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# Brand Architecture

## Creating clarity or organizing chaos?

By Alan Brew

### Companies get complicated as they grow. Logos and brand names proliferate as marketers develop new products and services.

Companies are acquired. Along with these acquisitions come more products and more brands and names. No one is sure how effective these brands are, which ones should be supported, or when or how to brand a new product. So the proliferation continues, weak brands continue to soak up marketing dollars at the expense of stronger brands and the corporate brand, unloved and uncertain of its role, is marginalized to an appearance on the annual report or the CEO's business card.

How does a company get to grips with this kind of debilitating and expensive complexity? The trigger can often be a CEO's frustration with constantly explaining who his company is and what it does, often accompanied by a growing suspicion that his ballooning marketing budget is not being used effectively to drives sales and growth. A branding agency is called in and they recommend a brand architecture program. So far, so good. But this is the point where a company has to be really sure about what the problem is and what it wants to achieve.

The problem with brand architecture is that it's such a fuzzy term. There are many definitions and most at least seem coalesce around the Wikipedia version which asserts: "Brand architecture is the structure of brands within an organizational entity". Beyond this point it is hard to get specificity on the subject, which unfortunately leaves it wide open to interpretation.

It has been said that the ability to simplify means to eliminate the unnecessary so that the necessary may speak. If there is any really useable and useful definition of brand architecture and its value to a business it would be this statement. Simplicity is at the heart of brand architecture. But all too often it becomes nothing more than an elaborate exercise in organized complexity, a neat arrangement of logos, names and endorsements in which the unnecessary is merely accommodated and the necessary is often stifled.

As with most concepts in branding, brand architecture has its roots in the consumer products industry. Makers of chocolate, cosmetics and sodas have long pioneered and perfected systems and strategies for managing portfolios of brands and products aimed at

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micro-segments of the market. These branding systems, or architectures, can take various forms. Some emphasize the provider brand (or corporate brand), others create brands that have no connection to the provider, and others combine these approaches. These broad approaches have been rendered into formal constructs, or models, which are commonly referred to in the textbooks as the Branded House model, the House of Brands model, and the Hybrid or Asymmetrical model.

While these models are useful enough to illustrate the broad range of relational possibilities across the entire business spectrum, they are theoretical brand constructs, not ready-to-wear templates that can be applied from one company to another depending on preference. Indeed, great care is required in their use and interpretation, especially when you cross that invisible divide that separates the consumer world from the business-to-business domain.

Consider Procter & Gamble, the classic "House of Brands" model: P&G as a business is a quintessential volume-operations organization. It specializes in serving high volume, fast-moving consumer goods markets with more than 300 standardized products. They are branded and mass-marketed through low-touch distribution channels and serviced by close-end transactions. P&G also has the significant advantage of a $5 billion marketing budget to maintain a House of Brands model successfully.

A B2B company, on the other hand, has a fundamentally different kind of business model. The supplier-customer relationship is much less transactional, often requiring individualized solutions with a high proportion of value-added consultative services. As a result, products are much more complex and product development cycles are longer. The customer universe is also much smaller for B2B companies and the sales process is long and rigorous, often involving many people.

Brand architectures developed in the consumer world can be as relevant and meaningful for a technology or energy company as studying astrological patterns in the night sky and consulting horoscopes for direction. As superficially logical as they might look, they don't translate. The B2B world obeys a different set of branding laws.

In that world a buyer may identify as much with the promise of the corporate brand as they do with specific features of, say, a piece of telecom equipment or a software application. No doubt price, quality and product features will always be important factors in the buying process, and specific market segments do have to be addressed on their own terms, but branding at product/service level will be much less effective for a B2B company without the presence of a strong, overarching corporate brand. Buyers of expensive equipment and services need particular features from the product and certain brand assurances from the company. ITT is an admirable example of how a robust and well managed corporate brand

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can provide powerful contextual support for its stable of established product and service brands without overpowering them.

For B2B marketing directors in decentralized companies the challenge can be exacerbated by corporate tribalism in which brands become a proxy for control and bulwarks against what is considered to be corporate interference. It all comes down to a question of context and balance. A strong corporate brand is essential in the first place. It defines how the enterprise makes strategic sense as a whole, a key investor message, and also makes an important customer promise of reliability and innovation that underpins the performance of individual business units and product groups. But they, in turn, must also have the flexibility and tools to compete in their competitive market environments.

This kind symbiotic relationship requires a dynamic, flexible go-to-market framework. Call it brand architecture, but make sure your branding consultant understands the difference between B2B and B2C.

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