
BACP SM;middle class
BACP SM;reference markets
BACP SM;self-actualisation
BACP SM;western ideals
BACP; Step 5
BACP;Brand Relationship Spectrum
BACP;business role/current state of brand
BACP;fit to market
BACP;fit to portfolio
BACP;growth opportunities/future value
BACP;never ideal
BACP;no systematic process
BACP;Portfolio Architecture
BACP;pragmatism
BACP;pre strategy work
BACP;step 1
BACP;step 2
BACP;step 3
BACP;step 4
BACP;systematic approach
BACP;theoretical explanation
BACP;thought process
BACP;time considerations
BACPA ;adapted strategy
BACT SD; Focus
BACT SD; increased importance of BA



BACT SD; needs based
BACT SD;BA Trends
BACT SD;Corporate Brand Shift
BACT SD;corporate identity
BACT SD;cost consciousness
BACT SD;desire for growth
BACT SD;different customers
BACT SD;ego
BACT SD;evolution
BACT SD;expensive to maintain
BACT SD;external reason
BACT SD;falling sales/new competition
BACT SD;focused messaging & spin off
BACT SD;increased understanding
BACT SD;innovation
BACT SD;legal
BACT SD;local equity
BACT SD;M&A
BACT SD;money
BACT SD;need to quantify
BACT SD;new categories
BACT SD;new customer segmentation
BACT SD;new market dynamics
BACT SD;new markets
BACT SD;optimisation
BACT SD;portfolio optimisation
BACT SD;purpose
BACT SD;recruit customers
BACT SD;Technology
BACT SD;Truisms
BACT T;Brand-led architecture
BACT T;forecasting
BACT T;future of brand architecture
BACT T;simplicity
BACT; Not implemented as designed
BACT; Shift Examples
BAMG; Challenges
BAMG; reduce cost
BAMG;allow for flexibility
BAMG;decision trees (dynamic)
BAMG;future models
BAMG;human impact
BAMG;model ideas
BAMG;never enough data
BAMG;packaging
BAMG;practical use in practice
BAMG;principles replace brand guidelines
BAMG;prove it
BAMG;Responsive to market needs
BAMT; Brand Strength
BAMT; Closet
BAMT; Customer Journey
BAMT; Decision Trees
BAMT; Impact Modelling
BAMT; Reciprocal
BAMT;brand architecture spectrum
BAMT;fit and differentiation tool
BAMT;Agency Models



BAMT;models
BAMT;prototyping
BAMT;slider tool
BAMT;sun and stars
BASO; Brand types
BASO;Branded House
BASO;family brand model
BASO;focus vs efficiency
BASO;Gravitational pull towards the middle
BASO;HOB Cons
BASO;house brand
BASO;House of brands
BASO;House of Brands Examples
BASO;hybrid strategy
BASO;master brand
BASO;monolithic benefits
BASO;Monolithic brand Examples
BASO;monolithic categories
BASO;sub brand
BCAP C; CD Turkey
BEC; Turkcell
BEC;abbott
BEC;Alphabet
BEC;Apple
BEC;Caterpillar
BEC;Citi
BEC;Coca-cola
BEC;FedEx
BEC;GE
BEC;GSK
BEC;HSBC
BEC;microsoft
BEC;MTN
BEC;Nestle
BEC;nike
BEC;P&G
BEC;samsung
BEC;Starbucks
BEC;tata
BEC;Unilever
BEC;virgin
BEP;Crest
BOI;Countries Experience
BOI;markets experience
BOI;Years Experience
Brand Portfolio Strategy
CBB;Best Practice Vehicle
CBB;builds product brand
CBB;corporate brand benefits
CBB;corporate reassurance
CBB;employer brand
CBB;seal of guarantee/quality
CBE;build meaning behind the corporate brand/purpose
CBE;CB Enouncement Risk
CBE;corporate brand no endorsement
CBE;Credibility from CB Endorsement
CBE;Differentation from CB endorsement
CBE;increased CB Communication/investment



CBE;No value from CB endorsement
CBE;prestige from CB endorsement
CBE;Reputation
CBE;Trust in CB/CB as purchase driver
CBEX;corporate brand examples
CBEX;Mahindra
CBSD:corporate vs product
CBSD; consumer behaviour
CBSD; Cost Considerations
CBSD; Cross-sell
CBSD; geographic convergence
CBSD; increased transparency
CBSD; Rise of purpose
CBSD; Stakeholders
CBSD; technological convergence
CBSD;brand value
CBSD;change in management
CBSD;corporate brand preference
CBSD;Fragmented Brands
CBSD;Investor
CBSD;leverage in BA formation
CBSD;market evolution
CBSD;rationalisation
CBSD;simplify portfolio - due to acquisition
China
Competition
CR;airlines
CR;alcohol brands
CR;B2B
CR;Banking
CR;Beer market
CR;car brands
CR;consumer brands
CR;corporate
CR;dominant model
CR;Hotel Brands
CR;industrial
CR;industry norms
CR;infant formula
CR;insurance
CR;mining
CR;Pharma
CR;property development brands
CR;telcoms
CR;Waste Management
DBA SD;corporate structure
DBA;customer centric
DBA;agile brands
DBA;Dynamic BA Examples
DBA;Dynamic BA thoughts
DBA;flexibility
DBA;fluid
DBA;iterative
DBA;nomenclature
DBAD; JV
DBAD;adaptability
DBAD;aquisitions
DBAD;brand needs options



DBAD;brands as assets
DBAD;cultural/market needs
DBAD;data driven decisions
DBAD;desire for differentiation
DBAD;Desire to be less monolithic
DBAD;disruption
DBAD;Dynamic BA Drivers
DBAD;expand and contract/cycles
DBAD;foreign trust
DBAD;future growth
DBAD;growth brands
DBAD;investment
DBAD;language
DBAD;market dynamics
DBAD;Nature of business/start-ups
DBAD;need for growth
DBAD;paradigm shift
DBAD;product failure
DBAD;proliferation
DBAD;reassurance
DBAD;speed
DBAD;speed of growth
DBAD;unlock value
DBAD;why brands proliferate
DEF; DBA
Def;BA Essence
Def;BA Quotes
Def;Brand Architecture Definition
Def;brand definition
Def;branding
Def;trust as the role of a brand
Def;why we have brands
Definition
desire to be more monolithic
East
East vs West
Europe
Europe vs USA
FB;Family Brands
FR;future research
Germany
increased competition in developing markets
india
Japan
Latin America
Mexico
Middle East
Nigeria
rate of change
RoR;Risk Category Considerations
Saudi
South Africa
Turkey
UK
Usa
West

10.3 APPENDIX 3: NETWORK VIEWS AND DATA ANALYSIS

Figure 11: Brand Architecture Considerations

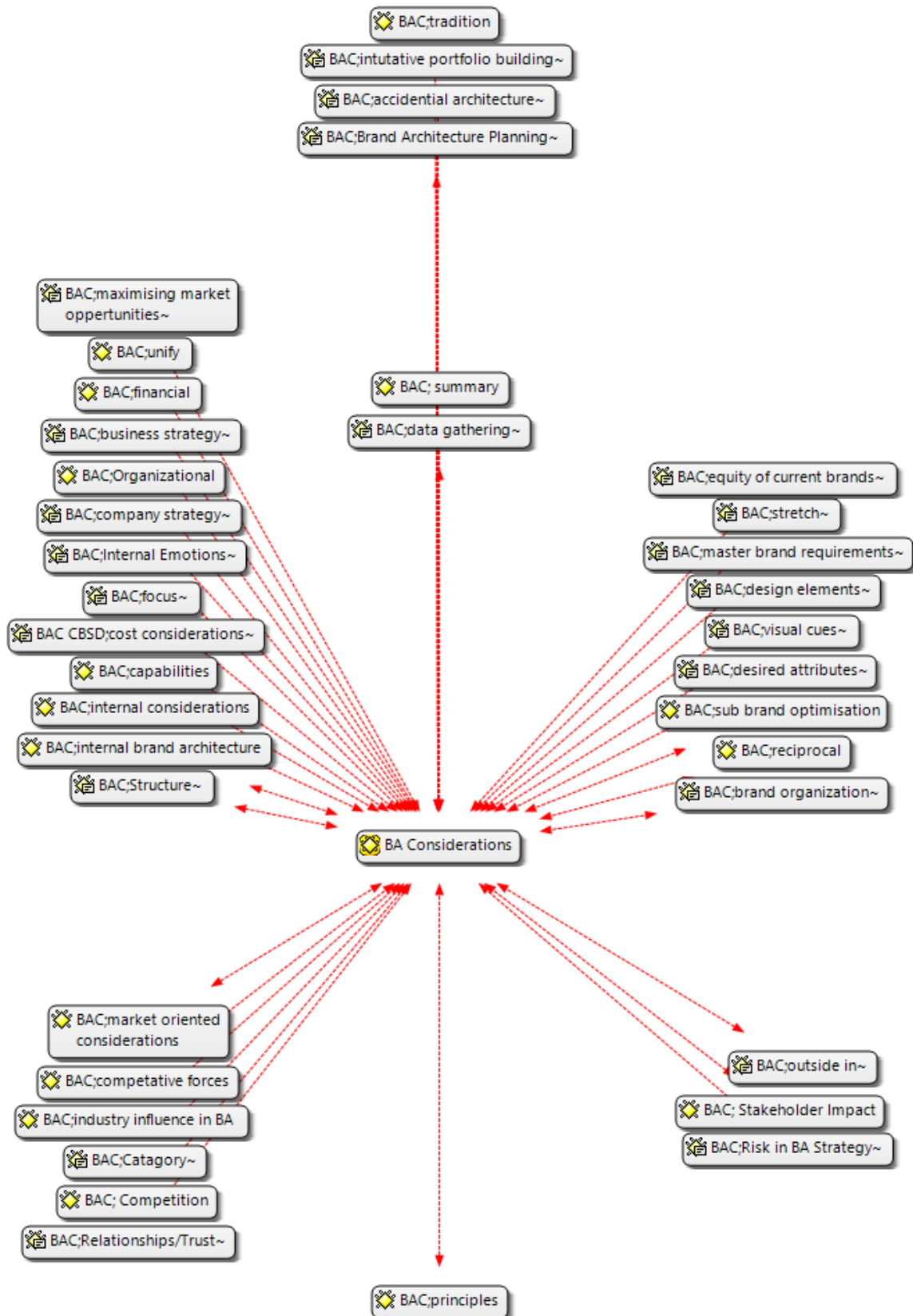




Table 11: Brand Architecture Considerations, Quotes

	Developing Markets	Developing markets, Relative Index	TOTALS:
BA Considerations	84	42	117
BAC; Competition	0	0	0
BAC; Cost Considerations	4	2	4
BAC; Stakeholder Impact	3	2	3
BAC; summary	0	0	0
BAC;accidental architecture	1	1	2
BAC;Brand Architecture Planning	2	1	2
BAC;brand organization	0	0	2
BAC;business strategy	2	1	2
BAC;capabilities	0	0	2
BAC;Catagory	0	0	1
BAC;company strategy	2	1	4
BAC;competative forces	1	1	1
BAC;data gathering	1	1	1
BAC;design elements	1	1	1
BAC;desired attributes	1	1	1
BAC;equity of current brands	3	2	3
BAC;financial	0	0	2
BAC;focus	1	1	2
BAC;industry influence in BA	2	1	2
BAC;internal brand architecture	1	1	1
BAC;internal considerations	3	2	4
BAC;Internal Emotions	4	2	4
BAC;intutative portfolio building	2	1	2
BAC;market oriented considerations	0	0	1
BAC;master brand requirements	0	0	1
BAC;maximising market opportunities	2	1	8
BAC;Organizational	1	1	2
BAC;outside in	5	3	5
BAC;principles	1	1	1
BAC;reciprocal	0	0	2
BAC;Relationships/Trust	4	2	6
BAC;Risk in BA Strategy	11	6	16
BAC;stretch	15	8	15
BAC;Structure	2	1	4
BAC;sub brand optimisation	1	1	1
BAC;tradition	2	1	2
BAC;unify	1	1	1
BAC;visual cues	8	4	9
TOTALS:	171	86	237

Note Table 11 was only run on quotations derived from the interviews themselves, not on any further documents shared post interviews that were also coded. This is due to a challenge in coding the location of the documents as they did not always originate from the source who supplied them. Therefore some of the quotes will reflect a lower number of quotations in this analysis.

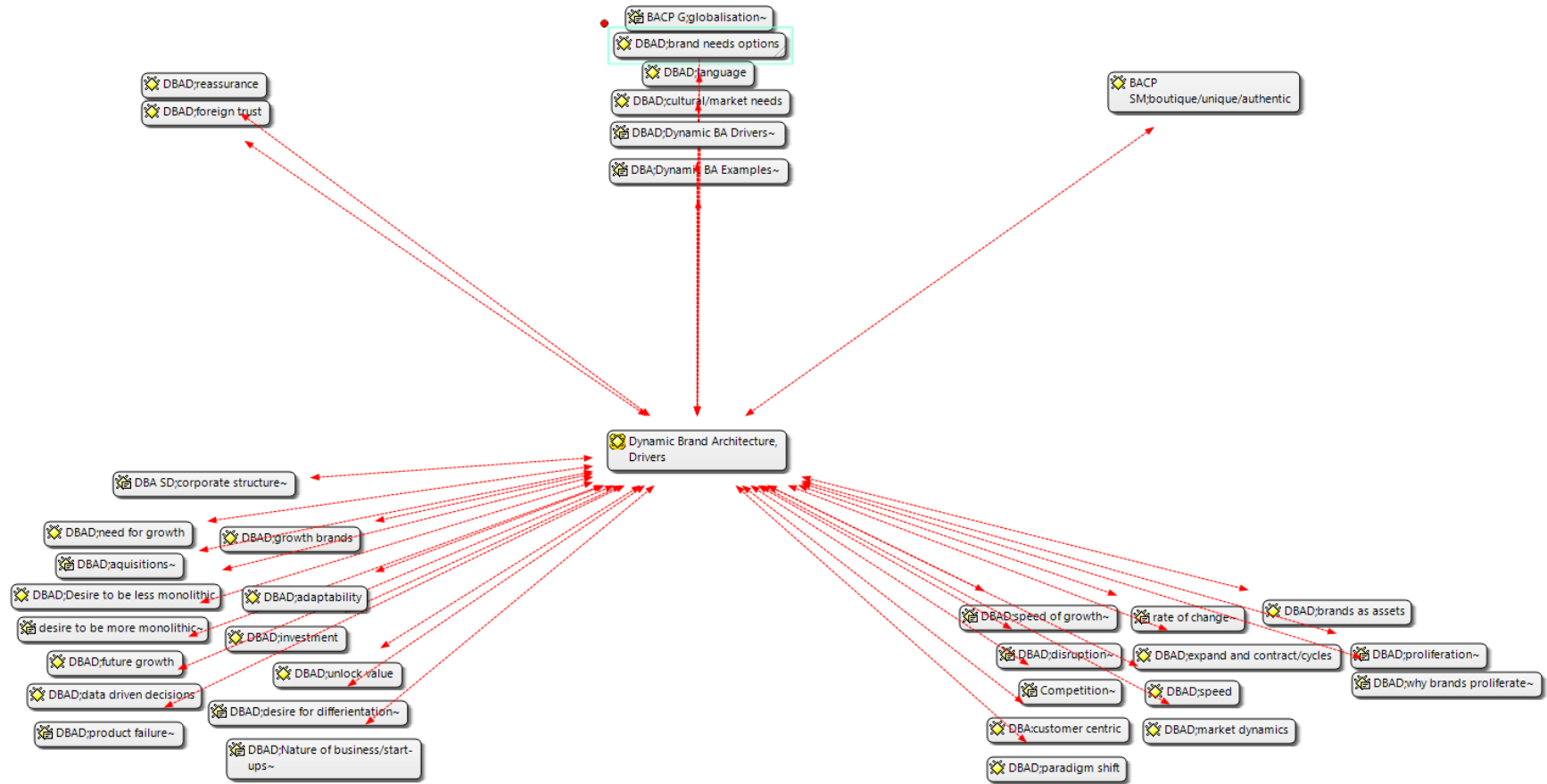
Table 12: Brand Architecture Considerations, Word Count

Code	Developed Markets	Developing Markets	TOTAL	Comments
BAC; Competition	0	0	0	
BAC; Cost Considerations	0	210	210	cost considered in developing markets
BAC; Mahindra	0	0	0	
BAC; Owners	0	213	213	the company owners hold influence in developing markets
BAC; Stakeholder Impact	0	302	302	stakeholders only mentioned in developing markets
BAC; summary	0	0	0	
BAC;accidental architecture	67	92	159	
BAC;Brand Architecture Planning	0	100	100	
BAC;brand organization	155	0	155	the organisation of brands being considered in developing markets
BAC;business strategy	0	195	195	linking the brand architecture to the business strategy is a developing market consideration
BAC;capabilities	207	0	207	understanding the company capabilities influences the brand architecture solution
BAC;Catagory	64	0	64	
BAC;company strategy	65	115	180	
BAC;competative forces	0	46	46	
BAC;data gathering	0	127	127	
BAC;design elements	0	67	67	
BAC;desired attributes	0	66	66	
BAC;equity of current brands	0	50	50	



BAC;financial	108	0	108	considering the financial implications of the brand architecture solution in developing markets
BAC;focus	111	131	242	
BAC;industry influence in BA	0	150	150	
BAC;internal brand architecture	0	226	226	
BAC;internal considerations	26	410	436	
BAC;Internal Emotions	0	396	396	internal emotions have a hold on brand architecture solutions
BAC;intuitive portfolio building	0	106	106	
BAC;market oriented considerations	18	0	18	
BAC;master brand requirements	130	0	130	
BAC;maximising market opportunities	285	132	417	the developed markets put more emphasis on maximising market opportunities
BAC;Organizational	207	24	231	
BAC;outside in	0	371	371	
BAC;principles	0	112	112	
BAC;reciprocal	274	0	274	
BAC;Relationships/Trust	79	301	380	
BAC;Risk in BA Strategy	500	1281	1781	risk is a primary concern for both market groups
BAC;stretch	0	858	858	brand stretch is a developing market concern
BAC;Structure	100	35	135	
BAC;sub brand optimisation	0	39	39	
BAC;tradition	0	72	72	
BAC;unify	0	87	87	
BAC;visual cues	40	398	438	
Accum. Wordcount	2436	6712	9148	
Total Wordcount	24331	56829	81160	
Relative Count (%)	10%	11%	11%	

Figure 12: Dynamic Brand Architecture Drivers



10.4 APPENDIX 4: ETHICAL CLEARANCE LETTER

Dear Ms Krista Maas

Protocol Number: **Temp2016-01367**

Title: **Maximising consumer based brand equity through optimal brand architecture choices**

Please be advised that your application for Ethical Clearance has been APPROVED.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards,

Adele Bekker