

number of cases, a company depends on outside forces to form the "lead" in its elimination decision.'

The outside forces currently driving brand culling include the EU (in terms of pan-European integration in search for economies of scale), global competition and the convergence of consumers' needs and preferences, as well as retailer de-listings.

However, the existing knowledge and theory about product elimination is inadequate to provide an understanding of branding in the context of brand, rather than product elimination. As others have shown,¹² products and brands are not synonymous. For instance, Doyle¹³ argues that the product life-cycle applies to products, not brands. There are no reasons as to why a brand cannot capitalise on its personality and adapt to new technologies, thus moving from mature into new growth markets. Successful brand extensions are the supporting evidence. For instance, the Virgin brand succeeds because its personality and associations are made appropriate for a record label, a home entertainment retailer, an airline, and more recently a vodka and a cola. The brand personality has been fine tuned to meet consumers' emotional needs, while each new product area has something to satisfy consumers' functional, rational needs. The withdrawal of any of the Virgin products from their markets would not mark the end of the Virgin brand per se.

THE LIFE OF A BRAND

We would argue that even the withdrawal of all Virgin products from their markets would not suffice to kill the brand. This is largely because branding involves the two types of internal, psychological responses that consumers may have to environmental stimuli and events, affect and cognition. Affect concerns feelings, ie 'I like Mazda cars',

while cognition involves thinking, ie belief that Diet Pepsi is not fattening.¹⁴ The two systems are richly interconnected and each one influences and is influenced by the other.

Peter and Olson¹⁵ have demonstrated that only some of this internal activity is conscious while a great deal of activity may occur without much awareness. Affect and cognition result in consumers' subjective interpretations and attitudes. When they encounter relevant information, consumers interpret it in terms of their own interests, values, and knowledge. 'These meanings may be organised and stored in long-term memory as knowledge structures. Then, when needed at a later time, parts of this knowledge may be activated (retrieved from memory) for use in other interpretative processes.'¹⁶ Once a brand is known to the consumers, it cannot be easily erased from consumers' minds.

A brand exists first and foremost in the mind of the consumer. It may live for as long as it is remembered. As such, it could be immortal, for example Players cigarettes, Dan Air, International Grocery Stores, Biba, Chelsea Girl, Led Zeppelin and soon William Low (recently acquired by Tesco Stores). Life for a brand (rather than its products) starts once it has established a favourable attitude and a clear positioning in the minds of consumers. It is not solely reliant on consumers being aware of it as a name, but rather aware of it because of the way that the name evokes added-value connotations. House brand names,¹⁷ such as those above retailers' doors, are often culled due to acquisition - a strategy as yet unseen for product brands, which are not made tangible with the help of bricks, and are often acquired for their brand names alone.

The logic of brand revival or recyclability is that some old brands are buried in consumers' psyches and as such may still have value. These 'dormant' brands are more likely to gain readier acceptance by

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Categorising brand strategies using the Brand-bonding Spectrum

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ABSTRACT

This paper identifies brand-bonding as a potential route to developing powerful brands, as well as being an additional weapon to combat the threat posed by retailer brands. Brand-bonding is defined here as the linking together of a corporate or house brand (HB) name with a product or service brand (PB) name, one acting as an adjective to another, or both acting as adjectives to each other.

Brand-bonding capitalises on the increasing consumer need to know more about companies that stand behind a brand. The reciprocal relationships which take place between house brands and product brands are illustrated along a spectrum identifying various strategies that

brand portfolio companies can adopt. The spectrum proposed illustrates how, by utilising the equities of a house brand name in various ways, a product brand might gain additional competitive advantages which could help it to leap-frog ahead of its competitors. Conversely, product brands can enhance the added values of their house brand name.

The brand-bonding spectrum outlines the different permutations that can exist in a brand-bonded relationship. It is proposed that the brand-bonding spectrum (BBS) be used as a primary tool in the formulation and planning of brand strategies and policies.

INTRODUCTION

The purpose of this paper is to highlight the opportunities to be gained from the brand-bonding process. It reviews the current trend towards branding the corporate identity with a view to adding value to brand equity. When adopting such an approach it becomes apparent that brand portfolio companies could benefit even further by bonding their company brand names to their product brand names as a powerful form of brand extension.

The interaction that takes place once these brands have been bonded can add reciprocal values which strengthen their equity in the mind of the consumer, and thus enhance their competitive edge.

THE COMPANY AS A BRAND

Growth in the 1990s will come from the complex task of managing an existing brand

portfolio and doing so on an international or global basis.¹ Brand portfolios should not only be seen to refer to PBs, but they should also be recognised as including the company's HBs. Making all assets work harder is paramount, whatever the economic climate. Capitalising on the equity in established brands has become the guiding strategy of product planners,² but packaged goods companies have placed most of the emphasis on the 'product as a brand' rather than the 'company as a brand', or both as brands working in synergy.

King³ has argued that it will be increasingly important to position organisations as 'brands' in the minds of potential customers as it becomes increasingly difficult to sustain competitive advantage. Branding the corporate identity is currently being put forward as a rediscovered solution to maximising returns from communications spend, stretching brands across frontiers, products and services, and ultimately as a way to compete with the global megabrands.⁴ Supporting this view, Kapferer argues that the marketer is entering an era where customers increasingly want to know who stands behind a brand.⁵

Historically, for strategic reasons, many manufacturers avoided linking the PBs overtly to their company name. For a long time corporations remained hidden so that in the event of problems with one of their brands, the corporation would not be hurt.⁶

Capitalising on the house brand does bring advantages. Levy⁷ argues that Rowntrees concentrated marketing resources on PBs at the expense of its own identity, thus missing out on some benefits, and losing the takeover battle to Nestlé. Conversely, Gillette entered into a 'megabrand' communications strategy, emphasising the HB as an umbrella to the PBs, which not only staved off a takeover bid, but also staved off 'lowball competition' from retailer brands.⁸ From a consumer perspective, whenever there is some perceived ele-

ment of risk, the corporate reputation confers some added security, as is the case with a Johnson's product brand.⁹

There is always a relationship between the HB and the PB with brand portfolio companies. Kotler¹⁰ identifies four main 'family' branding strategies. In the first strategy, companies may choose individual brand names for different products and services without overt mention of the company (eg P&G with Tide and Bold, among others); in the second, companies may emphasise their name for all their products and services (eg Heinz and General Electric); in the third, companies may set different family names for all products (eg Sears); and in the fourth, they may choose a hybrid or sub-brand strategy where they combine the company name with individual brand names (eg Kellogg's Corn Flakes). Helpful though these options are, there is little advice concerning the extent to which there should be a strong or weak brand-bonding between the HB and PB.

BRAND-BONDING AS A POWERFUL LINE EXTENSION

Barwise and Robertson,¹¹ noting that the concept of 'brand equity' has become salient among executives and academics, argue that 'brand extension' becomes a real possibility for brand names with high consumer value. An extension is a way to exploit what is perhaps the most important asset owned by a business.¹² This extension decision is strategically critical to an organisation. Brand extensions reduce the cost of market launch and often gain readier acceptance than would a new brand. The concept of bonding an HB and a PB can be one of the more powerful brand extension strategies for a company to consider.

Mitchell¹³ warns that branded goods companies need to wake up to the fact that two powerful brands working together can do more than they could separately. The

concept of brand-bonding however, does not accommodate or advocate a dual branding exercise, but rather a holistic merging of brands.

A company or house brand name may, in some instances, have a stronger role to play than that of the product brand name, as for example, in the early days of a new brand from a well-established corporation which has consistently invested in quality brands. The strategic bonding of the house and product brand names could serve to create a relationship in the minds of consumers which would be likely to influence the eventual strategic stance of the brand. Brand-bonding in a strategic alliance of two powerful brands, such as Kit Kat and Nestlé or Golden Grahams and Nestlé, can result in associations and values which enhance brand power to such an extent that the brand could be propelled to a global level beyond the reach of its traditional competitors.

BRAND STRETCHING

One important benefit of building a strong brand is that the name can be extended to diverse categories.¹⁴ House brands, in common with product brands, which have well-established positionings in the minds of the consumer, will have their own inherent abilities determining how far they can stretch without contradicting or diluting their core proposition.¹⁵ Kapferer¹⁶ has suggested that the more the brand extension covers categories of dissimilar products, the more it draws on the deeper meaning of the brand. The extent to which the brands' core associations will 'transfer' is likely to depend not only on the strength of such associations, but also on other factors such as the appropriateness of the association.¹⁷ With brand-bonding, two brand 'cores' need to be considered.

Boush and Loken¹⁸ have found that when consumers assimilate brand extensions, they scan their memories for points of similarity

or difference between current products and the brand extension, and evaluate these extensions according to the categories which the brand represents. Each degree of product dissimilarity changes the meaning and status of the brand needed to cover these products.¹⁹ Buday,²⁰ has argued that extensions which are consistent with 'parent' brand imagery will strengthen and tighten perceptions by giving consumers another reason to believe in the brand's inherent qualities.

By contrast, if an HB name is added simply to provide recognition, but lacks a clear positioning, it may be incapable of supporting wide-ranging extensions. Any extension regresses the brand to the level of a factory brand with only a guarantee of origin. This is seen with Mitsubishi²¹ and probably Philips, prior to selling their white goods products to Whirlpool. With brand-bonding, a strong PB can help to position the HB, eg Sony Walkman.

HOUSE BRANDS STRETCH FURTHER

HBs often have the ability to stretch further than PBs. Boots, for example, not only stretches across almost all product categories sold in its chemist stores, but the HB covers optician and photo-processing stores. Few PBs, if any, can do the same. Fashion labels have long done the same. As an intra-category comparison, in the UK skin care market the prestigious over-the-counter (OTC) brands, such as Clarins and Clinique are HBs, and have managed to extend from skin care to incorporate bath care, fragrances, sun care, colour cosmetics, hair care (Clinique) and other toiletries. In contrast, big 'off-the-shelf' (OTS) brands, with the exception of Nivea, have remained as skin care brands.

Traditionally OTS brands have tended to be mass-targeted PBs, which are positioned with a tight focus to compete within a single product category. A brand name will be developed specifically for a category without

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mention of the company. The OTC brands, on the other hand, were born as HBs without a single product category focus. Their broad positioning (eg Clinique as 'clinical' or 'allergy-tested') gives greater flexibility than is perhaps allowed by the OTS brands, which may be tightly positioned as, for example, anti-ageing brands.

Some brands, such as Colgate, originated as PBs, but have managed to become HBs. It could be argued that because of their single product heritage, they have little value to add to more diverse PBs. The ideal HB for brand-bonding is one which can stretch within a broader category.

BRAND-BONDING AS A STRATEGY

The decision to bond an HB and a PB to each other should depend on many factors such as the inherent associations of each of the brands in the mind of the consumer. Aaker²² argues that an extension needs to 'fit' the brand; the more remote it is from its core proposition, the more it should rely on its own identity and strength.²³ Nestlé, considered the acquisition of the After Eights brand as 'fitting' with the Nestlé core brand. However, due to its positioning as a British brand, it was ultimately left unbonded to the Nestlé HB. In this instance the HB did not 'fit' the PB. The core of the PB was seen to include the British character of the brand, and the company's management had decided that no concessions should be made to the 'Englishness' of the product's concept.²⁴

By contrast, when Sara Lee reclaimed the licence for Playtex, they decided not to associate its name with the company's Wonderbra PB, as the Playtex HB was perceived to have a low profile.²⁵ As a result of empirical research Sunde and Brodie²⁶ have concluded that consumer acceptance of a brand extension will tend to be higher if there is a perceived high quality in the parent brand. Thus it could be argued that the

bonding of these two brands is exactly what the Playtex HB would need to strengthen its image. When Nestlé, on the other hand, entered into a strategic alliance with General Mills (US)²⁷ to market well-known US cereal brands such as Cheerios and Golden Grahams under its familiar 'umbrella brand', it did so in order to bond the brands in a marriage of power.

The linking of the Nestlé house name to the Cheerios and Golden Grahams product names was not a dual branding exercise whereby two house brand names or two product brand names live side-by-side. Rather the alliance entailed the brand-bonding of an HB to a PB. The end result provides consumers with information about the source of the PB, while these successful PBs also enhance the added values of the HB. Kapferer²⁸ suggests that all companies must define strict guidelines for strategic decisions such as these.

STRATEGIC BRAND-BONDING OPTIONS

Onkvisit and Shaw²⁹ have argued that the global marketer must consider at least four decision levels of branding, which are: (1) brand vs no brand; (2) manufacturer's brand vs private brand; (3) one brand vs multiple brands (for the same market); and (4) worldwide brands vs local brands. Kotler³⁰ has proposed four 'family branding' approaches for the brand portfolio company, while Kapferer³¹ has identified seven forms of strategy with increasing degrees of autonomy for the PB, and four forms of retailer brand policies. Leslie de Chernatony and McDonald,³² meanwhile, have devised a much simpler 'Brand Name Spectrum' (BNS) which illustrates four key combinations of HB/PB relationships along a spectrum, from a company name at one end, eg British Telecom, through to that of a strong company endorsement, following on to a weak company endorsement, and finally to

an individual brand name (referring to a PB) which shows no obvious link with the manufacturer, for example, Impulse (perfumed body sprays) and Häagen-Dazs.

None of these approaches, however, provide simple guidelines for companies who have a diverse portfolio of brands and would value some simple guidelines for formulating brand strategy and making policy decisions that can cross borders and stand the test of time. The first major step necessary for these purposes is to segment brands into the two major types, the HB and the PB. The recognition that there is indeed a relationship between these two brand types leads one to consider the different forms of relationship which can emerge as a result of the interaction taking place between these two extreme positions. In order to illustrate the various strategic options that emerge, the 'BNS' has been expanded upon with the development of the brand-bonding spectrum. The BBS forms the basis of a competitive branding strategy along a slightly wider spectrum of reciprocal relationships which can exist when HBs and PBs are bonded. This is shown in the figure. The BBS stems from the view that there are many elements which define bonded brand relationships; for example, degree of autonomy and reciprocity. It reflects the emphasis that the marketer could place on the PB and the HB in communicating the positioning of the brand.

The fact that the BBS was conceived as a spectrum highlights the fact that there are countless variations of brand-bonding, which have been categorised into five broad types of strategies, each of which will be perceived differently by consumers.

Zone 1

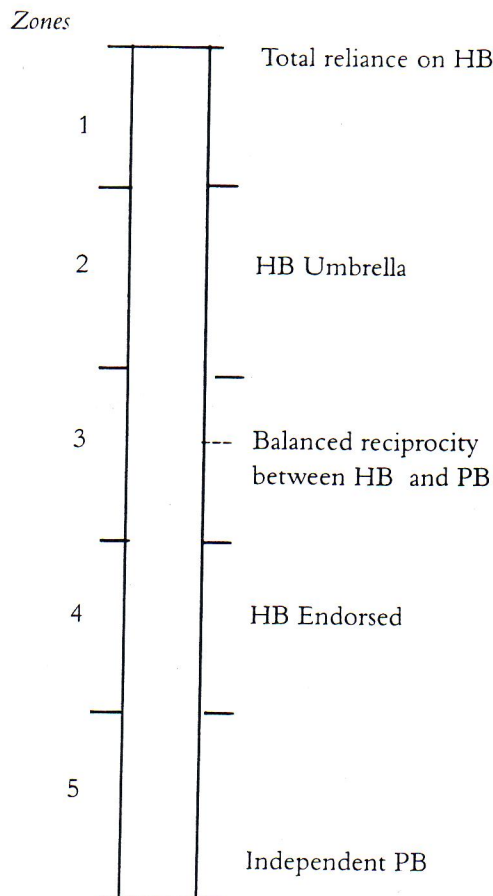
Brands that lie in zone 1 of the spectrum represent a situation in which the HB is the only brand name emphasised and the product or service is simply differentiated by a descriptor, such as a colour in a range of

paints, or a generic description, eg ICI polyurethanes. This could be an optimal route in instances where the category will not support the resources needed to establish a new name, or a new name will not provide a useful set of associations as a platform for future growth.³³ There is always a temptation to establish a new entry 'on the cheap',³⁴ relying on the power of the HB. This is not to say that it cannot be effective. Indeed, as was recognised on 'Marlboro Friday', many retailers have been extremely successful with this strategy.

Zone 2

Brands that lie in zone 2 of the spectrum (HB Umbrella) are sub-brand names which are subordinate to the HB which is providing an umbrella for the PB, eg Ford Escort,

The brand-bonding spectrum (BBS)



Ford Sierra, Barclaycard, Revlon Flex. Alpha-numeric brand names would be included in this zone, if they were to be built into PBs (eg WD-40 or Mazda MX5).³⁵ This approach can be particularly useful for the support of inferior brands³⁶ but it would clearly be more powerful in instances where the PB has a sustainable competitive advantage. Retailers are beginning to take this route, eg Sainsbury's Novon and Gio. This could be the optimal route for companies desiring global recognition, whose markets demand a continuation of domestic recognition for their PBs.

Zone 3

Brands in zone 3 of the spectrum, are characterised by possessing values which accrue in equal proportions from the HB and PB associations; for example, Studio Line and Plenitude from L'Oreal. The branding of the PB always communicates the HB as the source. In the case of L'Oreal, all the advertising lies within a house style which cumulatively feeds value to the HB. This approach would be more costly than those in zones 1 and 2, because it demands that each brand is supported as an independent brand in its own right, but one which is obviously also from the reputable HB. An entire portfolio of strong PBs continually feeding values back to the HB, provides a very forceful representation of the HB, especially in instances where the HB has focused on building its reputation in relevant product categories, such as L'Oreal in cosmetics and toiletries.

Zone 4

Brands that lie in zone 4 of the BBS (HB Endorsement), represent PBs which are subtly endorsed by the HB, but are promoted as independent brands, eg Kit Kat (Nestlé) and Courtyard by Marriott.³⁷ These PBs are relatively separable from the HBs and may more easily be transferred to other HBs in an acquisition, than would brands in the first three zones of the spec-

trum. This zone could provide the optimal approach for slowly introducing a recently-bonded HB after an acquisition, as with Kit Kat, where maintaining the existing brand franchise of the PB was paramount, and when an evolutionary approach was perhaps deemed necessary.

Zone 5

Zone 5 on the spectrum, represents totally autonomous PBs which have no intentional link to the HB. As such, no reciprocity of brand equity is expected to take place, eg the Playtex/Wonderbra decision, and the P&G brand strategies. This strategy is seen as 'off-trend' for the 'nineties consumer who demands 'individual' attention and expresses global concern. The 'faceless' company may need an intervening HB to create a perceptual closeness to consumers. This approach would need greater investment in order to establish new PBs, in comparison to brands on the other points of the spectrum. These are the brands which may have to contemplate either being bonded or being beaten. The latter was the harsh reality revealed by 'Marlboro Friday', when Philip Morris had to crash the price of their Marlboro brand. Powerful PBs are not immune to the power of domestic retailer brands.

It therefore becomes apparent, that a new brand which has the good fortune to be launched in zones 1 to 4 on the BBS, bonded to a reputable HB, will have been born with the inherent advantage of the HB's equities. On examination of the wide range of brand-bonding options that could, in fact, dramatically enhance the equities of both the HBs and the PBs, manufacturers may eventually be encouraged to bring their HBs to the front line for added advantage.

THE BRAND-BONDING SOLUTION

The relationships between PBs and HBs should be seen as central to the future

strategy of the brand names involved. Brand names, when bonded together, may provide such powerful alliances or combinations of associations which could serve to alter significantly the total brand message, so that the whole is greater than, and possibly different to, the sum of its parts. When Whirlpool and Philips³⁸ introduced their dual branding programme for white goods to staff, trade and media, the theme of '1+1=3' embodied this statement to signify that the combination of Whirlpool and Philips, was greater than their individuality. The strategic intent of dual branding, (defined here as the merging together of two HBs or two PBs (eg Snickers and Marathon)), is to transfer value from one to another, after which, one will eventually be discarded.

With brand-bonding, the output from a consumer perspective could well, in some instances, be interpreted as '1+3 = 5' (ie PB + HB = 5), especially in a situation where a new PB is bonded to a powerful, category-relevant HB. The highly successful launch of Plenitude from L'Oreal is an example. The change may be less dramatic for an established PB; for instance, before Smith Kline Beecham sold their Silvikrin hair care brand to Wella, it had unsuccessfully tried to evolve the PB into a HB in order to widen the brand's elasticity beyond the limitations of its strong hairspray and shampoo core proposition. By bonding the brand to the Wella HB, it will not only become part of a more powerful portfolio,³⁹ but from a consumer perspective, the PB also acquires a salon heritage (implied from the HB's positioning), while the HB benefits from the higher visibility generated by a well-established PB.

THE HB AS CATEGORY CHAMPION

The strength in the Wella HB is relatively enhanced by its association with salon hair care. Sustaining this positioning allows the

company to stretch into any area associated with hair care, and provides the opportunity to focus on building the HB into a category champion. For companies, who have remained discreetly in the background, there is much to be gained from such an approach. An HB could be the optimum bridge between the corporate name which may be too diverse to become established. In such circumstances, it may be relevant to acquire a category-based HB for bonding to add a credible source to the company's PBs in the product category. For smaller companies, acquiring a category HB for brand-bonding purposes could provide the opportunity to compete as a perceptually large fish in a small pond.⁴⁰

To this end, the process of brand-bonding could provide a new dimension for companies who have acquired a 'rag bag' of brands with different names in different countries, different positioning strategies and no synergy with the existing business.⁴¹ HBs with strong reputations within certain categories should be brought into the limelight.

Globally independent PBs may find that established domestic HBs would provide the greatest added values. Conversely, they may find that bonding to domestic PBs would provide most added values in the territory, (ie the domestic market), for example the Nestlé/Golden Grahams alliance. Building from the empirical research on categorisation theory (Boush and Loken, 1999; Rangaswamy, Burke, Oliva, 1993), brands that are closely associated with the attributes of a particular category are most able to extend within the category.⁴² A company such as P & G,⁴³ which covers a wide spectrum of unrelated product categories, and has now adopted the concept of category management, may do well to narrow the gap between the consumer and the corporation itself by means of a few intermediary HBs which would stand as category champions for the firm while providing it with a con-

sumer-friendly and recognisable face for the future.

It no doubt benefits Philip Morris to retain the Kraft HB for cheeses, as it must benefit Heinz to retain the Weight Watcher's HB. The potential power of brand-bonding relationships should not be ignored in the process of strategic brand planning for both domestic and global markets.

CONCLUSION

Some brands are born more equal than others. The success of some retailers' own labels could, in part, be due to the store's own reputation for quality and value⁴⁴ as well as its close relationship with consumers. Any new lines from these retailers are born with the power of the HB. This paper has advocated that companies consider the bonding of HBs and PBs as a cost-effective short-cut to dominating categories, whilst providing new PBs with a head-start. The process also provides the corporation and its portfolio of PBs with a meaningful family heritage, and a face that consumers can relate to and trust.

A framework has been provided from which a brand-bonding strategy can be defined and from which brand policy guidelines can be developed. It has been argued that brand-bonding reduces the cost of market launch by obtaining readier acceptance than a new brand. It can be expected to give the brand an edge over other brands purely as a result of belonging to the 'evoked set of brands' in the consumer's mind. The BBS has been put forward as a means of illustrating the advantages that a combination of HB and PB can provide depending on the extent to which they reciprocate values to each other, thus enhancing the total brand equities within the company's brand portfolio. As such, it supports the view that brand equity should be measured in terms of the brand-extension range as well as susceptibility to the negative and positive reciprocity effects of brand extensions.⁴⁵ Brand-bond-

ing, however, should not be seen as a substitute for innovation, but it may provide some brands with a cost-effective short-cut to attaining megabrand status.

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