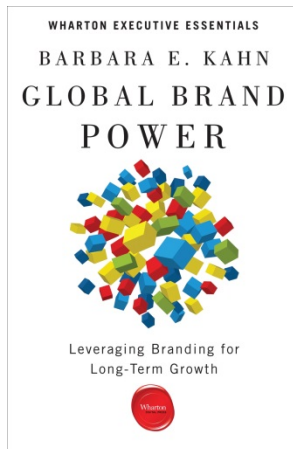


Global Brand Strategy



Professor Barbara Kahn
Patty and Jay H. Baker Professor

•

SO, What is a Brand?

- Formally... A proprietary trademark for a specific product or service
- Conceptually... A “contract” from the company to its customers; A promise of *specific* benefits, quality, and value. A relationship.

- “A brand is no longer what we tell the consumer it is, it is what the consumers tell each other it is.” Scott Cook, P&G Director
- “It’s not about telling and selling. It’s about bringing a relationship mind-set to everything we do.” Jim Stengel, CMO, P&G

Interbrand The Best Global Brands (in billions)

2006

1	COCA-COLA	67.0
2	MICROSOFT	56.9
3	IBM	56.2
4	GE	48.9
5	INTEL	32.3
6	NOKIA	30.1
7	TOYOTA	27.9
8	DISNEY	27.8
9	McDONALD'S	27.5
10	MERCEDES	21.8

Evolution of Brand Strategies

Seller's Market

Production: Focus on Company

Buyer's Market

Marketing: Focus on Customer and Competition

Connected
Community

Experience: Focus deeper on customer experiential value; Trust; Global transparency

Internet of
Things

The use of Internet-connected devices to engage a customer

Interbrand

The Best Global Brands

2006

1	COCA-COLA	67.0
2	MICROSOFT	56.9
3	IBM	56.2
4	GE	48.9
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6	NOKIA	30.1
7	TOYOTA	27.9
8	DISNEY	27.8
9	McDONALD'S	27.5
10	MERCEDES	21.8

2010

1	Coca Cola	70.5
2	IBM	64.7
3	Microsoft	60.8
4	Google	43.6
5	GE	42.8
6	McDonalds	33.6
7	Intel	32.0
8	Nokia	29.5
9	Disney	28.7
10	HP	26.9

2013

1	Apple	98.3
2	Google	93.3
3	Coca cola	79.2
4	IBM	78.8
5	Microsoft	59.5
6	GE	46.9
7	McDonalds	41.9
8	Samsung	39.6
9	Intel	37.3
10	Toyota	35.3

2008

1	COCA-COLA	66.7
2	IBM	59.0
3	MICROSOFT	59.0
4	GE	53.1
5	NOKIA	35.9
6	TOYOTA	34.1
7	INTEL	31.3
8	McDONALD'S	31.0
9	DISNEY	29.3
10	GOOGLE	25.6

2012

1	Coca Cola	77.8
2	Apple	76.5
3	IBM	75.5
4	Google	69.7
5	Microsoft	57.8
6	GE	43.7
7	McDonalds	40.1
8	Intel	39.4
9	Samsung	32.8
10	Toyota	30.3

2016

1	Apple	178.1
2	Google	133.3
3	Coca cola	73.1
4	Microsoft	72.8
5	Toyota	53.6
6	IBM	52.5
7	Samsung	51.8
8	Amazon	50.3
9	Mercedes	43.5
10	GE	43.1

What is the Value of Brand?

Cola soft
drink

+



= ?

Diet soft drink

+



= ?

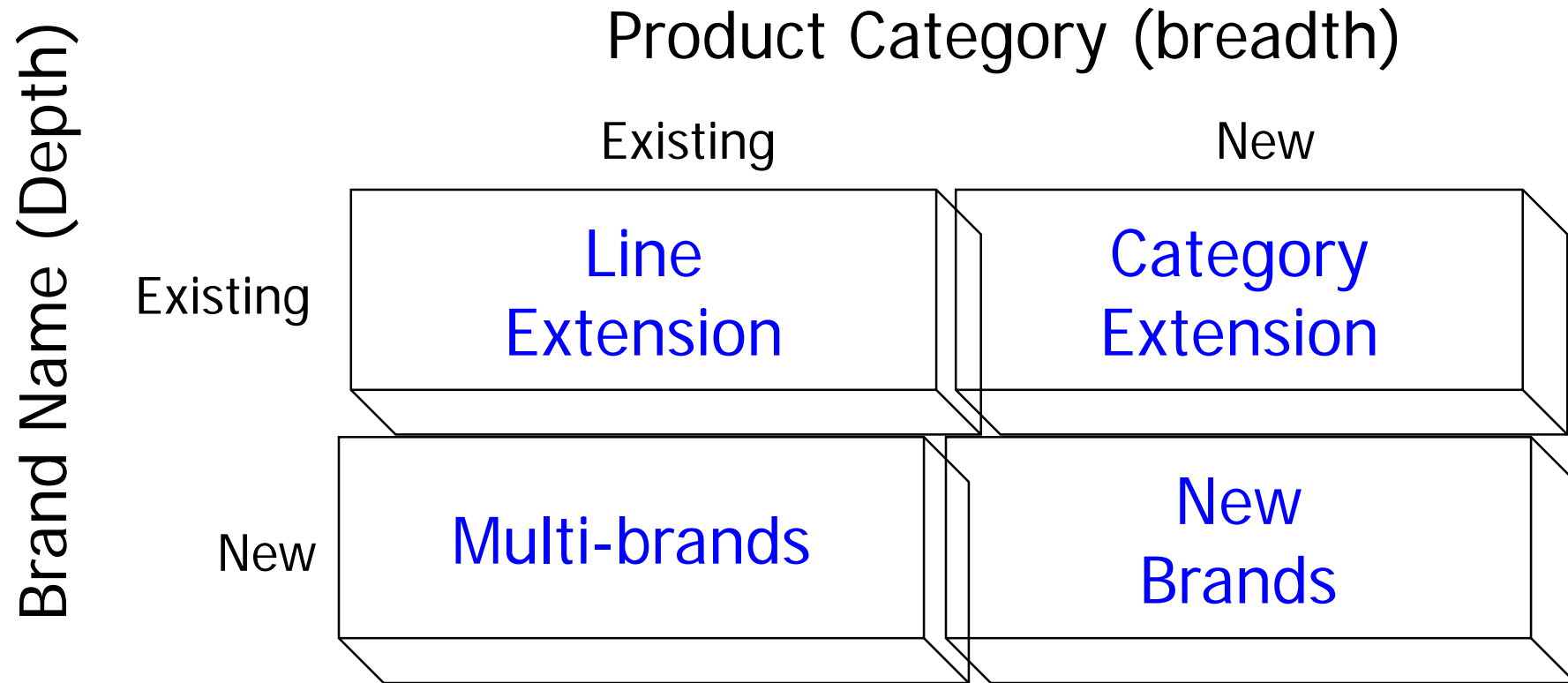
Orange juice

+



= ?

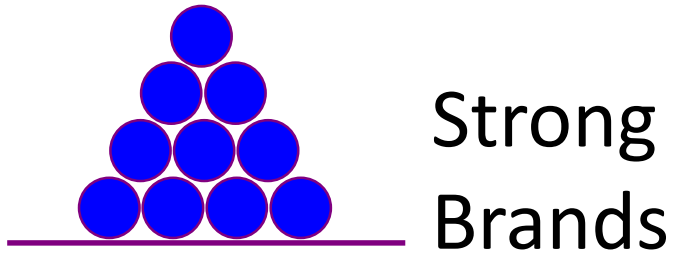
Brand Product Growth Strategies



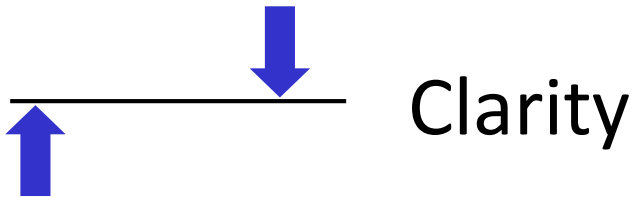
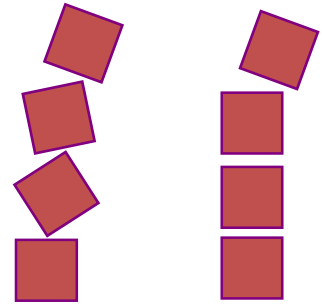
Brand Architecture

- Analogy to the structure and layout of rooms, buildings and cities
- Brands need to be considered as members of a system of brands
 - Breadth of product mix: how many different product lines
 - Depth of the product mix: how many variants should be offered in each product line
 - Relationship of brand elements applied

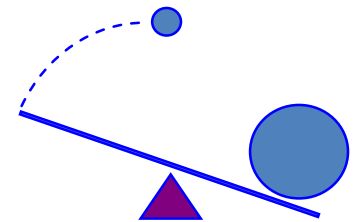
Brand Architecture Goals



Synergy



Leverage



Brand Relationship Spectrum

House
of
Brands



Endorsed
brands



Sub-
brands



Branded
House



House-of-Brands Strategy



Kering

GUCCI

BOTTEGA VENETA

YVES SAINT LAURENT

ALEXANDER McQUEEN

BALENCIAGA

BRIONI

STELLA McCARTNEY

SERGIO ROSSI

BOUCHERON

GIRARD-PERREGAUX

JEANRICHARD

PUMA

VOLCOM

COBRA

ELECTRIC

TRETORN



Reasons for Multiple Brands

- Pursue multiple market segments
- Increase retail support (e.g., excitement, shelf space)
- Provide “own” options for variety seekers
 - E.g., Dannon yogurt flavors and textures
- Create economies of scale
- Fill different strategic roles

Endorsed Brands



(Closer to “house of brands”)



Master Brand

Cheese

Barbeque sauce

Mayonnaise

Strong Kraft Endorsement

Minute Rice

Stovetop Stuffing

Shake & Bake



Endorser

Philadelphia

Cracker Barrel

Velveeta



Token Kraft Endorsement

Oscar Mayer

Tombstone

Post

Maxwell House

Cool Whip

Jell-O

Breyer's



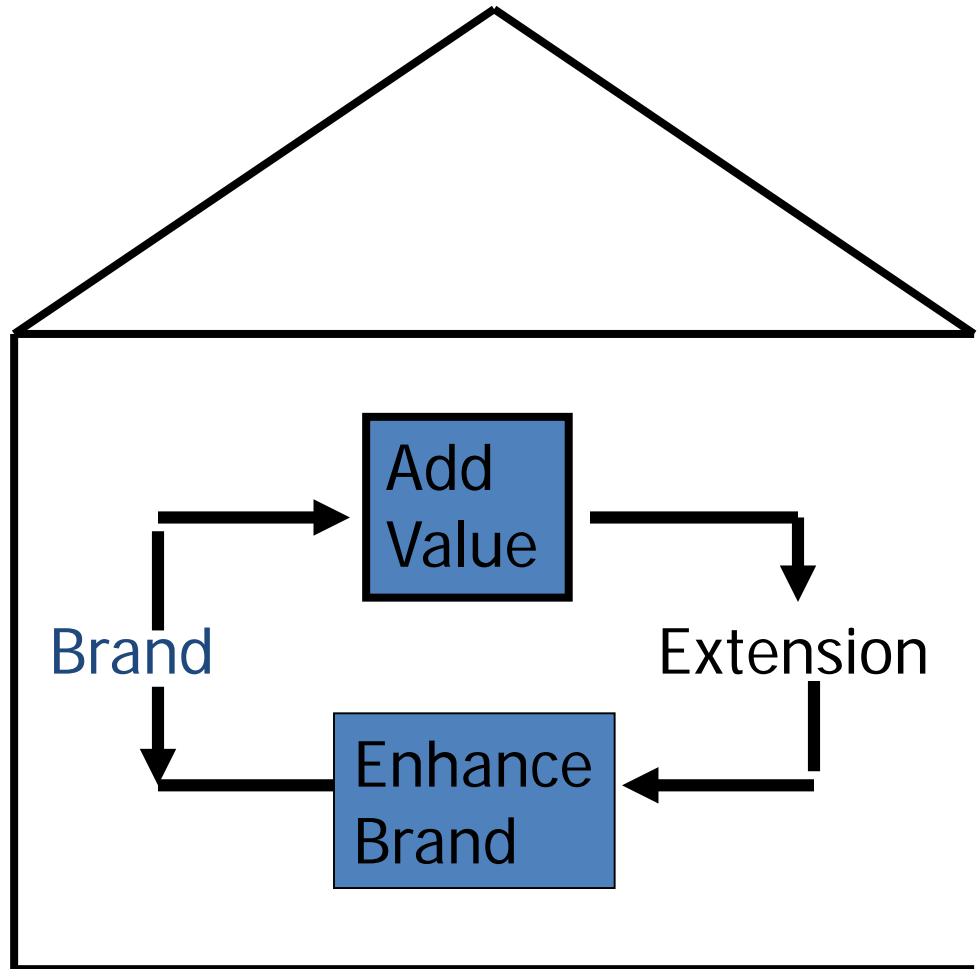
Branded-House Strategy



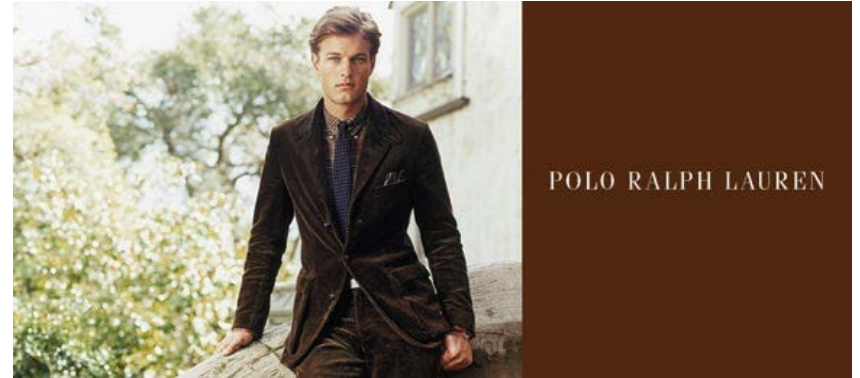
TREND: Brand Consolidation & Focus

- Why?
 - Movement from brand management to category management
 - Movement from transaction to relationship
 - Costs of managing brands
 - Inter-channel conflicts/power

Branded House



Sub-brands vs. Endorsed Brands



Polo (endorsed by) Ralph Lauren



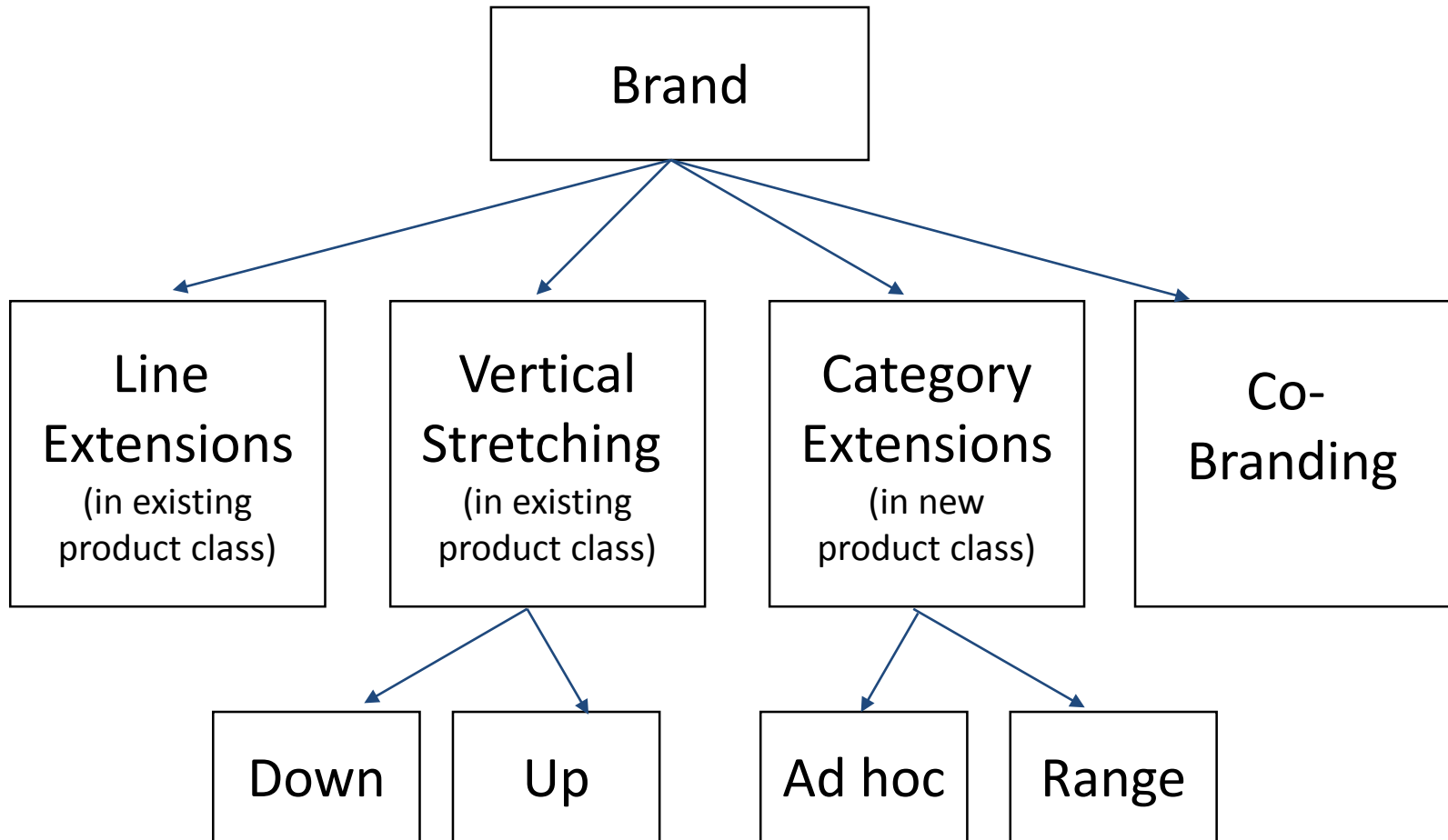
Audi A4, Audi TT
(subbrands)

Sub-brands

(closer to “branded house”)

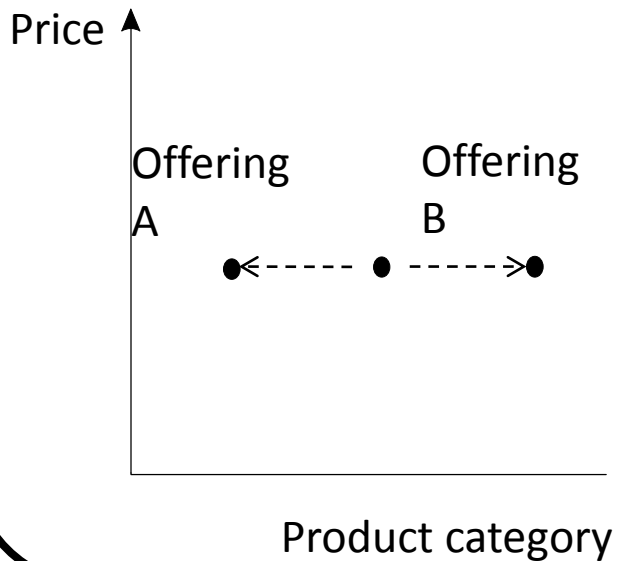
- Way to offer different products or serve different markets under one brand while minimizing confusion
- Sub brands:
 - Describe offerings: communicate further info about brands
 - Augment or modify the identity: create new associations
 - Exploit market opportunities
 - Qualify or modify the parent brand: support extensions

Leveraging the Brand



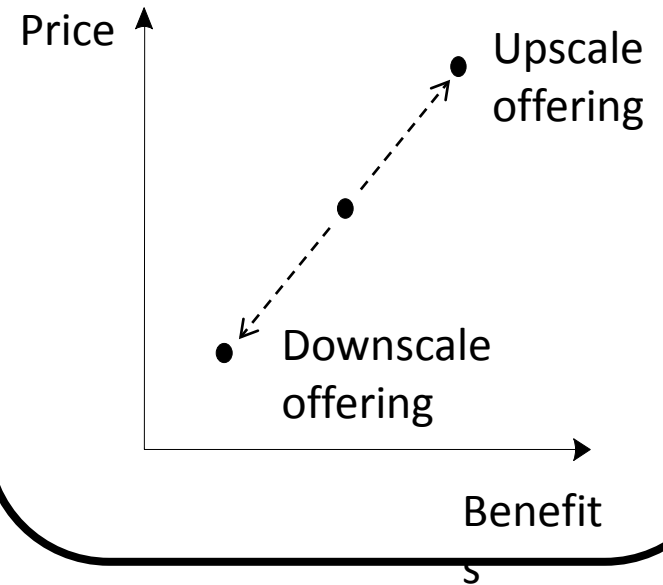
Brand Extensions

Horizontal brand extension



(Often, different category
at a similar price)

Vertical brand extension



(Greater benefits at
a higher price)

Horizontal Brand Extensions



Vertical: Downwards; Class to Mass



**THE BMW 760Li SEDAN.
LUXURY'S LEADING EDGE.**



**THE BMW 128i COUPE.
BORN TO PERFORM. DRIVEN TO PLEASE.**

Vertical: Upwards

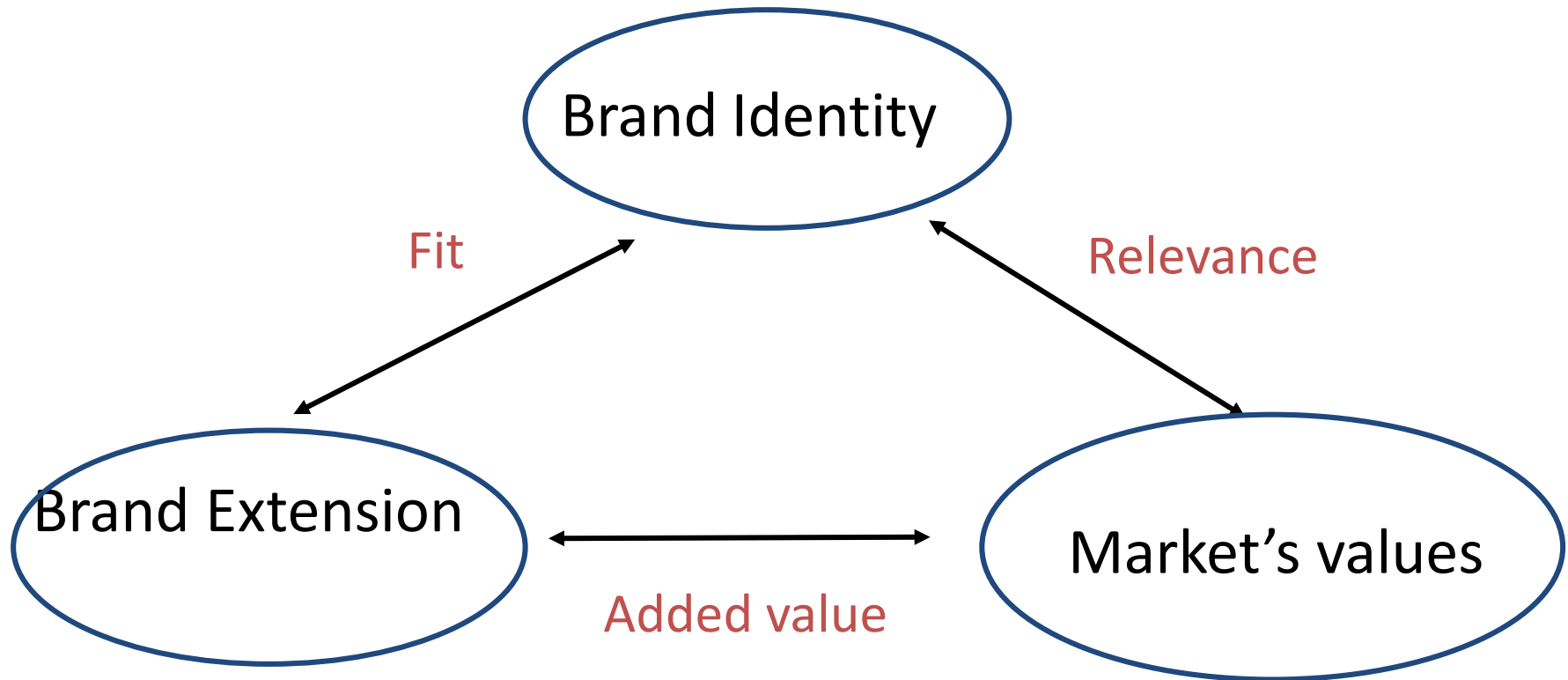


Would you buy a \$66,000 Kia?

Important Factor

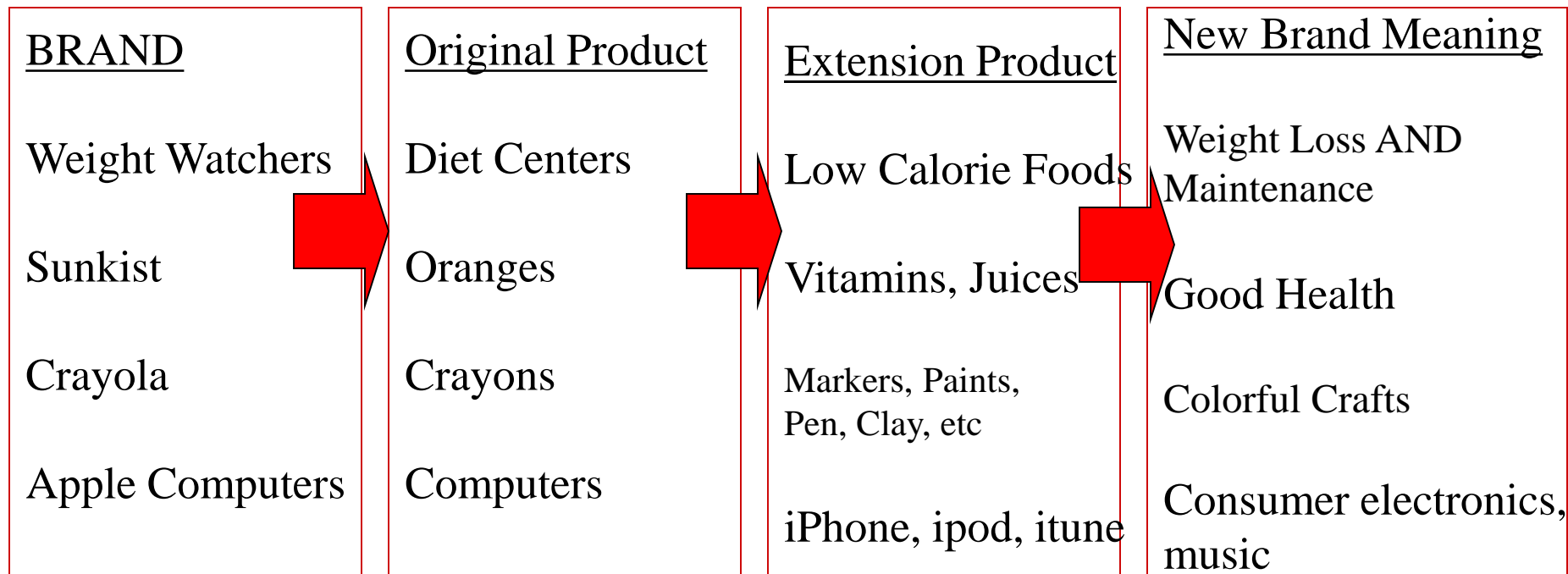


Keys to Success in Brand Extension



Evaluating Brand Extension Opportunities

- Expanding Brand Meaning Through Extensions



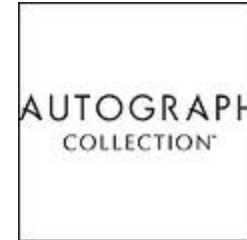
Can a Luxury Brand Move Down for Revenue Market?

- Easier than going up
- Can harm the brand, but can work if made distinct from parent
 - E.g., sub-brands
 - Also distinguish new context from original
 - E.g, extension of shampoo to tissue product
- Pricing strategy matters : want to be careful that the “value” brand does not cannibalize core brand
 - GAP went to Old Navy (rather than a sub brand to ease cannibalization and image dilution issues)

Marriott Brand Strategy



JW MARRIOTT.
HOTELS & RESORTS



EDITION



<http://www.marriott.com/default.mi>

Explore Our Brands

ICONIC LUXURY

LUXURY

LIFESTYLE | COLLECTIONS

SIGNATURE

MODERN ESSENTIALS

EXTENDED STAY

VACATION CLUBS

BVLGARI[®]
HOTELS & RESORTS

JW MARRIOTT.

EDITION

Marriott
HOTELS & RESORTS[®]

COURTYARD[®]

Residence
Inn[®]

Marriott
VACATION CLUB.

THE RITZ-CARLTON[®]

AUTOGRAPH
COLLECTION[®]

SPRINGHILL SUITES[®]

TownePlace
SUITES[®]

GRAND
RESIDENCES
[™]Marriott[™]

THE RITZ-CARLTON
DESTINATION CLUB[®]

RENAISSANCE[®]
HOTELS

FAIRFIELD
INN & SUITES[®]

Marriott
EXECUTIVE APARTMENTS[®]



(Intermix has its own website)

www.gap.com — Shop clothes for women, men, maternity, baby, and kids | Gap

Gap Old Navy Banana Republic Piperlime Athleta

FREE SHIPPING ON ALL ORDERS OVER \$50. FREE RETURNS ON ALL ORDERS.

Your account | Sign in Orders and returns | Shipping to: 0 items in your bag Checkout

30% OFF YOUR PURCHASE Enter **GAP30**. Online only. Ends 5/14. DETAILS

WOMEN BODY GAPFIT MATERNITY MEN GIRLS BOYS TODDLER GIRL (1-5 YRS) TODDLER BOY (1-5 YRS) INFANT GIRL (0-24 MOS) INFANT BOY (0-24 MOS)

DRESS FOR IT

DRESSES FROM \$44.95
35 COLORS. 41 PRINTS.
ENDLESS SUMMER STYLE.
SHOP DRESSES

BABY'S FIRST RSVP
Summer party pieces with mini-mod appeal.
SHOP THE LAWN PARTY COLLECTION:
INFANT GIRL / INFANT BOY

Polo's High-Stakes Balancing Act



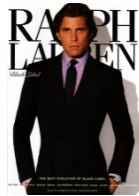
Polo Ralph Lauren; Kohls.com (shirts)

Ralph Lauren, at a fashion show for the recent opening of his downtown Moscow store, and shirts from Polo's lower-price Chaps line sold at Kohl's.

Ralph Lauren



- Purple Label
- Black Label
- Polo
- Golf
- RLX
- Double RL



Men's

- Collection (purple)
- Black Label
- Blue Label (Polo)
- RLX
- Denim & supply
- Lauren



lauren by ralph lauren dresses

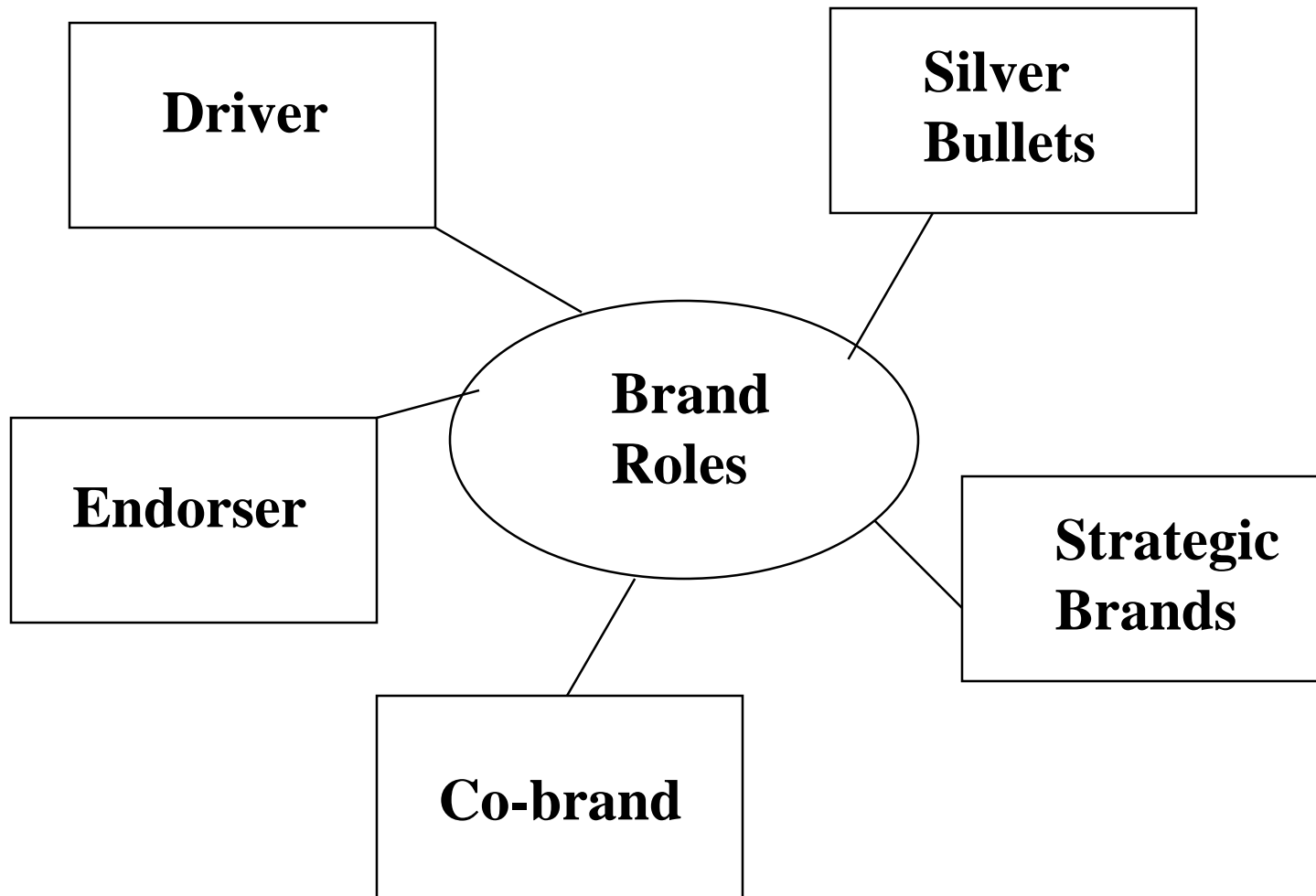


Women's

Brand Systems

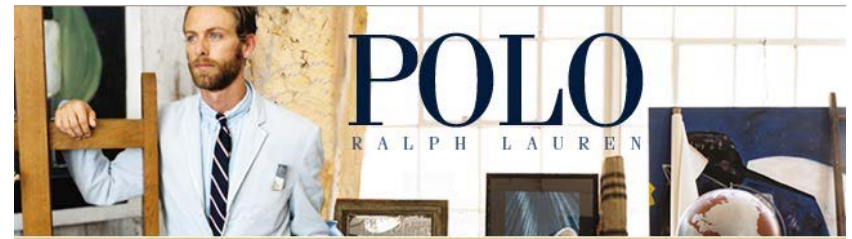
- A foundation for all brands in the system
- Needs a reciprocal relationship with each of the brands
- Goals are different from goals of individual brands
 - Exploit commonalities to generate synergy
 - Reduce brand identity damage
 - Achieve clarity of product offerings
 - Facilitate change and adaptation

Brand Systems



Ralph Lauren Polo = Driver

The original iconic brand offering casual and semi-formal wear by the way of polo shirts, sweaters, pants, ties, dress shirts, and accessories in the most classic look. These items are priced in the mid-range of the ready-to-wear market and are sold in department stores.



Purple Label= Endorser

Purple Label collection of men's tailored clothing and sportswear bring true masculine luxury and quality to American menswear. Purple Label collection is sold through Ralph Lauren stores and a limited number of premier fashion retailers at price points at the upper end of the luxury range



RLX = Strategic Brand



RLX Polo Sport collection consists of functional sport and outdoor apparel. The mission was to “design the ultimate in high-performance, functional athletic apparel and accessories. Quality, innovation, technical performance and the Ralph Lauren aesthetic sensibility are what distinguish RLX from its category competitors.”

Wharton Penn Brands

What's the benefit of a Wharton MBA?

Investing two years to complete any MBA is a risk, but the Wharton MBA will transform your career in ways that extend far beyond ROI.

THE MBA PROGRAM



T H E A L L I A N C E



Wharton Research Data Services
//The Path to Business Intelligence >

Ralph Lauren Home Collection = Silver Bullet

Turns Ralph
Lauren
into a
Lifestyle



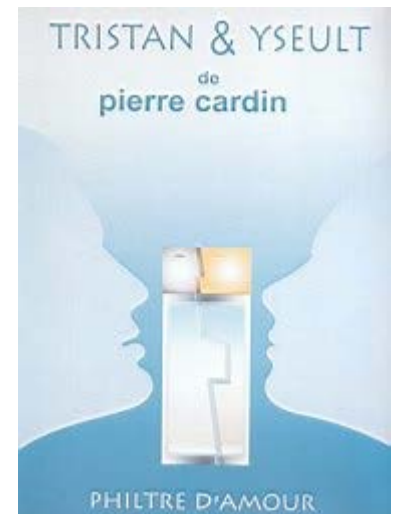
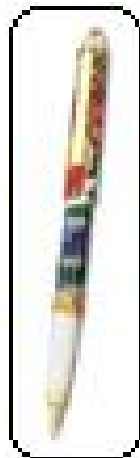
Co-brand with Wimbledon



Licensing

- Contractual arrangements whereby firms use the names, logos, characters of other brands to market their own brands for some fixed fee (“renting” the brand)
- Examples:
 - Entertainment licensing (e.g., Star Wars, Jurassic Park, Lion King)
 - Designer apparel (Pierre Cardin’s name on belts, ties, luggage, fragrance)

Pierre Cardin Brand Dilution: Too much Licensing



Managing Brands Over Time

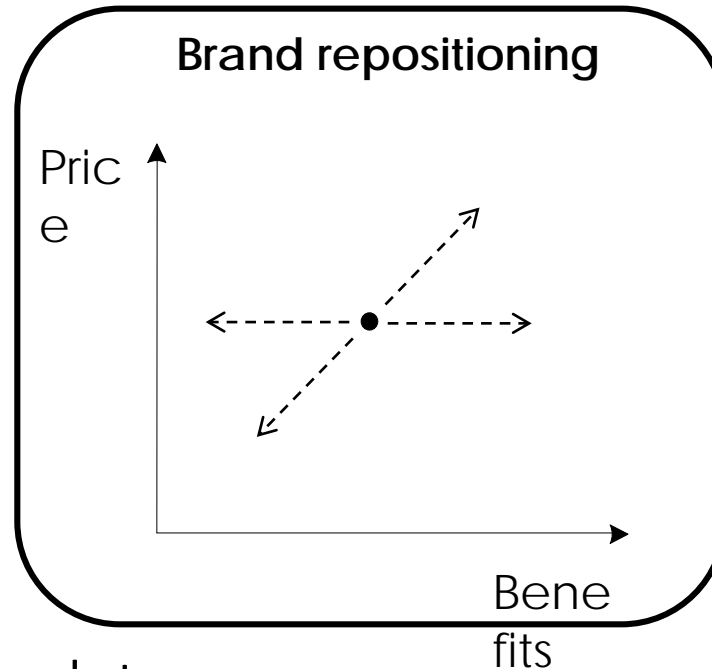
- Brand equity MUST be actively managed over time
 - Brand meaning must be reinforced
 - Sometimes brand meaning must be adjusted
 - Branding program will need to be changed and new sources of equity identified and built

Two General Paths

- Reinforcing brand equity
- Revitalizing brand equity

Brand Repositioning

- Changing the meaning of the brand



- Why reposition?

- Change in the target market
- Competitors' actions
- Change in the context



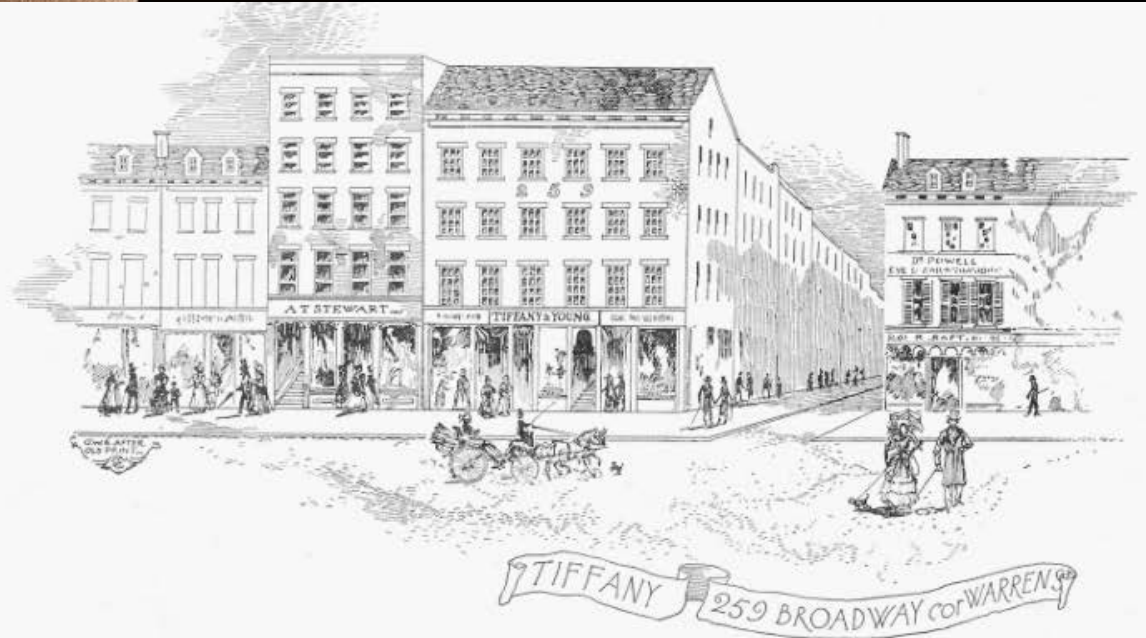


A History of Tiffany Watches

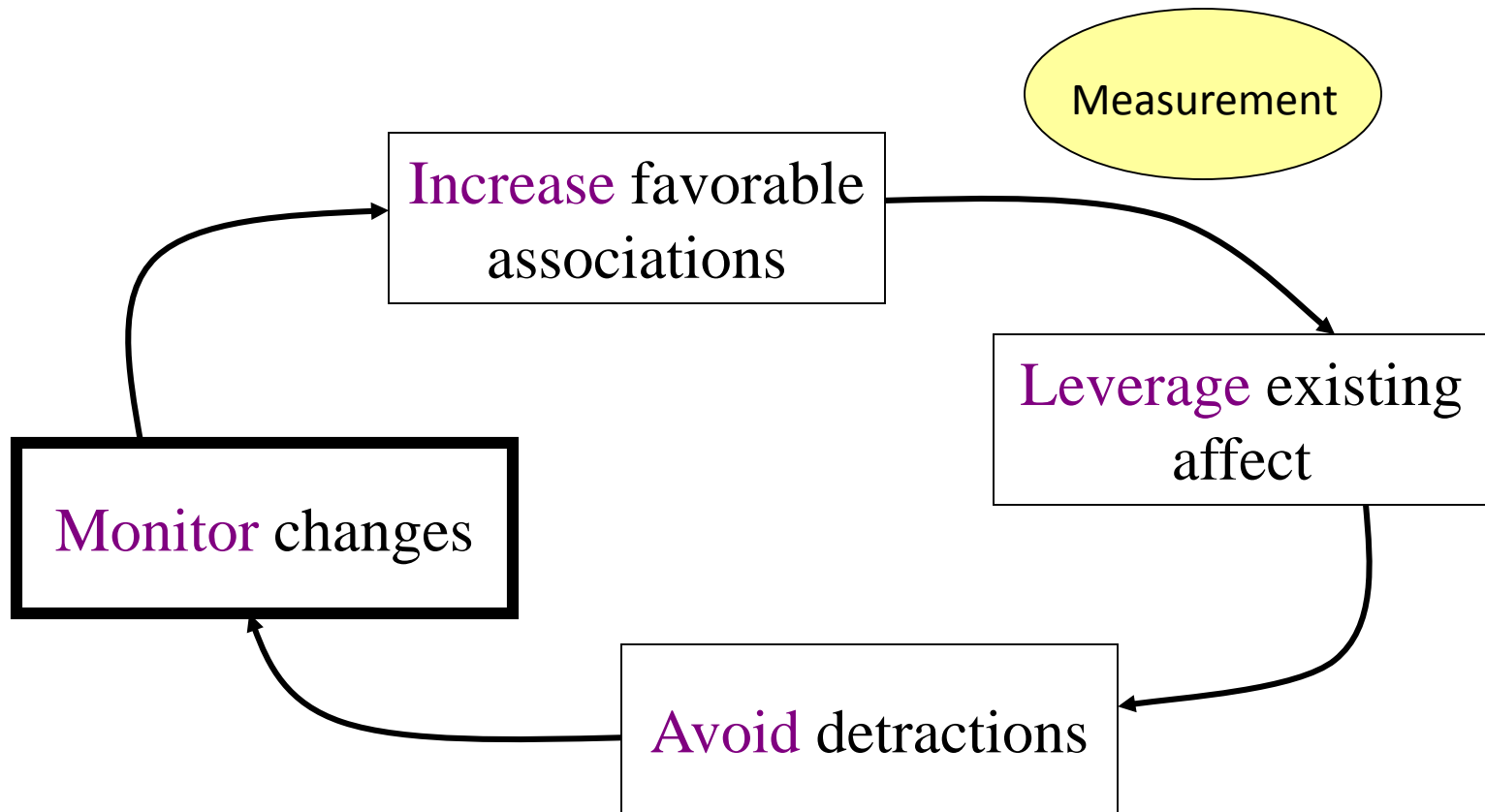
Since the 19th century, Tiffany has outfitted the world with the very best examples of fine Swiss watchmaking.

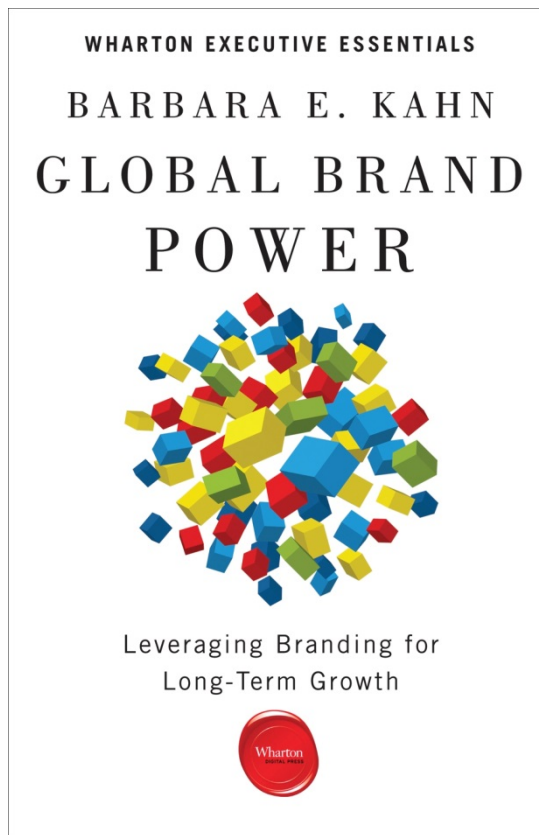
1837

Charles Lewis Tiffany opens a store on Lower Broadway in New York City.



Brand management objectives





- What is a brand?
- Customer decision-making
- Positioning/Differentiation
- Qualitative Measurement
- Quantitative Measurement
- Management of brand systems
- Repositioning
- Brand Communications