

Brand Management
Professor Abhishek Kumar
Dept. Of Management
Army Institute of Management, Kolkata
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Now, if we look at the idea of branded house, what does it say? It says that a house which is branded, all right. Now, what is this house? This house of course, because we are talking of architecture, so it can be a house, physical house where we stay, but in this case, house is an idea, house is a business house, all right. So, business house means, business house like Tata, business house like Birla, business house like ITC, business house like Usha Martin, business house like Goenka and so on so forth. So, it is a business house that is being branded. Now, if you are branding the house itself, then what are you doing? You are like you have say different rooms inside the house say bedroom, living room, dining room, kitchen and so on. If you are branding it, it will call say Tata dining room, Tata living room, Tata kitchen and so on so forth.

So, branded house also is something similar. Here you will say Tata steel, Tata motors, Tata chemicals, Tata pigments, Tata ball bearings and so on so forth. So, that is what branded house is. Now, in the branded house category itself, what happens is you can have the same identity or you can have a different identity for the same brand.

So, when you say Tata, so the way you interpret Tata in Tata steel is different from the way you interpret Tata in Tata consultancy services or TCS or Tata salt or Tata coffee. So, in some cases it has the same identity, in some cases it has different identity. And here in branded house, you will see that the master brand moves from a primary driver position to a dominant driver position. So, here in branded house, it is the master brand, which does all the hard work, it becomes the dominant driver and the other part of the brand becomes again a mere descriptor. Let us see one example and that is Virgin.

Now, this example comes from United Kingdom or UK. Now, many of us might be aware that at one point of time, Virgin had entered Indian market also with Virgin mobile. But unfortunately that experiment or that business did not succeed and Virgin mobile was sold to Tata Docomo and they exited Indian market. As you can see in this slide, Virgin has a large number of businesses to which it has lent its name. So, this is also a classic example of branded house architecture.

Here I will give you one example and that is quite an interesting example. I was standing in one of the railway stations in Scotland and I was waiting for my train. In front of me several trains came and passed by, but my train was yet to arrive. Suddenly I

see another train comes and that train is very different from the other trains that have passed by. So, I was very curious because they were that was that train was very luxurious.

The look, the feel was very different the way the doors opened and when the doors opened, I could actually see that there is a carpet laid out, the color scheme is different, the lighting is different and the kind of chairs that were available in the inside that train compartment was also very different. So, I was wondering what train is this and then when I took particular notice, I saw that it was written Virgin train. So, what I am trying to say is that Virgin while it can in India stand for Virgin Mobile, which is a cheap version or a modestly priced version of mobile service, whereas Virgin train can be considered as a luxurious option within the train services. So, point I am trying to make is that the same brand in this case Virgin it can stand for many different ideas. One can be luxury and other can be value for money segment also.

So, this is what this is something that we must keep in mind when we look at brand architecture as a solution at the level of structure. Same thing you can see in Tata also. Now, if you look at Tata whole house per say, you will see that there are products which cater to high end segment and there are products which cater to low end segment as well or bottom of the pyramid segment. For example, Tata salt, Tata salt caters to bottom of the pyramid. So, anybody and everybody can buy Tata salt, whereas you know there is a mineral water brand coming from the house of Tata called Himalay and that brand sells 1 litre of mineral water for 90 rupees, whereas ordinary mineral water bottles of 1 litre is available at 15 rupees.

So, you can see that Tata is also present across the value segment. Within Tata motors also you can see that there are brands of cars which are available at 5 lakhs and there are also brands of cars like Jaguar which is available at 75 lakh rupees. So, what I am trying to say is that brand architecture is a solution at the structure level and because the solution is at the structure level, it is able to respond to complicated situations in different manner, alright. So, a business challenge at the marketplace may happen at the level of the bottom of the pyramid. It may also happen at the level of upper middle class level.

It may again happen at the level of the top of the class segment and if you have a structural solution to in your arsenal, you will be able to respond to each one of those challenges in a different manner using the same structure and using the same brand. So, this is something that all of us must keep in mind that brand architecture is a solution to the needs of the consumer and to the needs of the marketplace at the level of a structure. Let us move forward and before we move forward, you must see the new kid on the

block that is Tata New. Now, what is Tata New? Some of you might be aware that Tata New is response of the Tata group to the challenges posed by companies like Amazon and Flipkart. So, initially what they are doing is all the products of Tata are available on the Tata New e-marketplace.

It is something like Amazon Flipkart. You can download the app of Tata New and you can do your purchases just the way you buy your stuff on Amazon and Flipkart. But where it will go is something that we will all be eager to see whether Tata is serious enough to make this Tata New a powerful alternative for consumers in India. Let us move forward. So, as you have realized that in brand architecture, we have two extremes, one extreme is house of brands, another extreme is branded house.

And no matter where you are in this continuum, you will have to decide you want to move towards branded house or you want to move towards house of brands. This is a decision that you will have to take consciously knowing the strengths of your brand, requirements of your brand and requirements of the marketplace. So, you as a brand manager must be aware of these two primary tendencies within your brand portfolio. If you are aware that these two are the possibilities, these two are the direction in which you have to move, you will be able to look at your own brands in your portfolio more critically and with greater compassion and then make a decision whether you will move in one direction or the other direction. Now, what we are going to do is we are going to see if you take one direction, what are the questions you must grapple with. Alright

And first, I am giving you the example of branded house. So, if you think your company, your portfolio of brands should move towards a branded house, the questions that you must ask is does the master brand contribute to the offering by adding, adding what? So, here what are you asking? You are asking the contribution that is being made by the master brand. Master brand remember in case of Tata steel, Tata motors it is Tata and so and in case of Virgin it is Virgin. So, what is the contribution of the master brand and what do they add? So, first question is associations enhancing the value proposition. Now, does master brand add associations and enhances the value proposition? Now, for example, Tata steel is selling steel sheets for say Volkswagen and Volkswagen car to German to the German car maker.

Now, German car maker will it buy steel from Tata or will it buy steel from JSW? These are the two competing steel makers in India and suppose Volkswagen has decided that it will pay by the steel either from JSW or from Tata. Now, what value does Tata bring to this deal compared to JSW? This is what a brand manager will have to think about. Volkswagen would it like to associate itself to a brand like JSW or to a brand like Tata and all of us know that General Steel Works has a certain positioning in the market

which is a family run business and it runs in a certain way, whereas Tata runs in certain another way. So, all of us know that Tata sons is the controlling company or holding company of Tata steel and Tata sons is nothing but a group of trusts and those trusts own all the Tata companies and the idea of those trust is to do social service or bring value to the society and to the country where they operate. Now Volkswagen when they are making this decision they may have this at the back of their mind that would they like to through their deal would they like to contribute to the society and the country where they are operating or they would like to see it as a pure business transaction.

If they look at this transaction as a pure business transaction then they may perhaps go to JSW and buy steel, but if they are looking at this transaction as a transaction which will also help society country and so on so forth, then they may perhaps choose Tata steel as the preferred partner. So, what I am trying to say is that brand manager must think of the associations that the parent brand or the master brand brings to the value proposition. Second is credibility with organizational association same thing it adds credibility to the association. You are buying up suppose you are buying a biscuit and if that biscuit comes from a known company called ITC you will be more confident of going ahead and making the purchase compared to that biscuit coming from some unknown company. So, a brand suppose it is a ITC Sun feast.

So, you will be more happy in or you will be more inclined towards buying a biscuit from ITC because there is a credibility attached to that organizational organization called ITC. Visibility, a branded house will promise you quick visibility because suppose say a new TV is being launched and that new TV all of us know that TVs today come from the brands like LG, Samsung, Sony, Panasonic and so on. So, these are the common names common brands that offer television in the marketplace. Now, suppose a new TV comes into the market and that TV brand is some XYZ brand which you are not aware and another TV brand which comes into the market is from say ITC. Moment you see ITC TV immediately you will be interested and you will like to explore because it comes from a reputed brand and immediately the visibility will increase which means what all the shopkeepers who sell TV when they hear that oh ITC is launching a TV let us stock it.

So, they would like to display TV from ITC so that people when they are curious and when they come they can actually have the product experience. Similarly, communication efficiencies so because it is a branded house which means it already has several businesses and it is anyway making communication in the marketplace it is releasing advertisements that is newspaper, television, social media. It is anyway doing lot of communication with a new brand it will add one more communication it will be one more communication out of the many communication. So, because of that your costs

will go down and you will achieve economies of scale. So, branded house if you want to move towards branded house these are the questions you must ask and this is the value that a branded house will bring to you if you follow this strategy.

Next one is towards a house of brands. Now, this is also an example which we have seen elaborately in this lecture. Now, if you are at the crossroad and you are trying to decide whether you will move towards a branded house or towards house of brands these are the questions if you are seriously considering house of brands you must look at these questions and the questions are is there a compelling need for a separate brand. So, do you think that in your portfolio of brands do you want your brands to stand on their own and not be bothered about the master brand or the parent brand. So, think of Dove, think of LUX, think of Lifeboy, think of Pepsodent these are all independent brands they do not bother about Unilever, Hindustan Unilever Limited or Unilever they do not bother because when we go to the market we buy Pepsodent, we buy Dove, we buy Lifeboy, we do not buy Unilever.

So, that is a classic example of house of brands and therefore, if you think that you have a brand and you want to have that brand as a standalone brand it should not stand on the crutches of the master brand and you want to create its own brand associations. So, for example, we were discussing Colgate, Colgate has its own brand association of a doctor in a white coat and toothpaste with salt and so on so forth. So, and it is very different from other brands in P&G or other brands in. So, what I am trying to say that if you are a brand manager who is very passionate about your own brand and you think that you will be able to create a brand which is on its own it has its own association, its own positioning, own personality, own identity and if you attach it to a parent brand it is not really a great idea. So, you may think of if you have that conviction you may think of moving towards a house of brands.

Similarly, you must ask yourself that does your brand represent a new and a different offering. So, if it is new and it is different from what is already there in the market you can think of a house of brands. Avoid an association. So, suppose you go with say branded house or you go with sub brands or endorsed brands you willingly get associated with another brand whether you want it or you do not want it you are forced to associate yourself with another brand. So, you do not want to do that because you think your brand is strong enough to stand on its own.

So, if you wish to avoid that association with another brand you can think of this strategic position of a house of brand. Next point retain capture customer or brand bond. What does it mean? It means that there is a relationship between the brand and the customer. That relationship you want to retain you do not want to break that relationship

you want you realize that it is an intimate relationship and in that intimacy between the brand and the consumer a third person will only create noise and it will become an irritant. So, therefore, what you want to do is you want to preserve the sanctity the intimacy of that relationship and therefore, you do not want any other brand to meddle into it and so, you decide to create a brand of your own within the house of brands without any unnecessary association.

Also, how will you deal with the channel conflict? Because if it comes from the same house then there may be competition or if it is a separate brand and if it stands on its own then the channel will look at you as an independent unit and it will take independent decision. So, the point here is that are you confident enough of your own brand and if you are confident enough of breaking away and creating your own identity you can think of using this strategic brand position or brand architecture position of house of brands. So, this way we come to the end of our discussion on brand architecture in I repeat once again that brand architecture is a structural solution and as a structural solution as a structure you respond to market necessities. Just one point in the end I would like to add that and this is something that I am telling you I am trying to convey with my own understanding that in your journey towards creating establishing and leveraging brands the easier option is to create a branded house and personally I feel that it is an efficient position and it is an efficient, it is an easy and it is a powerful position of creating a branded house. Because immediately it allows you to get the benefit of economies of scale and it allows you immediate recognition as you move forward and as your brands become bigger as your businesses become bigger you may think of the branded house some brands within the branded house can act as house of brands and if as so within a branded house you have several houses of brands.

So, this is something that you can think about because Tata is a good example and many large organizations are good example of house of brands contained inside a branded house. So, for example look at Titan now Titan is under Tata but Titan itself is a house of brand there many brands within Titan. Similarly if you look at say Dove now Dove is a is a house of brand belonging to Unilever, but Dove alone has several product and brand extension. So, Dove itself is a branded house under the house of brands of Unilever. So, this is something that in my view you should keep in mind and with this we conclude our lecture on brand architecture. Thank you very much. .