Conceptual analysis of brand architecture and relationships within product categories

Received (in revised form): 4th September, 2003

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Abstract

Brands play a significant role in developing marketing strategies for specific product categories in a firm. A coherent international brand architecture is a key component of a firm's overall marketing strategy as it provides a structure to leverage strong brands into other markets, assimilate acquired brands, and rationalise the firm's branding strategy. This paper discusses how firms can develop brand architecture, and considers the factors that contribute in shaping the architecture. The managerial implications for marketing management and the impact of architecture on the brand hierarchy are also analysed.

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Brand architecture may be defined as an integrated process of brand building through establishing brand relationships among branding options in the competitive environment. The brand architecture of an organisation at any time is, in large measure, a legacy of past management decisions as well as the competitive realities it faces in the marketplace. The firm's history creates 'brand baggage'. This includes strong brands with rich traditions (like Louis Vuitton) as well as the burden of weak brands with strong traditions (Samsonite). Management inertia and vested interests within the firm often create barriers to the pruning of weak brands or their absorption into strong brand categories.

Brand architecture also reflects the characteristics of the product market. Where products are strongly culturally embedded, local or national brands are likely to proliferate, catering for specific local preferences. On the other hand, where customer preferences and desired product attributes are relatively homogeneous worldwide, and products share common functions, there are greater opportunities for global or international brands at the corporate or product divisional level.

The brand architecture helps in the revival, rentention or merger of brands that have low market impact and tend to cause organisational conflicts with the strong brands of the company. This process of brand building categorically determines the performance of the brand and allows the brand manager to choose the specific strategy position for the brand in the market.[1] The brand architecture can be used to rejuvenate weak or dormant brands and to launch new brands. The architecture of brands, however, also encompasses the management aspects of the launched brands in the market.

Brand architecture inevitably reflects previous management directives. In the first place, the firm's administrative heritage and, in particular, its organisational structure, establish the template for its brand architecture. Secondly, the firm's international expansion strategy and notably the mode of expansion — through mergers, acquisitions or natural growth — in terms of its market share and how brand structure evolves over time, are the principal areas addressed by the brand architecture process. Entry into strategic alliances in order to broaden the geographic scope of the firm's operations will result in a need to build the branding strategies of the partners. The importance of corporate identity and the diversity of the firm's product lines and product divisions will also impact the range and number of brands.

This paper discusses the conceptual issues of brand architecture and the impact of brand architecture on the positioning of the brand in competitive markets. The paper has the following objectives:

- To examine the current perspectives on branding and brand architecture.
- To discuss the alternative brand structures and the underlying drivers, ie firm characteristics, product market structure and market dynamics.
- To analyse the importance of designing a clear and effective brand architecture and managing brands in order to maintain a harmonious balance within this architecture.
- To emphasise the need for an annual audit of the firm's brand architecture and its fit with changes in the underlying drivers, as well as an assessment of key strategic brands within this architecture.

REVIEW OF THE RESEARCH

There are not many studies conducted in the area of brand architecture, which is a recent offshoot of the brand concept. A study conducted by Laforêt and Saundess[2] revealed three major patterns of brand architecture: corporate-dominant, product-dominant and hybrid or mixed structures.

Within corporate-dominant brand architectures, brands have been largely built on the basis of organisational standing in the market, irrespective of the product-mix strategies and related variables that have significant impact on the brand performance in the competitive environment.[3]

Within a product-dominant architecture, branding is done according to the AATAR model C attributes, awareness, trial, availability and repeat model, and technology.

The hybrid pattern of brand architecture considers the organisational image as well as the product pattern factors to determine the brand-building strategy. Such a pattern is followed by the well-established corporate houses with a strong brand community such as Procter & Gamble (P&G), Unilever, Braun (Germany) and Phillips (Holland).

There is, however, considerable variation even within a given type of structure, depending, to a large extent, on the firm's administrative heritage and international expansion strategy, as well as the degree of commonality among product lines or product businesses. In addition, these structures are continually evolving in response to the changing configuration of markets or as a result of the firm's expansion strategy.[4] Corporate-dominant architectures tend to be the most common among firms with a relatively limited range of products or product divisions, or with a clearly defined target market, such as Shell, Kellogg's, Nike, Benetton, and so on. Product-dominant architectures, on the other hand, are typically found among firms such as Akzo Nobel with multiple national or local brands, or firms such as P&G or Mars that have expanded internationally by leveraging 'power' brands. The most common are hybrid or mixed structures, consisting of a mix of global corporate, regional and national product-level brands, corporate endorsement of product brands or different structures for different product divisions.

Both corporate- and product-dominant structures are evolving towards hybrid structures. Firms with corporate-dominant structures are adding brands at other levels, for example, the house or product level, to differentiate between product divisions. Product-dominant structures may be described with reference to the multiple brands that are moving towards greater integration or co-ordination across the markets through corporate endorsement of local products. These companies also vary in the extent to which they have a clearly articulated international brand architecture to guide this evolution. Some, for example, specify the different levels at which brands are to be used, the interrelation between brands at different levels, the geographic scope of each brand and the product lines on which a brand is to be used, while others have few or no guidelines concerning international branding.

INTERNATIONAL PERSPECTIVES OF BRAND ARCHITECTURE

Another factor impacting the firm's brand architecture is the degree of product market integration. This can be viewed not only in terms of whether the same customers are present in the markets of different countries or regions and have similar purchasing needs and interests worldwide, but also whether the same competitors are present in these markets.[5] Where markets are fully integrated and the same competitors compete in these markets worldwide, as in aerospace, the use of global brands helps to provide competitive differentiation on a global basis. The integration of markets and, in particular, the growth of regional and global media also encourages a move towards international brands in order to obtain cost efficiencies and reinforce brand strength. Advances in global communication technology and the internationalisation of retailing further facilitate the growth of international branding and stimulate a shift towards international brands. Retailing has further facilitated and stimulated the development of manufacturer brands.

As retailers move across international borders they provide an effective channel for international brands but, at the same time, their power increases. Consequently, manufacturers need to develop strong brands with high market shares in multiple countries in order to obtain adequate retail space for these brands and minimise slotting allowances.[6]

A final factor underlying the power of international brands is increased consumer mobility. While global media provide passive exposure to brands, increasing international travel and movement of customers across national boundaries provides active exposure to brands in different countries.[7] Awareness of the availability of an international brand and its high visibility in multiple countries enhances its value to consumers, and provides reassurance of its strength and reliability. Increased exposure to and familiarity with new and diverse products, and the lifestyles and cultures in which they are embedded, also generates greater receptivity to products of foreign origin or those perceived as 'international' rather than domestic.

The way in which consumers perceive brands is a key determinant of long-term business-consumer relationships.[8] The term 'brand' has been shown to comprise meanings drawn from two distinct sources: first the brand identity as codified and communicated by the brand originator, and secondly the brand meanings drawn from the users or consumer environment.[9] This division of meaning between originator and consumer has a number of implications, not least the potential for 'drift' between organisationally determined meaning and user-perceived meaning.[10] Communicative or rich environments such as the internet accentuate the drift between owner and user brand meanings, and this increases the importance of understanding the forms of linkage between brand meanings.

BRAND ARCHITECTURE

The brand architecture is the organising structure of the brand portfolio that specifies brand roles and the nature of relationships between brands. The conventional strategies of brand architecture have been developed to reference to equity charter, leverages and brand profitability. Contemporary theories, however, state that brand architecture is based on the efficacy of the attributes, derived advantages and brand system emerging in relation to the buying power of the customer.

The first step in establishing a brand equity management system is to define the brand equity in a document — the brand charter — which provides relevant guidelines for the marketing managers. Such a documentation strategy requires defining the firm's view on the significance of the equity concept, and describing key brands in terms of the associated products or names and the manner by which they have been branded and marketed.

The second step in establishing successful brand equity management is to integrate the results of the periodical brand track survey. The mapping of the market information on the critical indicators of the key brands can also be a guiding tool for the brand architecture and for developing the brand value chain.[11] While creating the brand strategy, it is important to understand that the preliminary definition of the brand equity is not the same for company-named brands. In cases of company-owned brands, the brand becomes the principal spokesperson for the company, and often that works as the pivot of the brand architecture process in the domestic and internationally segmented markets. Jean-Noel Kapferer[12] proposed the model of hierarchy of brands in 1992 with six levels of brands including product brands, line brands and umbrella brands. This model forms a new development in the management of brands and was developed with extraordinary insight by Kapferer.[13] Later, in 1996, David Aaker constructed an innovative framework for illustrating brand systems, and characterised brand roles as drivers, endorsers and fighter brands, and silver bullets.[14]

In an attempt to further improve the concept of brand architecture, the concept of brand portfolio strategies has been discussed. It is believed that brand portfolio strategies will help in searching for the efficient frontier for the brand set — the boundary where brand managers can maximise their returns for any level of portfolio risk. The brand portfolio is not restricted to the brands owned by the company. The brand portfolio, on the contrary, includes every brand that affects the consumers' decision to buy. Not every brand the company owns should be in the portfolio.[15] It is necessary to make such a distinction in developing the brand architecture approach for overcoming any conflicts in defining the role and level of brands.

The following discusses a powerful brand architecture tool, the brand relationship spectrum, as shown in Figure 1. It is intended to help brand architecture strategists to employ, with insight and subtlety, sub-brands and endorsed brands. The categories of brands play significant roles in the process of brand architecture for a company by:

- creating coherence and effectiveness
- allowing brands to stretch across the products and markets
- stimulating the purchase decisions by brand drivers
- targeting market niches and benefit positioning.

Sub-brands and endorsed brands can play a key role in creating a coherent and effective brand architecture. The sub-brands and endorsed brands allow brands to stretch across products and markets, address conflicting brand strategy needs, conserve brand-building resources in part by leveraging existing brand equity, protect brands from being diluted by over-stretching, and signal that an offering is new and different.

The brand relationship spectrum, as suggested by Figure 1, is related to the driver role that brands play. The role of the driver reflects the degree to which a brand drives the purchase decision and experience of consumers on the usage of the product. A branded house uses a single master brand to span a set of offerings that operate with only descriptive sub-brands. The house-of-brands strategy, in contrast, involves an independent set of stand-alone brands, each maximising the impact on a market. The house-of-brands strategy, however, clearly positions brands on functional benefits and to dominate niche segments. Targeting niche markets with functional benefit positions is the main reason for using a house-of-brands strategy.

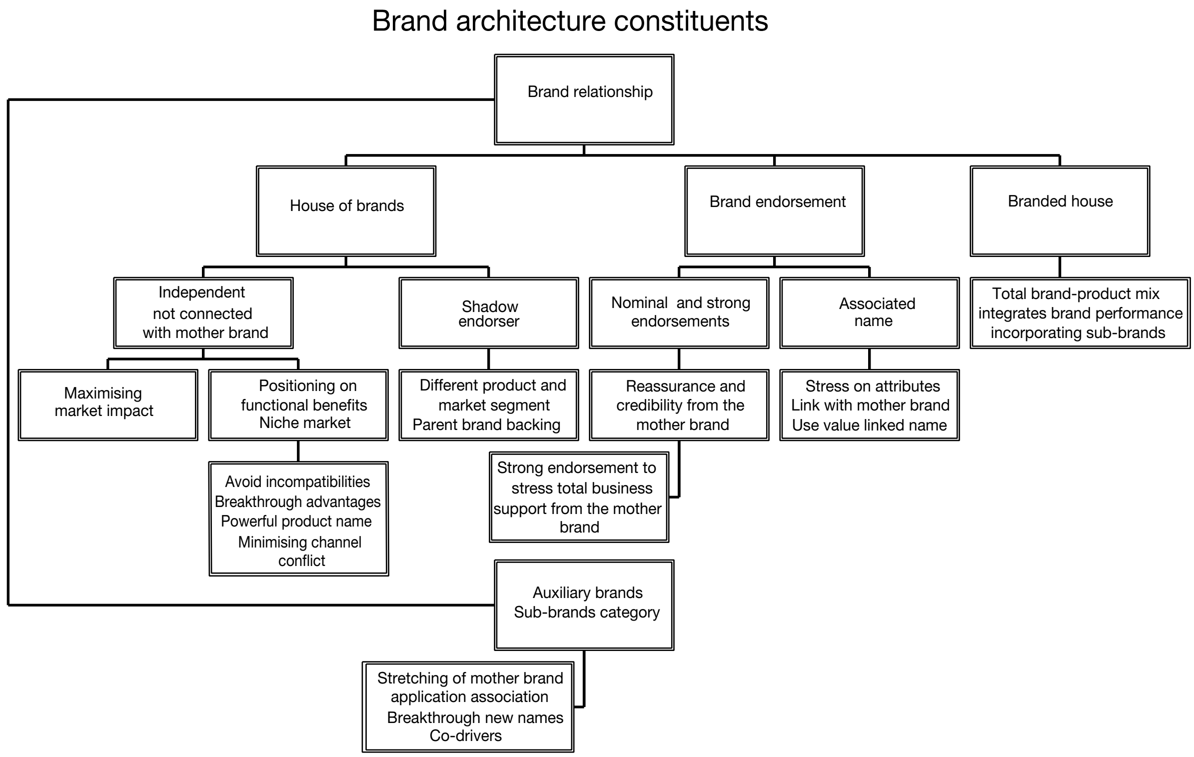


Figure 1 Brand architecture map

A shadow endorser brand is not connected visibly to the endorsed brand, but many consumers know about the link. This sub-category in the house-of-brands strategy provides some of the advantages of having a known organisation backing the brand, while minimising any association contamination. The fact that the brands are not visibly linked makes a statement about each brand, even when the link is discovered. It communicates that the organisation realises that the shadow-endorsed brand represents a totally different product and market segment. The principal attributes of the endorsed brand may be delineated as follows:

— It incorporates the shadow brands.
— It generates indirect market impact with mother brands.
— It represents distinct product and market segments.
— Endorsed brands operate independently of the mother brands in the market.

In the house-of-brands strategy, the brands are independent. Endorsed brands are still independent, but they are also endorsed by another brand, usually an organisational brand. An endorsement by an established brand provides credibility and substance to the offering and usually plays only a minor driver role. The token endorser is one of the variants of the endorser strategy. In this approach, usually a master brand is involved in several product-market contexts that are substantially less prominent than the endorsed brand. The token endorser

Table 1 Market impact and brand hierarchy

Constituents and attributes	Independent brand, not connected with mother brand	House of brands Shadow endorser	Brand endorsement types: Nominal	Brand endorsement types: Strong	Brand endorsement types: Associated name	Auxiliary brands
Maximising market impact	High	Average	Low	High	High	Average
Positioning on functional benefits	High	High	Average	High	Average	High
Niche market	High	High	Average	High	High	High
Different product and market segment	Average	High	High	High	High	High
Parent brand backing	Indirect and low	Indirect and high	Indirect and low	Direct and high	Direct and high	Direct and high
Strong endorsement from mother brand	Absent	High	Average	High	High	High
Resources and credibility from mother brand	Indirect	High	Average	High	High	High
Stress on attributes	High	High	High	High	High	High
Stretching from mother brand	Absent	High	Low	High	Average	Average
Application association	High	High	High	High	High	High
Breakthrough names	Occasional	Occasional	Occasional	Regular	Regular	Regular
Co-drivers	Absent	Always	Occasional	Always	Always	Occasional

can be indicated by a logo such as the GE light bulb. The role of the token endorser is to provide some reassurance and credibility while still allowing the endorsed brands maximum freedom to create their own associations. Another endorsement variant is a linked brand name, where a name with common elements creates a family of brands with an implicit or implied endorser. McDonald's, for example, has McPotato. A linked name provides the benefits of a separate name without having to establish a second name from scratch and link it to a master brand. Sub-brands are brands connected to a mother brand and augment or modify the associations of that mother brand.

The mother brand is the primary frame of reference, which is stretched by sub-brands that add attribute associations, application associations, a signal of breakthrough newness and a brand personality. When both the mother brand and the sub-brand have major driver roles, it is considered a co-driver situation. The master brand is performing more than an endorser role — for example, customers are buying and using both Gillette and Mach3; one does not markedly dominate the other. In a branded-house strategy, a master brand moves from being a primary driver to a dominant driver role across multiple offerings. The sub-brand goes from having a modest driver role to being a descriptor with little or no driver role. Table 1 shows the brand architecture properties at different levels. The above attributes of the constituents of the brand architecture reveal that the optimum market impact can be obtained with independent brands. The shadow endorsement and strong endorsement of the brands have greater impact on the brand architecture and are determined by the various attributes of the constituents of the brand architecture.

At one end of the spectrum, international expansion and consumer needs for reassurance about product quality and reliability result in a shift towards corporate endorsement of product brands. This helps to forge a global corporate identity for the firm and gathers its products under a global umbrella, thus generating potential cost savings through promotion of the global corporate brand rather than multiple independent product brands. At the same time, endorsement by the corporate brand provides reassurance for the customer of a reliable corporate image and enhances visibility. The advantages of the corporate endorsement of the product brands include:

— building umbrella brands
— establishing global corporate identity
— developing customer confidence
— monitoring key strategic brands
— enhancing the brand value in the new segments.

Corporate endorsement of product-level brands is increasingly used as a mechanism to integrate the brand structure across country markets, providing a unifying element across product offerings. For example, Cadbury uses the Cadbury name on all its confectionery products, in conjunction with product brands such as Dairy Milk, Whisper and so on. Equally, a house brand is sometimes used on a product worldwide. For example, Akzo Nobel places the Sikkens name on all its paint products. At the other end of the spectrum, rising media costs, coupled with the importance of building high visibility and the need to obtain cost economies, create pressures to extend strong brands across product lines and country borders. Increasingly, new products and variants are launched under existing brand names to take advantage of the brand names' strength and consumer awareness. Mars, for example, has launched an ice-cream line as well as a soft drink under the Mars brand name. Cadbury's Milk Tray brand has been extended to desserts, leveraging the brand's association with creaminess. Strong international brands often have high visibility and are prime candidates for brand extensions, especially for entry into new and emerging markets such as Eastern Europe or China. In some cases, a well-known brand name is used on a product line which is marketed under another brand name elsewhere. For example, Danone uses the Danone name to market biscuits in Eastern Europe, in order to leverage customer familiarity with the name. Similarly, Nestlé's Maggi brand, used on sauces and seasonings, had high recognition in Eastern Europe and so was extended to frozen foods rather than the Findus brand used elsewhere in Europe.

The growing prevalence of corporate endorsement and brand extensions, coupled with a focus on building a limited number of strong brands in international markets, has led firms to develop procedures to manage and monitor key strategic brands. A key objective is to maintain their identity and value in international markets. Two important aspects need to be considered:

1. The consistency of brand positioning in different countries and across product lines.
2. The value and/or risks of brand extensions in international markets. Widely different approaches have been adopted for managing strategic brands in international markets and assigning custody for them. Typically these vary depending on the organisational structure of the firm

and the desired degree of control, and range from having no explicit custody strategy to highly centralised tight control by corporate headquarters.

The firms with strong country management also operate in the product markets where brands are not important and purchase signals may have no explicit custody strategy. Attention is largely centred around trademark issues and prority is given to their infringement in different markets. In cases where product markets are becoming more integrated and the aim is to improve brand harmonisation across countries, specific brand positioning may be negotiated between corporate headquarters and country managers. This approach may, however, be somewhat cumbersome where there are multiple brands to manage. An approach that appears to be becoming increasingly popular is to appoint a brand champion. The brand champion is typically given responsibility for building and managing the brand worldwide. This includes monitoring the consistency of the brand positioning in international markets, as well as authorising use of the brand on other products or other product businesses. The brand champion can either be a senior manager at corporate headquarters, a country manager or product development group. For example, a lead country or one with major market share for the brand can be given responsibility for the brand.

In examining consistency in brand positioning in the competitive market environment, there is often recognition that some adjustment to local market conditions will be needed, especially for mature brands. Typically, it is considered desirable that the core positioning should be maintained, although execution may vary. The extent to which some deviation is permitted typically varies considerably from company to company, and from one product business to another. The brand custodian is also often responsible for authorising or providing an opinion on brand extensions. An important issue with brand extensions is to avoid over-extension or stretching of the brand and dilution of its equity and image. Criteria for sanctioning brand extensions vary considerably depending largely on the firm's organisational structure, the diversity of its product lines and businesses, and management philosophy. Often, a proposed extension has to be consistent with the core brand's positioning and reinforce or sustain the existing brand concept. For example, extension of a confectionery brand to ice cream or dessert should emphasise the same core attributes. In many cases, proposed extensions of strategic brands are also required to have market potential. Procedures for resolving conflicts in relation to brand extensions also vary considerably depending on custody-management principles and the firm's organisational structure.

BRAND RELATIONSHIP

The authors' proposition is that a four-quadrant matrix is the simplest way of illustrating the types of relationship involved, and the linkage between the brands, which is either strong or weak. The factor defining the linkage between the brands is the nature of the business relationship — whether it is close or distant. The close brands are those owned by the company and

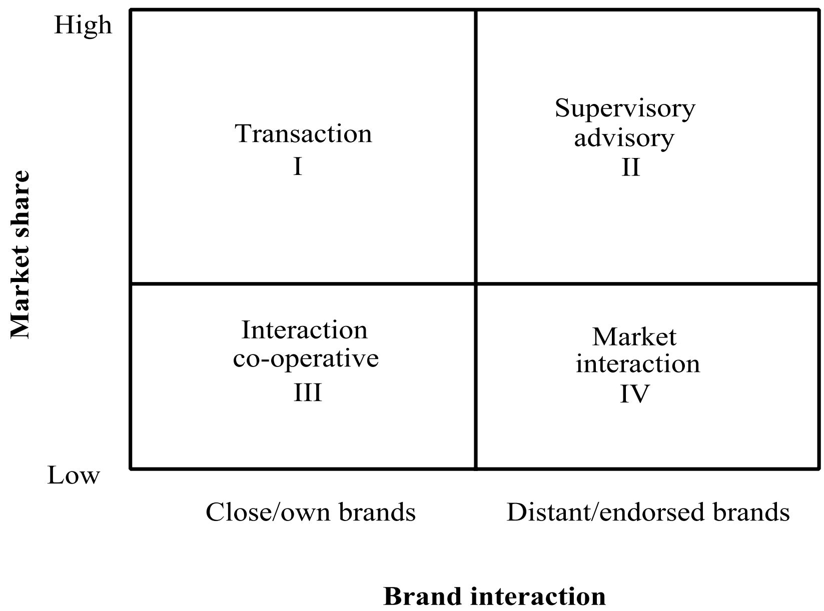


Figure 2 Business relationship matrix

the distant brands are either shadow-endorsed or independent brands that are not connected with the mother brands.

Brand linkage is defined as the linkage made by customers between the brands involved. The consumers' attitudes towards brands contribute significantly to the brand relationship of the products and services of the house of brands. The relationship of brands may be assessed within the company or with the co-brands. Figure 2 shows the pattern of brand relationships in the business and competitive environment. The brand linkage may be understood as brand scale in reference to the performance of the brands of the own company or the co-brands of any alliance.

The brand interaction may be defined as the preferences and attributes of the brands across the categories that exist in the company or those that are easily available in the market. Transaction I is characterised by strong brand linkage and close business relationships. In this case strong formal control is exerted, often through ownership. Interaction is often supervisory in nature. The supervisory and advisory form of relationship (II) is characterised by strong brand linkage and distant business relationships. Here control is informal and weaker than when the business relationship is close. Interaction is often advisory, for example, a manufacturer's provision of a merchandising service to a retailer. The interactive and cooperative brand environment (quadrant III of the matrix) may be explained in terms of weak brand linkage and close business relationships. In this category the control is strong — either formal or informal — but the linkage between the brands is weak. Interaction between the businesses is cooperative, for example, joint management seminars and information sharing. A weak brand linkage and distant business relationships are shown in quadrant IV of the matrix. In this case the control and interaction are according to market conditions. Such interaction tends to be transactional, for example, sales calls by employees of one business to another, and alliances.

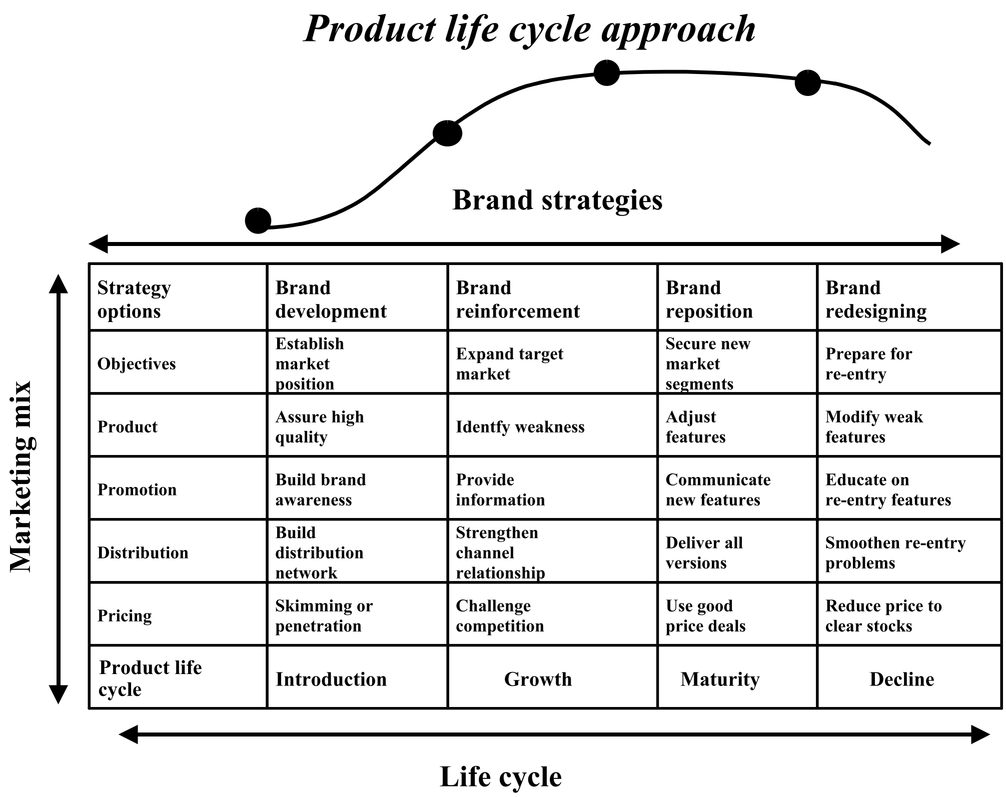
Brands influence consumers' decisions to buy in any of the ways shown in Figure 2, or through combinations of them, sometimes with tremendous persuasive appeal. The Marlboro brand personality is a good example of how a company understands and combines the physical and emotional elements that appeal to certain customers who live or would love to live a certain lifestyle. Products such as gold credit cards, watches or prestige items help people to express themselves to others by demonstrating that they are different and have achieved something. They act as extensions of the personality, so it really is 'all in the mind', and the key to brand management and development is a clear understanding of what benefits the customer is looking for. Ask consumers what comes to mind when they hear the name of a big brand such as BMW or Gucci and they will reply with a list of attributes that go far beyond the physical, tangible aspects of product and delivery. If there is one word that brings all these things together in people's minds, however, it is value. Time and again, research shows that the real driving force behind market leadership is perceived value — not price or inherent product attributes. So long as the customers perceive that the brand offers superior value, good market performance will follow, which contributes to brand behaviour through its features and consistency of buying.

Branded products are also successful because people prefer them to ordinary products. In addition to the psychological factors already mentioned, brands give consumers the means whereby they can make choices and judgments. Based on these experiences, customers can rely on chosen brands to guarantee standards of quality and service, which reduces the risk of failure in purchasing. Today's world is characterised by more complex technology, and this can be extremely confusing to the people who are not technology minded. Brands can play an important role here by providing simplicity and reassurance to the uninitiated, offering a quick, clear guide to a variety of competitive products and helping consumers reach better and quicker decisions.

BRAND ARCHITECTURE — THE PRODUCT LIFE CYCLE APPROACH

The branding strategy is also developed in accordance with the life cycle of the products and services. Many large companies consider different branding strategies at different levels of the product life cycle — introduction, growth, maturity and decline. The companies develop the brand in the introductory stage with the objective of establishing the market position on the basis of quality, price, application and consumer preference. It is necessary to invest more in promotion of the brand at this stage to build awareness and create the pull effect with the distribution channels and consumers. Effective brand building is necessary to introduce the product in the distribution network at the skimming price.

Figure 3 shows the product life cycle approach to brand management, which



Strategy options	Brand development	Brand reinforcement	Brand reposition	Brand redesigning
Objectives	Establish market position	Expand target market	Secure new market segments	Prepare for re-entry
Product	Assure high quality	Identfy weakness	Adjust features	Modify weak features
Promotion	Build brand awareness	Provide information	Communicate new features	Educate on re-entry features
Distribution	Build distribution network	Strengthen channel relationship	Deliver all versions	Smoothen re-entry problems
Pricing	Skimming or penetration	Challenge competition	Use good price deals	Reduce price to clear stocks
Product life cycle	Introduction	Growth	Maturity	Decline

Figure 3 Brand management: The product life cycle approach

considers the factors of the marketing mix. In the second stage of the product life cycle, which emphasises growth of the product in the given market environment, the brand needs to be reinforced with a focus on expanding the consumer segment. In the process, the weaknesses of the product from the point of view of the preferences of consumers and distributors need to be identified. Accordingly the strategies to be built to provide comprehensive information on products and services strengthen the channel relationship and competitive pricing. During the maturity stage of the product, repositioning of the brand is needed, with the objective of securing new market segments. The marketing mix strategies for product, promotion, place and price need to be developed accordingly by adjusting the product features, improving communication, providing comprehensive distribution and offering good price deals to the channels. At the stage of decline, the brand needs to be redesigned with a view to preparing the product for re-entering the market. The value added features of the product need to be improved and the product may need to be relaunched. Simultaneously, consumer awareness needs to be generated. The distributors of the product may need to be reorientated towards the competitive advantages. At the same time, efforts have to be made to clear the stocks of the old product well before the redesigned version of the product is formally launched in the market.

BRAND ARCHITECTURE AUDIT

Brand architecture is not a static framework, but one that needs to be monitored and modified continually. The mechanisms established for brand custody help to ensure that an individual brand is managed in a consistent fashion across multiple countries. Given the dynamic nature of international markets, however, and the changing competitive realities, the structure must be reviewed, at least annually. A brand architecture audit should be performed to ensure compliance with established procedures and to determine whether the structure of the architecture should be changed. This needs to take place on two levels. First, the degree to which individual strategic brands have adhered to established guidelines needs to be assessed. Secondly, the entire portfolio of brands has to be examined in terms of whether the overall brand architecture requires modification.

The *compliance audit* may be defined as a bottom-up audit of the individual brands that allows an assessment of how well each functions as part of the overall brand architecture of the firm. The key steps of this phase are:

1. Collection of information that establishes how the brand has been used in each country where it is marketed.
2. Assessment of deviations from its established position in the structure and reasons for these.
3. Evaluation of the brand's performance.

Deviations are particularly diagnostic. They may suggest poor management of the brand globally or, more importantly, fundamental changes in the underlying market dynamics. If the underlying market dynamics or product market structure have changed, then the brand's position in the overall architecture needs to be modified accordingly. With these preliminaries conducted, the audit should culminate in a face-to-face meeting of key participants, including the brand custodian, to establish guidelines for the coming year.

The strategic audit begins in the second phase as a top-down audit conducted on multiple levels. First, logical groupings of strategic brands need to be assessed in terms of their compliance with established guidelines. Once this has been accomplished, senior management needs to evaluate the overall structure of the international brand architecture to determine the fit with established guidelines at different levels across multiple countries. Again, a key factor here is how the underlying drivers of brand architecture have changed. In addition to market dynamics and the product market structure, an important consideration is how the firm itself has evolved, particularly with respect to acquisitions or market expansion initiatives. If the end result of the strategic audit is that the firm's brand architecture no longer fits underlying drivers, steps should be taken to revise the firm's architecture so that it reflects the new realities of the marketplace.

MANAGERIAL IMPLICATIONS

The product markets continue to change rapidly.[16] As markets evolve, firms need to consider how to modify their brand architecture and look for opportunities to reduce the number of brands and improve efficiency, as well as to harmonise brand strategy across product lines and country markets. A focus on a limited number of strategic brands in international markets enables the firm to consolidate and strengthen its position and enhance brand power. Effective management of international brand architecture in the light of changing market conditions and the firm's market expansion is, however, crucial to maintaining its position and strengthening key strategic brands in international markets.

The brand architecture should incorporate all the firm's existing brands, whether developed internally or acquired. It should provide a framework for consolidation in order to reduce the number of brands and strengthen the role of individual brands. Brands that are acquired need to be merged into the existing structure, especially where these brands occupy similar market positions to those of existing brands. Equally, when the same or similar products are sold under different brand names or have different positioning in each market, ways to harmonise these should be examined. Another important element of brand architecture is its consistency relative to the number and diversity of products and product lines within the company. The extent to which brand names serve to differentiate product lines needs to be determined, or alternatively, a common identity needs to be established across different products. Establishment of strong and distinctive brand images for different product lines helps to establish their separate identities and diversify the risk of negative associations (for example, between food and chemicals). Conversely, use of a common brand name consolidates efforts and can produce synergies.

The value of corporate brand endorsement across different products and product lines, and at lower levels of the brand hierarchy, also needs to be assessed. Use of corporate brand endorsement, either as a name identifier or logo, identifies the product with the company, and provides reassurance for the customer. In international markets, corporate brand endorsement acts as an integrating force, unifying different brand identities across national boundaries. At the same time, corporate endorsement of a highly diverse range of product lines can result in dilution of image. Equally, negative effects or associations can harm and have long-lasting effects across multiple product lines. Thus both aspects need to be weighed in determining the role of corporate brand endorsement in brand architecture.

In the view of the authors, a strong and associated name of the brand endorsement would be helpful in penetrating the new and extended product brands in the market. The presence of co-drivers would also provide an added impact on the endorsed brands where competition is intense. Independent brands may be able to make a high impact in niche markets by stressing the brand's attributes and advantages compared with closely competing brands. The conceptual synthesis of work on the dynamics of brand relationships, with reference to new business environments, proposes a taxonomy for a better understanding of the relationships and linkages between brands. The internet has also been considered as an effective medium for building brand relationships. It will be of critical importance for future researchers and practitioners to understand the increasingly complex variety of factors underlying and influencing the linkages between brands. Future work will need to concentrate on the operational implications of the taxonomy proposed here. Research could be carried out to assess brand personality using the brand rating method to obtain quantitative measures.

In the future, manufacturing companies may have to exercise several options over brand sponsorship. Their product may be launched in the market as the brand of the manufacturer which is also known as a national brand, a distributor brand (as happens in the case of edible oils, sugar, processed grains and many products which need repacking), or a licensed brand name.

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