

Branding implications for marketing research

By [Vivian Warby](#)

28 May 2007

Knowing brand architecture allows marketers to be more consultative in their research and therefore more relevant to clients. So said Alida Jansen, project manager, and Sonja Nowotny, research executive, both from The Customer Equity Company. The two were addressing delegates on the relationship between brand architecture and brand equity and the implications for marketing research at last week's SAMRA's 2007 conference held in Spier, Stellenbosch.

As a researcher, understanding brand architecture means that you can design studies that are more reflective of the competitive space that a brand operates in, and also take into account the brand's broad strategic goals and vision, they said.

Brand architecture important

Brand architecture, said Jansen, was also important in managing and optimising brand equity.

"Marketers need to have a clear plan and strategy for their brand architecture, with an understanding of the pros and cons of each brand architecture design. They also need to be sure about the equity flow implications of brand extensions, and the degree to which equity can be leveraged."

Even in a House of Brands design in which individual sub-brands are marketed completely independently from the parent brand and where there might be little transfer of brand equity between brands, the individual components still need to 'play together as a team' in other perspectives such as production and non-conflicting positioning strategies.

Brands within a portfolio need to help each other, and avoid getting in each other's way.

Marketing research has the potential to play a strong role in assisting marketers to achieve this goal, said Jansen.

Brand architecture a strategic tool

Brand architecture should also be seen as a strategic tool in the same way pricing decisions and advertising are.

A good example of how brand architecture can be used as a strategic tool is in the champagne market, said Jansen.

Marketers in this category often struggle with how to communicate scarcity, and therefore ensure that the prestige factor that attracts many consumers to the category is not lost, but at the same time sell high volumes of their brands to achieve

sales targets. Perrier-Jouet used brand architecture as a strategic tool to solve this paradox. They introduced a super-exclusive champagne marketed under its parent brand name, to build its brand and prestige factor, and at the same time had various standard, mass produced champagnes to drive sales and profits.

“One element of their brand architecture is therefore used to build the brand, and the other to drive sales. This is achieved via the equity flow that occurs from the premium brand into the mass brand. Here, brand architecture was used to achieve a specific goal – with a clear strategy and plan in mind, in terms of the nature and direction of the equity flow.”

The link between brand architecture and brand equity comes when one evaluates the relationships that exists between brands (interrelationships). This, said the two panelists, means understanding the brand equity that each one holds.

“It also implies understanding the degree to which that equity flows from one brand to another within a brand stable and the linkages that exist between brands in terms of equity, positioning and consumer associations.

”Measuring interrelationships is key”

“Only then can one design a product portfolio that has the potential to maximise equity and revenue. Measuring interrelationships is key.”

Brand architecture is simply defined as describing the relationships that exist between one brand and another.

The understanding of brand architecture, the various brand architecture designs that exist and their implications for equity flow, said Jansen, “can lead to the design of marketing research studies that are better matched to the true competitive landscape a brand operates in, as well as to the client's strategic goals”.

Definitions

Branded House: Single brand name is used across all of a firm's marketing activities and across all the countries within which it operates such as General Electric, the Virgin Group, Red Cross, Oxford, Kellogg and Shell.

House of Brands: portfolios in which individual sub-brands are marketed completely independently from the parent brand. Think Proctor and Gable.

Shared Architecture: Equity is typically shared between brands and companies, either to leverage a brand's reputation in a particular market, or as a step in a migration strategy. Examples here would include Nestlé's KitKat, Sony PlayStation or Polo by Ralph Lauren.

ABOUT VIVIAN WARBY

Vivian Warby is a senior freelance journalist for Bizcommunity.com in Cape Town. She can be contacted on wordwarrior@mweb.co.za.

▪ Vote on amendments to Broadcasting Act could be taken today - 13 Aug 2008

▪ Ad agencies are “bottom-feeders” - Alistair King - 24 Jul 2008

▪ Ad industry achievements in the past decade - 24 Jul 2008

▪ Learning from failure - 23 Nov 2007

▪ Mbbles will trigger digital economy boom on continent - 22 Nov 2007

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>