Journal of Advertising Research

ISSN: 0021-8499 (Print) 1740-1909 (Online) Journal homepage: www.tandfonline.com/journals/ujar20

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To cite this article: Sylvie Laforet (Birmingham University, England) & John Saunders (Aston University, Birmingham, England) (1999) Managing Brand Portfolios: Why Leaders Do What They Do, Journal of Advertising Research, 39:1, 51-66, DOI: 10.1080/00218499.1999.12466592

To link to this article: https://doi.org/10.1080/00218499.1999.12466592

Managing Brand Portfolios: Why Leaders Do What They Do

Intense competition, emerging markets, brand extension, acquisitions, and many other activities have left companies with a confusion of products to make and brands to manage. More important than understanding how to manage "a brand" is how to manage the bundle of brand identities in a firm's portfolio. There are many ways of doing this, from corporate dominant strategies to the use of furtive brands. This study examines the rationale behind brand strategies, first, by seeing what the proponents of the alternative approaches say and, secondly, by asking managers why they do what they do. The results show that branding strategies are not only market driven.

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WHY DO FIRMS COMPETING in the same market use such different brand strategies? This study seeks to answer this, and other questions, by asking managers the reason behind their decisions. Brand strategies refer to the ways firms mix and match their corporate, house, and individual brand names on their products. A content analysis of leading American and European grocery products (Laforet and Saunders, 1994) showed that few products have only one brand name on them and that directly competing firms vary in the strategies they use (see Table 1). This issue of brand structure has been surprisingly neglected by marketing researchers as they concentrate upon measuring brand equity (Barwise, 1993; Keller, 1993) or variation on brand extension research (Aaker and Keller, 1990, 1993; Keller and Aaker, 1992; Sundie and Brodie, 1993; Nijssen and Hartmann, 1994).

BRAND STRUCTURES

Designers (Olins, 1989) and practitioners (Murphy, 1987) describe and prescribe the interplay between brand names. They present a simple brand hierarchy that focuses on brands and corporate names. Their concerns grow from their professional interest in corporate identity. They aim at imposing a structure on the visual image of corporations and their "confusion" of brands. Unfortunately, their elegant prescription does not describe what happens. A more realistic brand hierarchy emerged after a content analysis of 200 grocery brands (see Figure 1) and personal interviews with 12 senior brand managers and advertising account executives. Past attention has concentrated upon the corporate and branded approaches, although the content analysis showed that together these counted for less than a quarter of cases. Not only do most products carry two or more brand names, but also leading firms mix and match the approaches they use.

Corporate dominant approach to branding is both extreme and rare. It occurred on only 5 percent of grocery products analyzed, although 20 percent of business covered used it on one or more products. At least 50 percent of the sample used each of the other brand strategies. Heinz is the closest to being corporate dominant, but, even in this case, 60 percent of products are dual branded. Kellogg's corn flakes is an example of a company using this corporate approach on one of its products. Acquisitions have caused *composite corporate dominant* firms to emerge. These have composite names, like Smith-Kline Beecham, where parts of the corporate name associate with product classes.

House dominant brand structures are more common than corporate ones, accounting for 11 percent of brands and used by 65 percent of companies. Quaker is an example that uses its corporate identity on cereals but Fisher-Price on toys. Similarly, Mars uses Pedigree on pet foods and Thomas's on pet accessories. In some cases, such as CPC, the corporate identity is lost to consumers as house names and brands are emphasized.

Dual brands give two or more brand names

TABLE 1
How Competitors Brand Differently

Branding Strategy	Confectionery	Household	Grocery
Corporate			Heinz
Dual	Cadbury		Kellogg's
Endorsed	Nestlé	Unilever	Nestlé
Branded	Mars	P & G	Kraft

equal prominence. This is the most common form of branding being used on 38.5 percent of brands and by almost all the firms studied (95 percent). Most often a corporate or house name appears with a brand name. Kellogg's Toppas uses a corporate name with an individual brand name, while Rowntree's Quality Street has a family brand and brand name.

Endorsed brands are distinct from dual brands where corporate, house, or brand names have equal prominence. Here the brand names dominate but are endorsed by a small representation of a corporate or house name. Unilever now does this after introducing a Lever Bros. house flash on its household cleaning products, while 3M has long done this on its Scotch tape. Less popular than dual branding, 50 percent of firms investigated used this approach sometimes although it only occurred on 13.5 percent of products.

Brand dominant approaches are used by many leading American marketers, including Procter & Gamble and Mars. Seventy-five percent of companies use this pure form of stand-alone branding sometimes, although this classic approach accounts for only nineteen percent of the products examined. Makers reveal their names on these stand-alone brands but not in a prominent position, often as part of an address.

Furtive brands are similar to stand-alone brands, but in these cases the name of the owner does not appear. This occurred on 13 percent of products but was used by 65 percent of firms. Pet-food makers do this to reduce the link between food for pets and that for humans. Unilever reveals their Van Den Bergh house name on some of their yellow fats, including I Can't Believe It's Not Butter! and Stork, but Flora's pack makes no reference to Unilever or Van Den Bergh.

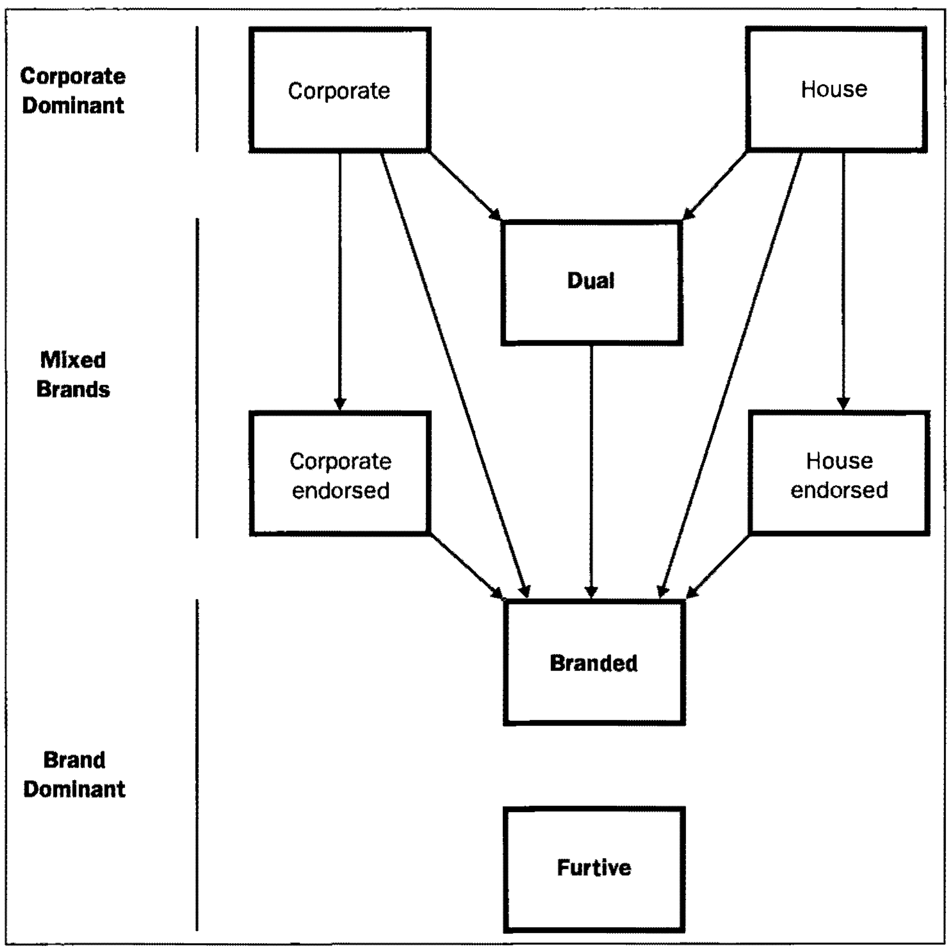

Figure 1 Brand Structures

THE DETERMINANTS OF BRAND STRATEGY

The depth interviews with the managers and a review of the mainly anecdotal literature suggested that brand structures were the result of several major forces. Each of these became a major hypothesis (H1, for example) with several subhypotheses (such as H1a) relating to their influence on the different brand structures. Citations indicate hypotheses drawn from the literature. Hypotheses without citations derive from interviews with managers. The influences on brand strategy appear under seven subheadings: history, centralization, company philosophy, strategy, markets, segmentation, and product range.

History can explain how companies present and manage their brands. Branding is often considered a market-based activity, so it is surprising how often the literature, and specially marketing managers, suggest that nonmarketing issues dominate brand strategy. Most of the branding experts interviewed agreed that history drives branding structures.

Many leading brands have held their market position for many years, with their names tracing back to the origin of their company. Company and brand were then one, and some of these relationships remain. Many corporate brands, including Nestlé chocolate or Kellogg's corn flakes, are therefore associated with long-term ownership of the brand (H1a). Emerging firms usually have strong leaders who impose their personality and name on their business. In these businesses, tradition dictates the use of corporate names (H1b) that are deeply embedded in the company's past (Olins, 1989). It is unthinkable that Sir Adrian Cadbury would not use his family name on their new products, such as Cadbury's Time Out.

Particularly important is how companies grow. United Biscuits started using house brands in the 1940s when it diversified away from its traditional cookie base into Terry's chocolates and KP snacks. Where businesses grow by diversification, house-dominant approaches are likely to occur (H1c). Subsidiaries often resist a loss of their identity after a merger. This led Roberts and McDonald (1990) to suggest that stand-alone brands are particularly associated with mergers (H1d).

Acquiring firms find this autonomy hard to accept so, to impress their authority and justify their acquisition to shareholders, corporate or house names start appearing on acquired brands. After noting that most consumer goods companies grow by acquisition (Olins, 1982), Olins (1989) suggested that such firms tend to have a house- (H1e) or corporate-endorsed brands (H1f). In contrast, both Olins (1989) and Ind (1990) suggest that companies that grow organically often stay close to their original business, so are able to use corporate branding (H1g).

Corporate branding allows business to transmit their strengths across many products.

Company structures reflect brand structures. The fundamental concern with organizational structure is the degree of centralization and decentralization (Ind, 1990), both geographically and across products. Companies with many subsidiaries, such as BAT or Unilever, are in quite a different position to companies with close parental links, such as Mars (Bowen-Jones, 1981). In centralized companies there is more chance of standardization, so corporate dominant structures are more likely (H2a). Conversely, highly decentralized companies, such as Glaxo, retain no control of their logo and allow international subsidiaries to develop their identities. Olins (1989) suggests that in these decentralized companies, where controls are weak, brand-dominant structures occur (H2b).

Corporate philosophy's influence on branding is traced by Hall (1992). A corporate identity is not superficial but built deep into management systems and attitudes (Olins, 1989). Cadbury, and obviously Quaker, have Quaker origins and their values permeate their brands and their identity. Corporate-dominant structures reflect this historical paternalism that continues to this day (H3a). To many companies, the corporate name is more than a label. In Body Shop, the name reflects the company's beliefs and values (Hall, 1992). Corporate-dominant structures reflect strongly held beliefs and values with the name providing a focus that helps communicate ideals (H3b). Marketing issues do not always drive the use of the corporate name, since its use is often embedded in company policy (Olins, 1989). These policies associate with the two extremes of branding: corporate branding (H3c), as practiced by Heinz and Kellogg, and the independently branded approach (H3d) taken by Procter & Gamble and Mars. Finally, a company's pride reflects in the use of its corporate name (H3e). This can reflect national pride, as with Singapore International Airline or Deutsches Bank, or with the owner's pride in Virgin or Microsoft.

Strategy, rather than short-term individual product issues, has an increasing influence on branding decisions (Murphy, 1987). Many managers interviewed associated corporate branding with market leadership (H4a) and the advantages that it bestows. Leading brands usually achieve significantly higher returns than the competition and require lower promotions per item sold (Saunders, 1990). The practitioners' views suggest this efficiency of leadership extends to corporate brand names where increased repetition and promotions add strength. This economy of scale is against the expectation of much research on branding where diminishing returns dominate, particularly at high levels.

Corporate branding allows business to transmit their strengths across many products. Thus a corporate-dominant approach offers advantages that lead to it being associated with firms with a good corporate reputation (H4b), good quality

(H4c), and which have leading premium-priced products (H4d). Familiar corporate names help redress retailer power (Bowen-Jones, 1981) and reassures consumers (Roberts and McDonald, 1990). While product lives shorten, corporate brands help wary customers "buy the maker" (Sorrell, 1989), not the ever-changing product. Similar claims appear for corporate endorsements (Bidlake, 1992) that associate the company name with premium products (H4p).

The cost of launching and supporting brands is making corporate branding a "marketing imperative" (Murphy, 1987). Corporate branding allows a company to promote all its products (H4e) when advertising any one. This is particularly important during new-product launches where corporate branding has dual advantages (Pride and Ferrell, 1977). It will supercharge the introduction with a "power pack of corporate identity" (Murphy, 1987) while strengthening customers' awareness of all other existing brands. Many (Aaker and Keller, 1990; Roberts and McDonald, 1990; Hall, 1993) argue that corporate-endorsed structures (H4k) and dual brands (H4t) also facilitate cost-effective promotions. The idea "stored kinetic energy of a pre-sold identity" suggests customer loyalty is shared across products using corporate branding (H4f) or as an endorsement (H4r). This transfer of loyalty supposes manufacturers, such as Heinz and Kellogg, whose names customers recognize, are in a better position to retain customer loyalty than those whose names are not promoted (Olins, 1982).

The cost efficiency of corporate branding is counterbalanced by some competitive advantages of branding individual products. Results from Nielsen data (Jones, 1986) suggest that brands using individual brand names gained more market share than brands using existing or umbrella brand names (H4g). This finding correlates with the suggestion that by using several brands a manufacturer, such as Pedigree in dog food, is able to gain shelf-space and so leave less for competitors (Kotler, 1972). Finally, since individually branded products are not colored by any corporate association, using them is an effective way of building a series of distinct brands (H4i) competing in the same, or different, markets (Roberts and McDonald, 1990).

Furtive brands are an extreme way of avoiding conflicts of interest by dissociating brands from one another and from the parent company (H4j). Brand extensions can weaken the parent's name in the original category (Buday, 1989; Farquhar, 1989; McWilliams and de Chernatony, 1989, 1990) and ties a company's name to a new product's market acceptance (Kotler, 1972). Proponents of corporate branding suggest avoiding its use across multiple product categories (Murphy, 1989), where there is a risk of weakening perceived quality to that of the lowest product (Olins, 1989).

Although marketers often see branding as a customer issue, businesses communicate with other stakeholders (Arnold, 1992). Hall (1993) argues that many companies are targeting shareholders by using corporate names to endorse products (H4l), as Allied Lyons and Beecham increasingly do (Bowen-Jones, 1981). Strong corporate names, such as Shell, evolved to engender loyalty from employees (H4m) and the trade (H4n), and corporate endorsements still target these groups (Olins, 1989).

Companies endorse products to share their reputation (H4o). In some cases this is a specific association, such as Cadbury's, for chocolate, or, like Sara Lee, aimed at a broad quality image (Gofton, 1992). Some corporate (H4q) and house (H4s) endorsements seek product-class associations (Bildake, 1992; Aaker and Keller, 1990). For example, the Nestlé corporate endorsement covers breaks (Nescafe and KitKat) and breakfast (breakfast cereal and coffee), while their Carnation house endorsement (Coffee Mate) has creamy associations.

Although dual and endorsed brands are similar in many ways, they have different roles. Dual brands can be a transitional phase (H4u) leading to an individual brand. This occurred when the Mars countline Marathon changed to Snickers across Europe. In other cases the dual brand could start as a variant, such as Nescafe Gold Blend, then become a brand in its own right. Kimberly-Clark's dual brands are not transient but allow it to lever long-established brand values (H4w), such as Kleenex, while using subbrand names to add unique images (H4v), for example, Kleenex Velvet. More cynically, Murphy (1987) agrees with many practitioners who claimed that many dual brands are the result of accident (H4x), not design.

Market structure's influence on brand strategy is strong. Companies using corporate branding operate in homogeneous markets (H5a) with tightly defined product areas (Ind, 1990) that customers see as closely related (Olins, 1989), such as Heinz processed food. In contrast, house-branded (H5b) and house-endorsed brands (H5c) suit fragmented markets, such as that for snacks (Bowen-Jones, 1981; Olins, 1989). House-branded (H5f) and house-endorsed (H5e) styles also suit markets where fashions change quickly since house names provide leverage into new product areas without a company's corporate name being risked.

In some cases companies' brands need separating. Where companies use multiple brands to pepper a market where there is little differentiation, as in soap powder, pet food, and beer sectors, companies use individual brand names (H5d) to increase differentiation and reduce cannibalization. In extreme cases, furtive brands appear when product lines are incompatible with a firm's core business (H5g), such as food for animal or human consumption, or because of the risk involved. Corporate-branded Shell has far more difficulty defending its name against accusations of pollution and third-world exploitation than RTZ, an extraction company that operates under many different names.

Segmentation, according to many commentators (Doyle, 1989; Kotler, 1972; Olins, 1982; Pride and Ferrell, 1977), is helped by stand-alone brands. Their appropriateness extends across all parts of the segmentation and positioning process. Stand-alone brands allow the targeting of specific markets (H6a), allow products to be positioned differently (H6b), provide a diversity of benefits to the market (H6c), and differentiate product sectors (H6d). The exception to this dominance of individually branded products is the use of corporate branding to differentiate commodities (Doyle and Saunders, 1985; Olins, 1989).

Product range covers the final set of variables influencing the choice of brand strategy. Corporate branding is best (H7a) for firms with a small portfolio of products with limited resources (Wernerfelt, 1988). In contrast, wide portfolios are associated with individually branded products (H7b). Opinions are uniform (Hall, 1993; McWilliams and de Chernatony, 1990; Roberts and McDonald, 1990) in suggesting that large corporations with wide portfolios find it hard to find a name and logo that fit all their activities. For instance, Reckitt and Coleman have to cover a range as diverse as Veuve du Veray wine, Brasso polish, Dettol antiseptic and, until recently, Coleman's mustard.

Where companies have similar quality across their product range, corporate branding (H7d) allows the products to support one another's reputation (Kotler, 1972; Wernerfelt, 1988). Conversely, where a range contains products of different quality, individually branded products are best (H7c) since they prevent the reputation of one product contaminating others (Kotler, 1972; Olins, 1982). Finally, using individually branded products allows companies to market competing products (H7e), with customers being unaware that they are choosing between products from the same supplier (Ind, 1990).

Since most of the literature on brand structure is managerial and anecdotal, it is unsurprising that the hypotheses do not all agree. Nevertheless, hypotheses suggest a conceptual framework whose poles represent three forces that shape brand strategy: standardization, differentiation, and symbiosis (Figure 2). The forces for standardization are dominated by the tradition and pride of tightly controlled business operating with a relatively small portfolio of products of uniform, high quality in homogeneous markets. Corporate branding is close to this pole. The second force, for differentiation, is dominated by diversification, with the inherent need to manage a large portfolio of products across divergent markets. Furtive brands, with their unique and carefully guarded individual identity, are closest to this pole. House brands lie between the

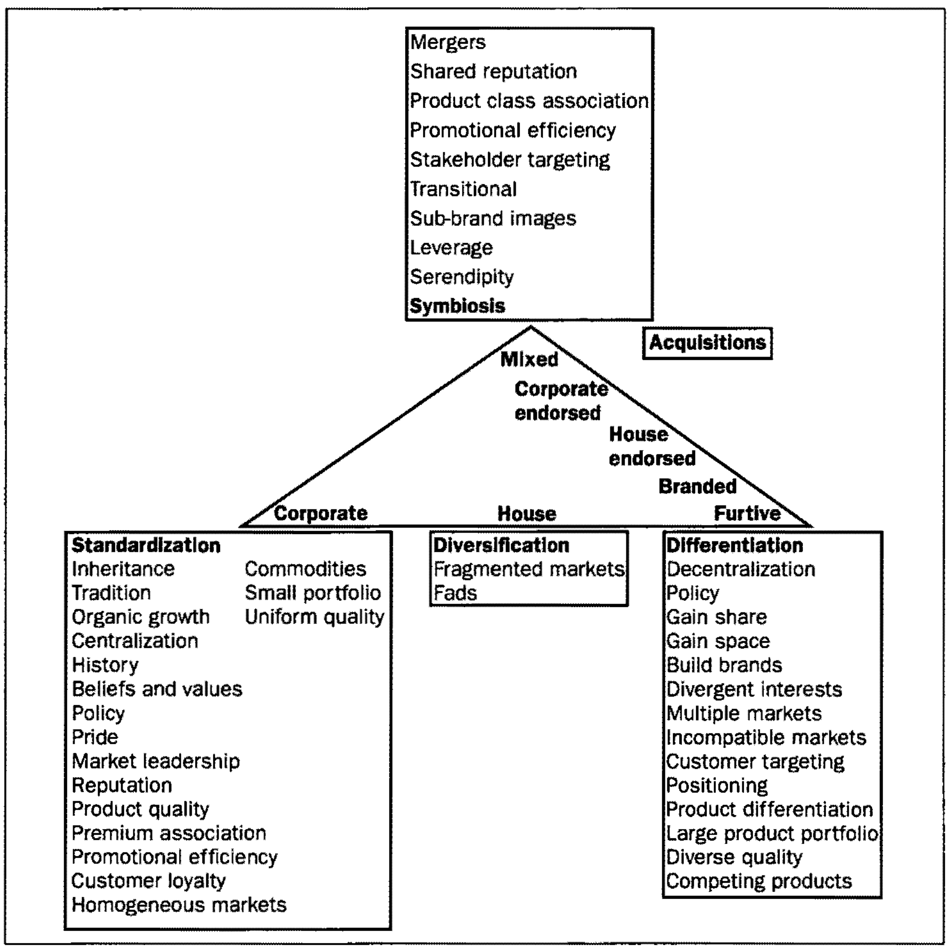

Figure 2 Conceptual Framework: Forces Shaping Brand Strategy

standardization and differentiation poles. These escape from the complete uniformity of corporate brands but gather a range of products under one name.

The final force is for symbiosis, a biological term meaning a close, prolonged relationship between two or more different species that *may* benefit each member. In this case, by using a beneficial relationship between two brand names a company tries to span multiple targets, or gain promotional efficiency. Commensalism is sought—a relationship between two organisms in which one benefits slightly while not affecting the other—but in both biology and branding, commensalism often becomes parasitism. Dual brands are closest to the symbiosis pole with other strategies forming a line of increasing independence from symbiosis to differentiation. Suspended between the main poles may lie serendipity which, according to Murphy (1987), is the force behind many mixed brands.

METHODOLOGY

Data were gathered by mailing structured questionnaires covering the reasons for using the seven brand strategies (Figure 1) to the senior person responsible for marketing in large U.K. suppliers of consumer nondurables.

Developing a reliable and valid research instrument involved:

1. Specifying a construct domain by reviewing of relevant literature, the construct being the determinants of branding structures.
2. Generating items that capture the domain specified. This consists of determining how the construct was previously defined in branding, and related literature.
3. Discussions with 10 key personnel from leading consumer nondurable companies and advertising agencies. The construct's domain was defined as consisting of 7 determinants and 55 subdeterminants. These became the hypotheses for brand structures covering history, company structure, corporate in-built philosophy, strategic reasoning, market structure, segmentation strategy, and product range. These formed a conceptual framework (Figure 2).

The hypotheses integrated into a questionnaire containing part A, requesting demographic and general information relating to branding and the company's history and environment, and part B, with one page for each branding strategy. Because of the questionnaire's length, single items measured each subhypothesis. Although each hypothesis refers to a single brand strategy, the same set of questions was asked of each strategy to allow comparisons. To reduce interviewee fatigue and to ensure they only answered questions on strategies they knew, respondents skipped strategies they did not use.

The data to test the hypotheses were collected using 5-point Likert scales questioning respondent's degree of agreement or disagreement with statements, or a similar 5-point importance scale. The reliability of the scales was tested using Churchill's (1979) three-stage approach:

1. First the research instrument was pretested with eight university staff who were either involved in corporate affairs or who had a knowledge of branding.
2. The second stage of data collection was with medium-sized fast moving consumer goods companies with turnover less than $1.5 million and fewer than 500 employees. Simulations of the questionnaire using Jobber and Saunders' (1993) industrial mail survey response model suggest a response rate of 33 percent was achievable with incentives and two mailed follow-ups. Questionnaires were mailed to 40 companies with a university pen as an incentive. Seventeen completed questionnaires were returned for a response rate of 42.5 percent. To purify the measures Cronbach's coefficient alpha was computed for each of the seven major determinants of branding strategy (see Table 2). Low inter-item correlation suggests that some items are not extracted from the appropriate domain, thus resulting in error and unreliability (Nunnally, 1967). All but company philosophy had a Cronbach alpha at acceptable levels. After removing the two

TABLE 2
Determinants of Branding Structure

	Pre-test Sample (17)		Final Sample	
Determinant	**Measure**	**Cronbach alpha**	**Measure**	**Cronbach alpha**
History	7	0.8375	7	0.8595
Structure	2	0.9808	2	0.9808
Philosophy	5	0.3665	3	0.7121
Strategy	24	0.7785	24	0.8666
Market structure	7	0.7152	7	0.7870
Segmentation	5	0.8636	5	0.8706
Product range	5	0.5566	5	0.7846

items least correlate with the total score for company philosophy, a three-item measure gave acceptable results.

3. The final survey was of 100 companies randomly chosen from a sample frame of large consumer nondurable suppliers with a turnover of more than $1.5 million and more than 500 employees. After recontacting initial nonrespondents, 52 questionnaires were returned, 48 of which were usable. The similarities between the Cronbach's alpha results for this and the test sample (Table 2) suggest that the measures' scales are reliable. The sample demographics in Table 3 showed that the final sample did not differ significantly from the sample frame proportions.

Since respondents gave details of more than one branding strategy, this gave 120 cases (see Table 4). The results suggest that each company used fewer of the approaches than earlier content analysis indicated. This could be explained by the small size of the companies in this survey compared with the content analysis.

RESULTS

Hypothesis tests compared the mean score of the relevant brand strategy against the mean score for the other brand strategies. For instance, to test the hypothesis that corporate branding is associated with brands being historically owned by a company (H1a), the mean scores for "brands historically owned" for companies using corporate branding (mean of 4.88 with a standard deviation of 0.44) is compared with the mean score of companies not using corporate branding (mean of 3.93; standard deviation of 0.49). Comparing the means gives a t-value of 3.00. The statistic has only a 0.005 probability of occurring by chance so supports hypothesis H1a (see Table 6).

A meta-analysis of the hypotheses tested (see Table 5) shows that most are supported, although the distribution of these is uneven. The hypotheses concerning corporate-dominant strategies were mostly supported; those on brand-dominant strategies supported about half the occasions, while few of the hypotheses about mixed strategies had support. Since the same set of questions appeared for each brand strategy, the results revealed relationships that were not hypothesized. Eleven percent of cells contained unanticipated, significant relationships, for example, the association of furtive brands with diversification in Table 6. These unanticipated relationships bunch around furtive and conventional stand-alone brands.

History strongly relates to corporate branding, where the long-term ownership of brands (H1a) and tradition (H1b) are significantly associated with corporate branding (see Table 6). The difficulty of maintaining traditions in diversified companies, where even the corporate name is unsupported, could explain why house brands are negatively associated with tradition.

The weak association between organic growth and corporate branding (H1g) reflects the nature of organic growth. Sometimes this involves companies extending

TABLE 3
Samples

By Sector	Personal Interviews	Pre-test Sample	Sample
Baby foods			2
Beverage	1	2	7
Brewing			3
Confectionery	3	4	8
Dairy			1
Household products		2	2
Mainstream foods	2	7	21
Pet foods		1	2
Personal care	1	1	3
Pharmaceuticals			1
Tobacco			1
Snack foods			1
Advertising	2		
Design	1		
By respondent			
Chief executive	3	2	5
Marketing director	3	12	46
Other director	2	1	
Marketing manager	1	2	
Other manager	1		1
Totals	10	17	52

TABLE 4
Sampled Branding Strategies

Branding Strategy	Number of Cases	% Cases	% Companies Using
Corporate dominant	38	32	79
House dominant	10	8	21
Dual	26	22	54
Corporate endorsed	10	8	21
House endorsed	6	5	13
Branded	23	19	48
Furtive	7	6	15

TABLE 5
Meta-analysis of Hypotheses Tests

Brand Strategy	Supported (*)	Not Supported (o)	Negated (–)	Other Significant (!)
Corporate	16	2	0	2
House	2	0	1	4
Corporate endorsed	1	7	1	1
House endorsed	0	4	0	1
Dual	2	3	0	4
Branded	7	6	1	7
Furtive	1	1	0	11
Total	29 (53%)	23 (42%)	3 (5%)	30

**Hypotheses supported.*

oHypotheses not supported.

– Negative association.

!Significant results not hypothesized.

their product range to cover new segments where stand-alone brands help differentiation. As hypothesized, diversification associates with house brands (H1c), used by companies when they move into unrelated markets. The lack of sympathy between the markets after diversification also explains why furtive brands occur.

The links between mergers and acquisition, and endorsed (H1f and H1e) and stand-alone brands (H1d), are weak. Mergers and acquisitions sometimes involve related businesses where an endorsement is logical, or into new segments or unrelated markets where it is not.

Centralization, as anticipated, associates with corporate branding (H2a) while stand-alone (H2b) and furtive brands associate with decentralization (see Table 7). The link does not infer causation. Decentralization could occur because a company operates in disparate markets where stand-alone brands are appropriate or, alternatively, stand-alone brands occur because managers in diversified companies have a chance to implement their ideas.

Philosophy, like company history, is strongly associated with corporate branding (see Table 8: H3a, b, c, and e). However, and unexpectedly, branded strategies negatively associate with company policy (H3d). Certainly some companies have a policy of marketing stand-alone brands but this result suggests that other reasons have a role. As H2b suggests, the brands could occur when managers in decentralized companies have freedom to act independently, or, as Hypothesis 6 suggests, there is a need to differently segment and position products. Clearly, individually branded products do not display a pride in their parent company, hence the negative coefficient; but this outward dissociation could also relate to the dissociation of decentralized managers.

The negative association with company policy and corporate endorsements suggests market, not corporate, reasons for using corporate endorsements. Fu and Saunders (1997) show that this may occur because consumers are willing to try a new brand bearing a corporate endorsement rather than one without an endorsement. Equally, dual-branded products may not reflect pride in associated corporate or house names, but be an expedient.

Strategy and corporate branding associate in all the ways hypothesized (see Table 9: H4a–f). Central to the use of the corporate name is the desire to promote across products, this being linked to each of the strategies where corporate names occur: corporate branding (H4e), corporate endorsed (H4k), and dual brands (H4t). The negative association of individual and furtive brands with cross promotions reinforces the result.

In contrast to the results for corporate branding, most of the hypotheses for corporate endorsement are not supported. The inverse association with premium

TABLE 6
History

	Corporate Branded	House Branded	Corporate Endorsed	House Endorsed	Dual Branded	Branded	Furtive
Brand inheritance–historically owned	0.015* H1a						
Tradition	0.000* H1b	–0.010!					
Diversification		0.045* H1c					0.004!
Merger				0.006!		0.209o H1d	
Acquisitions			0.182o H1f	0.379o H1e			
Organic growth	0.383o H1g						

**Hypotheses supported.*

oHypotheses not supported.

–Negative association.

!Significant results not hypothesized.

TABLE 7
Centralization

	Corporate Branded	House Branded	Corporate Endorsed	House Endorsed	Dual Branded	Branded	Furtive
Centralization	0.038* H2a						
Decentralization						0.045* H2b	0.027!

**Hypotheses supported.*

oHypotheses not supported.

– Negative association.

!Significant results not hypothesized.

products (H4p) may reflect the inability of a small endorsement in transferring a premium product association, or the inappropriateness of endangering a premium product's position by associating it with an inferior one.

The results suggest that endorsements have very little power. There is no expectation that the presence of a small symbol will engender customer loyalty **(H4r)**, help share reputations across product classes (H4o, q, s), or help target other

TABLE 8
Philosophy

	Corporate Branded	House Branded	Corporate Endorsed	House Endorsed	Dual Branded	Branded	Furtive
Historic associations	0.048* H3a						
Beliefs and values	0.031* H3b						
Company policy	0.000* H3c		−0.044!			−0.022* H3d	
Company pride	0.001* H3e				−0.043!	−0.001!	

**Hypotheses supported.*

oHypotheses not supported.

– Negative association.

!Significant results not hypothesized.

stakeholders (H4l–n). This contrasts with the use of a company's name in corporate branding that does help target shareholders.

Dual brands are an effective way of adding images through subbranding (H4v) and, possibly through that mechanism, gaining market share and shelf space. Although initially associated with adding images, once created dual brands are stable being neither transitional (H4u) nor intended for future leverage. Managers also disagree that they are the result of serendipity (H4x).

Market leadership's association with corporate branding (H4a) may help explain why individual brands have a weak association with gaining market share (H4g) and shelf space (H4h). Being in an inferior position, their aim is to hold onto, not gain share, from the leader. Supporting individual brand names is expensive, so building new ones is not an aim (H4i), although it may sometimes be a necessity.

This analysis of strategy gives little indication of the role of furtive brands. The results do not support the hypothesis that they protect against conflicting interest (H4j), although their negative association with gaining market share suggests their role is defensive. This is the case with some "fighting brands" that deflect price competition from leading brands by taking on low-priced competition.

Markets help explain differences in the role of corporate branded and individually branded approaches (see Table 10). Corporate branding fits homogeneous markets (H5a), where the results suggest individual and furtive branding is particularly inappropriate. However, individual brands suit multiple markets (H5d), while furtive brands suit incompatible markets (H5g).

The results for house brands do not uniformly support the hypotheses. House brands associate with fad markets (H5f) where a specifically styled name, such as Joe Bloggs jeans, can give continuity while being associated with rapidly changing styles. Again, as occurred with endorsements related to strategy, house endorsements appear too weak to provide the benefits hypothesized for them (H5c, e). The significant but negative relationship between house brand and fragmented markets is problematical (H5b). Rather than helping marketers straddle fragmented markets, house brands appear an unsuccessful compromise between the economies of corporate branding and the ability of stand-alone brands to differentiate.

Segmentation explains some of the main advantages of individual (H6a–d) and furtive branding (see Table 11). It is noticeable that Table 11 has no significant results outside the domain of brand-dominant structures. Even corporate branding, as a means of differentiating commodities, is not supported (H6e).

Product range provides results that differentiate between the corporate-dominant and brand-dominant extremes (see Table 12). Corporate branding associates with small portfolios of brands (H7a) and the maintenance of a similar quality across its product range (H7d). The hy-

TABLE 9
Strategy

	Corporate Branded	House Branded	Corporate Endorsed	House Endorsed	Dual Branded	Branded	Furtive
Market leadership	0.019* H4a						
Corporate reputation	0.039* H4b						
Product quality	0.065* H4c					−0.044!	
Associate corporation with premium products	0.009* H4d	−0.002!	−0.029* H4p				
Promote across products	0.000* H4e		0.062* H4k		0.065* H4t	−0.038!	−0.048!
Customer loyalty	0.018* H4f		0.453o H4r				
Gaining market share					0.036!	0.375o H4g	−0.041!
Gaining shelf space					0.045!	0.315o H4h	−0.036!
Building individual brand names						0.158o H4i	
Protect from conflicting interests							0.185o H4j
Targeting shareholders	0.001!		0.242o H4l			−0.006!	
Targeting employees			0.379o H4m		−0.055!	−0.008!	
Targeting the trade			0.432o H4n				
Share reputation			0.160o H4o				
Promote product class association			0.165o H4q	0.108o H4s			
Transitional					0.403o H4u		
Sub-brands adding images	−0.055!				0.015* H4v		
For future leverage		−0.035!			0.279o H4w		
Accident					0.387o H4x		

**Hypotheses supported.*

oHypotheses not supported.

−Negative association.

!Significant results not hypothesized.

TABLE 10
Markets

	Corporate Branded	House Branded	Corporate Endorsed	House Endorsed	Dual Branded	Branded	Furtive
Homogeneous market	0.012* H5a					−0.032!	−0.005!
Fragmented market		−0.030* H5b		0.448o H5c			
Multiple markets						0.029* H5d	
Fad markets		0.039* H5f		0.172o H5e			
Incompatible markets					0.003!	−0.056!	0.007* H5g

**Hypotheses supported.*

oHypotheses not supported.

– Negative association.

!Significant results not hypothesized.

potheses that individual branding suit large portfolios (H7b), or when there are competing product ranges (H7e), are not supported. The high cost of supporting stand-alone brands may, again, drive these results. However, the evidence suggests using individual brands when product quality varies across the product range (H7c) and that furtive brands help when product ranges compete. The economics of using corporate brands to cover a small portfolio also explains the limitation of house and furtive branding for that role. A small portfolio is unlikely to contain the diverse activities that justify house branding or the competing products that justify furtive branding.

The emergent framework (see Figure 3), based on those hypotheses supported and the revealed significant relationships, retains much of the detail from the original conceptual framework (Figure 2). Few parameters at the standardization pole change, the exception being its association with targeting shareholders.

In contrast, the failure of the results to support several of the hypotheses for brand dominance reduces the number of parameters at the differentiation pole. Noticeable losses are the expectation that brand-dominant strategies are policy led and the role of individual brands in gaining market share and shelf space. In reality, many of the differentiation parameters appear in Figure 3, not because of the hypotheses for individual branding being supported, but because of uncovered relationships for furtive branding.

In contrast to the rich explanations of the extreme corporate-dominant and brand-dominant approaches to branding, factors explaining the intermediate forms of branding are sparse. Between standardization and differentiation, house-dominant branding retains its association with fad markets but has increased associations with corporate strategy of diversification and mergers. This suggests the value of house brands when moving into markets that are inconsistent with core brands and their long-term values.

Factors explaining symbiotic forces are similarly few. Symbiosis shares the benefit of promotional efficiency with the corporate-dominant approach but also allows subbrands to be carried under an existing brand name and helps gain shelf space and market share. Following hypothesis testing, the explanation of the symbiotic benefits of mixed branding are less rich than before (Figure 2), although its competitive value is revealed.

CONCLUSIONS

This study offers mixed support for past views on the appropriateness and benefits of the range of brand strategies that exist (see Figure 1). The understanding of brand strategies is not uniform. The evi-

TABLE 11
Segmentation

	Corporate Branded	House Branded	Corporate Endorsed	House Endorsed	Dual Branded	Branded	Furtive
Targeting specific markets						0.032* H6a	0.005!
Different positioning						0.005* H6b	0.019!
Different benefits						0.009* H6c	0.040!
Differentiate the product sector						0.053* H6d	
Differentiate commodities	0.232o H6e						

**Hypotheses supported.*

oHypotheses not supported.

–Negative association.

!Significant results not hypothesized.

TABLE 12
Product Range

	Corporate Branded	House Branded	Corporate Endorsed	House Endorsed	Dual Branded	Branded	Furtive
Small portfolio of brands	0.000* H7a	–0.002!					–0.003!
Large portfolio of brands						0.249o H7b	
Diverse quality across the product range						0.002* H7c	
Same quality across the product range	0.001* H7d						
Competing product ranges						0.137o H7e	0.037!

**Hypotheses supported.*

oHypotheses not supported.

–Negative association.

!Significant results not hypothesized.

dence supports the supposed benefits of corporate-dominant branding, many of which flow from the economy and simplicity of standardization (see Figures 2 and 3). Many of the proposed benefits of brand-dominant strategies, largely flowing from differentiation, are supported although much of the evidence flows from unexpectedly strong associations with furtive branding. Proposed benefits of mixed branding were originally sparse and become even more so after testing.

The different benefits and contexts that suit the range of brand strategies show why businesses use more than one approach, although they usually have a preferred approach (see Table 4). Although strongly influenced by the history and culture, corporate-dominant strategies also suit homogeneous markets, particularly companies with a small portfolio of products of uniform, high quality. Corporate branding associates with market leadership where companies aim to increase loyalty and promotional efficiency by standardizing the use of their name. Promotional efficiency could occur in two ways: by the reduced cost of trying to manage diversity and by products benefiting from the promotion of others. The contingent and cultural dimensions of corporate branding relate. They focus on efficiency and quality-oriented businesses with a good reputation, strong beliefs and values, and pride in what they do. Centralization and small portfolios also allow companies using corporate branding to control their activities.

By using brand-dominant strategies, companies can differentiate their products and position them for diverse target markets.

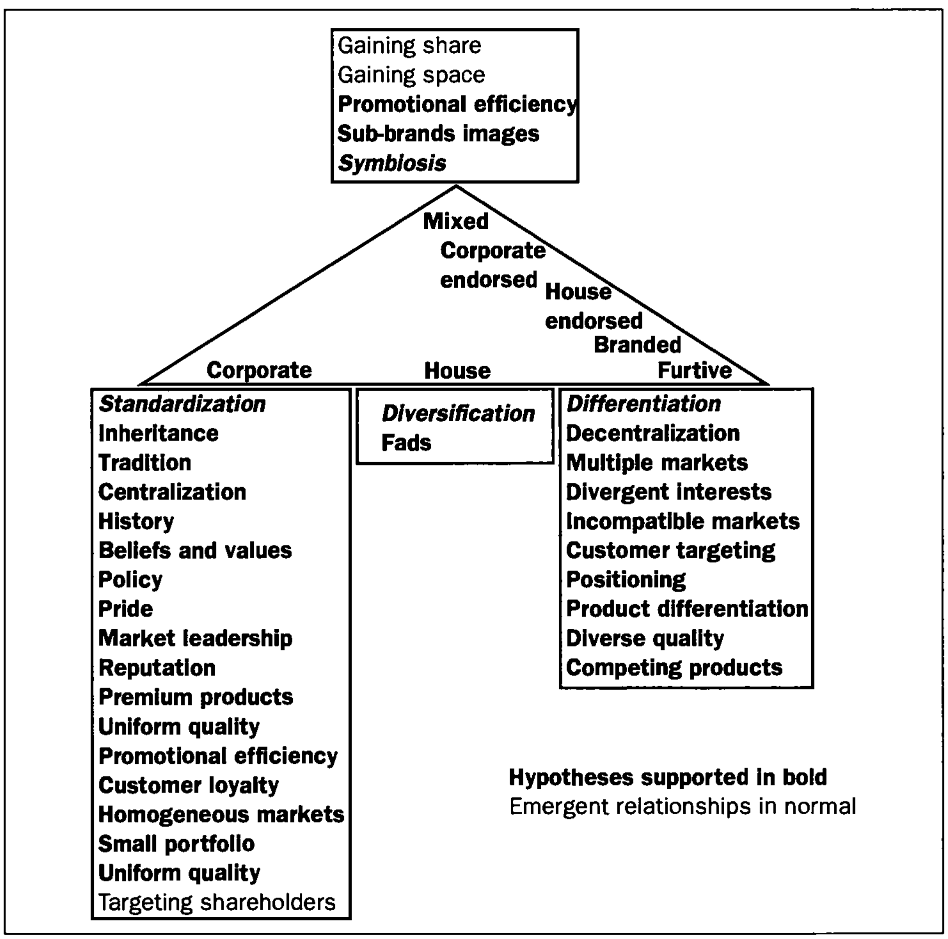

Figure 3 Emergent Framework: Forces Shaping Brand Strategy

Brand-dominant strategies aid differentiation. Corporate names may have associations that do not suit the full range of customers that firms wish to target. By using brand-dominant strategies, companies can differentiate their products and position them for diverse target markets. In this way companies can sell products of different quality to markets that are incompatible. Brand-dominant strategies also suit decentralized businesses with wide portfolios where managers champion their products' interests.

The previously unexplored furtive brands offer an extreme opportunity for differentiation. Originally thought appropriate only in incompatible markets, where people do not need reminding that the same business makes soap powder and sausages, their real remit is wider. Furtive brands also help differentiation and positioning in markets that are close. When a company dominates a product class, nondisclosure of a corporate identity creates the semblance of competition and helps differentiate similar brands. Where companies are not dominant, the nondisclosure of corporate names may help positioning. It would be illogical to remind drinkers of exclusive Scottish Malt Whiskey that the distiller also markets

The strength of the results for brand-dominant and corporate-dominant branding suggests that firms who adhere to these are pursuing a clear and well-understood strategy with known benefits.

cheap blended whiskey or that the owner is a Japanese company.

While using a name across a range of products, house brands give some of the efficiency of corporate branding while separating its identity from the holding company. This helps in short-lived markets whose transience makes it inappropriate for association with a well-established and much-guarded corporate identity. More strategically, house brands are appropriate when they diversify outside the names suiting their corporate names, or when acquired businesses have useful established reputations.

Mixed brands, such as Kellogg's Pop Tarts, gain symbiotically from the reputation of a corporate name and the individuality of a unique brand name. Throughout the Kellogg's range, products benefit from Kellogg's traditional reputation for quality and the association with breakfast. Each time a Kellogg's product is advertised it benefits from Kellogg's heritage, promotes itself, and helps build Kellogg's brand equity. This level of mutual support across brands can help gain shelf space and build market share so long as the corporate name's equity is maintained. Taken too far, as did chocolate makers Cadbury's in using their name on instant potatoes and synthetic meat products, symbiosis degenerates into parasitism and a loss of identity.

The main contribution of this study is the development of the emergent framework that views branding strategies as three forces: for the efficiency of standardization, the individuality of differentiation, and the synergy of symbiosis (Figure 3). The emergent structure is more consistent than the theoretical framework (Figure 2) derived from the literature but less able to justify symbiosis than the other two poles. The results support many of the proposed justifications for corporate branding, provide some support for proposed benefits of brand dominance, but reveal little evidence in support of ideas on mixed branding (Figure 1). Many of the significant results, particularly to do with branded and furtive approaches, are consistent with the theoretical and emergent framework but are not based on expectations (Table 5). These, therefore, provide hypotheses for further research. Many of these ideas concern the use of furtive brands. Other emergent relationships that need exploring are the association of house brands with mergers and mixed brands with gaining shelf space and share.

Comparing furtive with endorsed brands shows the subtlety of branding. Furtive brands have the corporate name removed to help differentiation while in endorsed brands the same name moves to the front of the pack. From there it is only a small move to mixed branding where more than one name has equal prominence. This study provides some explanation of how the search for symbiosis leads to this spectrum of approaches, although prior explanations for these mixed strategies are few. Since most of the hypotheses for mixed branding were not supported, and few new relationships found (Table 5), mixed and endorsed brands need further study. This could take three forms:

1. Qualitative work to further explore managers' expectations of mixed brands. The personal interviews in this study were few and covered the whole range of brand strategies.
2. Quantitative studies to reveal more endorsed cases. The small subsamples here mean acceptance of the null-hypotheses unless variations are large.
3. Time series analysis tracking changed brand strategies and their competitive influence.

The strength of the results for brand-dominant and corporate-dominant branding suggests that firms who adhere to these are pursuing a clear and well-understood strategy with known benefits. The search for symbiosis in using mixed brands may be as elusive as the quest for synergy in strategy. Although 2 + 2 = 5 is synergy, 2 + 2 = 3 usually. JAR

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