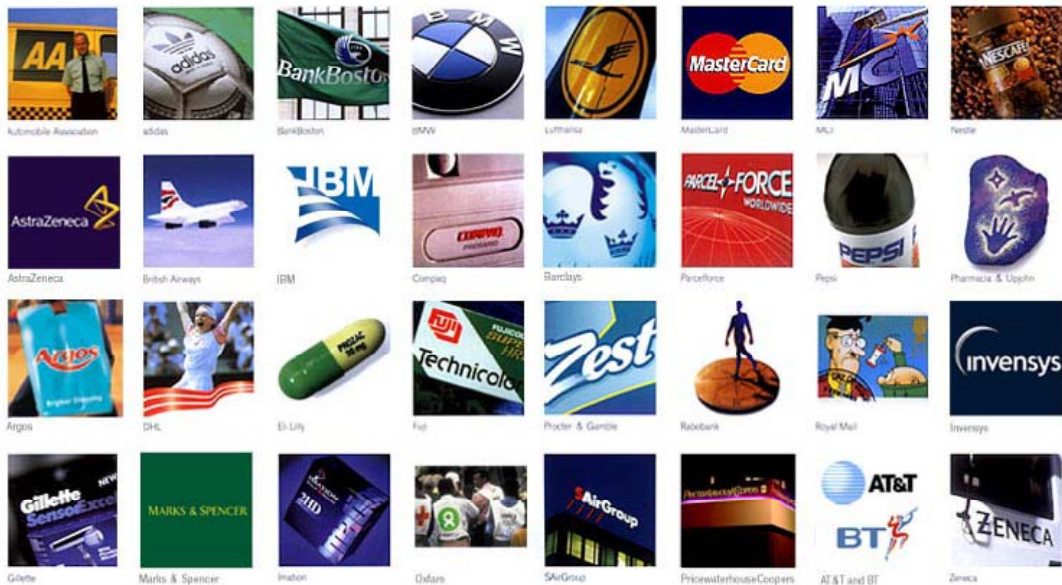


ADVANCED



MANAGEMENT



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WHY TAKE ADVANCED BRAND MANAGEMENT?

Brands are among the most valuable assets of a company. Too often however, marketing decisions regarding product policy, pricing, advertising or distribution are made in isolation without taking into account their impact on brand equity. In this course, we will examine marketing strategy from a branding perspective, and address the most important issues involved in building strong brands and in maximizing the value of existing brands. The following topics are covered:

- 1. A framework for understanding when and why consumers care about brands.** We will draw on consumer psychology to understand how consumers perceive, evaluate, and respond to brands. This will help us understand why branding creates value, both for the consumer and for the firm.
- 2. Tools for measuring brand equity.** We will review the most important techniques and methods that brand managers can use to measure brand equity itself, the factors creating brand equity (brand awareness and brand image), and the financial consequences of brand equity (brand value).
- 3. A step-by-step approach to building strong brands.** We will address the strategies and tactics involved in building brand equity. We will study the concept of brand identity and study how a brand's identity can be decoded to provide guidance for communication with creative teams. We will also examine how brand elements (name, logo), of the marketing mix, and of secondary associations (e.g., celebrity endorsers, country of origin) can be integrated to create a memorable and meaningful brand identity.
- 4. Strategies for maximizing the value of mature brands.** We will study strategies for fighting generics and private labels, product line mix and merchandising decisions, brand architecture decisions (corporate & umbrella brands), brand extension decisions, and global branding strategies.

WHAT IS THE TEACHING FORMAT?

This course relies extensively on case studies. We will study consumer and luxury brands (e.g., *L'Oréal*, *Louis Vuitton*, *Tata & Tetley teas*, *Virgin*, *Nike*, *Steinway*, *Schwarzkopf*) but also technology and service brands in business to business settings (e.g., *Intel*, *Ericsson*, *Accenture*). Only two of the ten cases studied are about US brands and only one is a Harvard case. Seven of the cases studied are INSEAD cases, five of which were written by the course instructor solely for the purpose of this elective (*Cacharel de L'Oréal: Decoding and Revitalizing a Classic Brand*; *Diesel for Successful Living: Strategies for Upward Brand Extension in the Fashion Industry*; *Unilever in Brazil: Marketing Strategies for Low-Income consumers*; *Russian Standard Vodka: Strategies for Global Branding and Expansion into the US Market*; and *Clamoxyl: Marketing Strategies in the Competition Between Branded and Generic Antibiotics*). All the cases are decision oriented and three are multimedia (*Cacharel*, *Unilever in Brazil*, and *Louis Vuitton*). Some guest speakers from the companies studied in these cases will come to INSEAD to interact with the course participants (guest speakers from *Disney* are confirmed at this stage).

A distinctive feature of the Advanced Brand Management course is that I keep in touch with course alumni. The password-protected course web site provides the addresses and current occupations of all past course participants and guest speakers, links to companies recruiting INSEAD MBAs, books and articles, and electronic resources (print and television ads, past course projects, case studies, etc).

WHO SHOULD TAKE ADVANCED BRAND MANAGEMENT?

This course is designed to help general managers operating in a branded industry learn the tools and rules of brand marketing. It is obviously useful for people interested in a career as marketing manager or consultant in the field marketing (in a consulting company, ad agency, or market research company).

HOW WILL I BE EVALUATED?

- ❑ Class contribution (individual) 40%
- ❑ Brand evaluation project (in group) 60%
- ❑ Class contribution

Every session of the course will involve interaction in the form of class discussion. I expect each course participant to be prepared at all times to comment in any class session. To reinforce this expectation, I may randomly select participants at the beginning of the session to open the class and throughout the ensuing discussion. Your contribution to the class discussion will be particularly important for the sessions when we will have guest speakers. Obviously, the quality of your preparation and of your comments will strongly influence their perception of INSEAD, and hence the equity of the INSEAD brand!

- ❑ Brand management group projects

Sixty percent of your course grade will be determined by work done in self-selected groups of 3 to 5. All group members will receive the same grade. You will need to provide the topic of your group project and the composition of your group **by the fourth class (fifth session) on May 13.**

Each group will have to present their work during one of the last two class sessions. Presentations will be 15 minutes in length and will be judged on both style and content. Groups will be assigned to the two sessions by a random draw. **An electronic as well as a paper copy of the group report and of the presentation are due on the first day of presentations (June 8).**

Two main types of projects can be undertaken. Both types of reports are restricted to **10 pages, double space, plus 5 pages of exhibits.**

1. **Brand audit.** This “hands-on” project requires you to design and use a qualitative or quantitative market research technique in order to measure the awareness, image, equity, or value of a brand of your choice. This project will involve either collecting data on a small convenience sample (through in-depth interviews or quantitative surveys) or analyzing stock-market and accounting data. I strongly believe that this is the best way to learn the market research techniques described in the second part of the course. The outcome of the report will include an assessment of the brand’s awareness, image, equity or value in comparison with its main competitors and a maximum of three recommendations on how to improve the studied dimensions. More information on the brand audit report is provided in the “Note on measuring brand awareness, image, equity and value” included in the course pack.

Examples of past projects of this type: Measuring brand awareness and equity (Starbucks coffee in Europe, conjoint analysis of Champagne brands, Arsenal vs. Manchester United, Vietnam vs. Indonesia; Bulgari vs. Rolex, Omega vs. Gucci, Anna Kournikova), brand valuation (Smirnoff UK, Bulgari worldwide), evaluating brand promotions (Yorkie UK), and finding a brand name (“Astrid” Spanish women luxury shoes, “Ourworld”: international Indian handicraft). All previous projects can be found on the course web site.

2. **Brand management.** In this type of group project, your goal is to provide recommendations on how a brand of your choice should be managed. For example, how can brand equity be built? How can brand equity be effectively leveraged into new product categories to maximize profits? To address these questions, you should critically analyze current marketing programs and outline creative and relevant directions for future decisions. This report will be especially interesting if it is done in collaboration with a company.

Examples of past projects of this type: Brand revitalization (Burberry, Iberia, Heineken in the UK), brand extension (Caudalie for men, Christian Dior shampoo Frogspub, Club Med Oyyo, Jose Cuervo ready to drink, Louis Vuitton Haute Couture, Lancôme shampoos), brand portfolio management

(BMG, Carrefour private labels), new brand development (Optimus Telecom, Roni Brunn handbags, Victoria Buckley jewelry), and global branding strategies (Wall's ice cream in China, internet search engines in Japan).

WHAT IS THE COURSE MATERIAL?

- Packet of cases and readings.
- Required book:
 - Keller, Kevin L. (2003), *Strategic Brand Management: Building, Measuring, and Managing Brand Equity* (Second ed.). Upper Saddle River, NJ: Prentice Hall.
- Recommended books:
 - Kapferer, Jean-Noël (1997), *Strategic Brand Management: Creating and Sustaining Brand Equity Long Term* (Second ed.), London: Kogan Page. A thought-provoking book. Provides many European examples.
 - Schmitt, Bernd and Alex Simonson (1997), *Marketing Aesthetics : The Strategic Management of Brands, Identity and Image*. New York: Free Press. Provides excellent coverage of emotional branding and of the impact of experiential factors.
 - Taylor, David (2003), *The Brandgym: A Practical Workout for Boosting Brand and Business*. Chichester, UK: John Wiley & Sons. A back-to-basics no-nonsense book written by an INSEAD alumni.

WHO IS THE INSTRUCTOR?

I am Assistant Professor of Marketing at INSEAD where I teach Advanced Brand Management and Marketing Management to MBAs, EMBA's, and executives. I joined INSEAD in 1999 after being on the faculties of the London Business School and of the University of North Carolina at Chapel Hill. Before that, I was a Visiting Scholar at Wharton, University of Pennsylvania. I have taught marketing management, brand management, consumer behavior, and retailing in various MBA programs in the US and Europe. My area of expertise is in brand management and in consumer behavior for low-involvement products, with applications in the areas of sales promotions and point-of-purchase marketing. I have published articles and books on these topics in leading academic journals, including the *Journal of Marketing Research*, the *Journal of Consumer Research*, and the *Journal of Marketing*. My dissertation won the Best Interdisciplinary Dissertation Award given by the Foundation HEC in 1998 and my work has been the subject of media coverage in Europe and the US, by *France Inter*, *L'Expansion*, *Les Echos*, *Le Figaro*, and the *Marketing Science Institute*. You can download my articles and case studies from my personal page: http://faculty.insead.edu/chandon/personal_page/resume.htm.

SESSION OVERVIEW

I. A FRAMEWORK FOR UNDERSTANDING THE VALUE OF BRANDING

| | | |
|--------------|--|---|
| 1: Tue 4 May | Course overview and organization Overview of brand management | <i>Lecture and in-class exercises</i> |
| 2: Thu 6 May | Should you brand? | <i>Case (IMD): Ericsson Mobile Phones</i> |

II. TOOLS FOR MEASURING THE SOURCES AND CONSEQUENCES OF BRAND EQUITY

| | | |
|-----------------|------------------------|--|
| 3+4: Tue 11 May | Measuring brand equity | <i>Case (INSEAD): Tata Tea Limited</i> |
|-----------------|------------------------|--|

III. BUILDING STRONG BRANDS

| | | |
|---------------|--|---|
| 5: Thu 13 May | Brand identity decoding & revitalization. Group topic and composition due. | <i>Case (INSEAD): Cacharel Parfums de L'Oréal</i> |
| 6: Fri 14 May | Building and borrowing brand identity | <i>Case (TUCK): Got Milk?</i> |
| 7: Mon 17 May | Global brand expansion | <i>Case (INSEAD): Russian Standard Vodka</i> |

IV. MANAGING MATURE BRANDS

| | | |
|-------------------|--|--|
| 8: Tue 18 May | Fighting generics and private labels | <i>Case (INSEAD): Clamoxyl antibiotics</i> |
| 9: Tue 25 May | Brand extensions | <i>Case (HBS): Steinway Pianos</i> |
| 10+11: Thu 27 May | Brand architecture | <i>Case (INSEAD): Diesel For Successful Living</i> |
| 12: Tue 1 Jun | Product portfolio & merchandising | <i>Case (HEC Paris): Louis Vuitton</i> |
| 13: Thu 3 Jun | Brand Licensing | <i>Case (INSEAD): Disney (in preparation)</i> |
| 14: Fri 4 Jun | Branding strategies for low-income consumers | <i>Case (INSEAD): Unilever in Brazil</i> |

V. BRAND MANAGEMENT FORUM

| | | |
|------------------|---------------------|--------------------------------------|
| 15: Tue. 8 June | Group presentations | <i>All group reports due.</i> |
| 16: Thu. 10 June | Group presentations | |

I. A FRAMEWORK FOR UNDERSTANDING THE VALUE OF BRANDING

SESSION 1: OVERVIEW OF THE BRAND MANAGEMENT FRAMEWORK

Assigned reading

- This syllabus.
- Keller chapters 1 and 2.

SESSION 2: THE VALUE OF BRANDING

Case: Ericsson Mobile Phones (IMD).

Discussion questions:

1. **Branding Opportunity Analysis:** Do you think that branding is the best way for Ericsson to stop the price competition and commoditization affecting the mobile phones industry? Why not invest the branding budget in R&D or in manufacturing improvements?
2. **Brand Promise Analysis:** Evaluate Ericsson's global branding campaign. Is it likely to reinforce Ericsson's brand equity? What should Ericsson do next?
 - Continue the global campaign in its present form?
 - Drop the global campaign and only run product ads?
 - Integrate the global campaign with the product campaign?
 - Add products to the global campaign?
 - Keep the same ratio of global/product advertising?
 - Make the (mobile phone) global campaign its corporate campaign?

Assigned reading:

- Keller chapter 3.
- Ward, Scott, Larry Light, and Jonathan Goldstine (1999), "What high-tech managers need to know about brands," *Harvard Business Review*, 77 (4), 85-95.

II. TOOLS FOR MEASURING THE SOURCES AND CONSEQUENCES OF BRAND EQUITY

SESSION 3+4: MEASURING BRAND KNOWLEDGE, BRAND EQUITY AND BRAND VALUE

Case: Tata Tea, Limited (INSEAD).

Discussion questions:

1. Should Tata Tea build an international brand or make a bid for Tetley?
2. How much should Tata Tea offer for the Tetley brand? You will have to compute the value of the Tetley brand in group during the class.

Assigned reading:

- Keller chapter 9 and 10.
- Chandon, Pierre (2004), "Note on Brand Audit: How to Measure Brand Awareness, Brand Image, Brand Equity and Brand Value" © INSEAD 2004.

III. BUILDING STRONG BRANDS

SESSION 5: BRAND IDENTITY DECODING & REVITALIZATION

Case: Cacharel Parfums de L'Oréal: Decoding and Revitalizing a Classic Brand (INSEAD)

Report topic and group composition due.

Discussion questions:

1. What was Cacharel's brand identity? What did it stand for? Were there tangible, 'objective' signs that distinguished the brand and its advertising from its competitors? If so, what were they?
 - Prepare a written document that you could use to explain Cacharel's brand identity to people outside the company.
2. Was the root cause of Cacharel's decline genuinely a branding problem driven by inconsistent new product launches? Was the whole crisis due to an inappropriate marketing mix or was it due to a failure to adapt to changing customer needs and values?

Assigned reading

- Kapferer, Jean-Noël (1997), *Strategic Brand Management: Creating and Sustaining Brand Equity Long Term* (Second ed.), London: Kogan Page. Chapter 3 (Brand identity).
- Holt, Douglas B. (2003), "What Becomes an Icon Most?," *Harvard Business Review*, 81 (3), 43.

SESSION 6: BUILDING AND BORROWING BRAND IDENTITY

Case: Got Milk? (TUCK) – "The California Milk Processor Board: Branding a Commodity" reproduced from "Strategic Brand Management, Building, Measuring and Managing Brand Equity" by Kevin Lane Keller, Prentice Hall, Inc - 1998

Discussion questions:

1. What associations do consumers have for milk? Who are the typical consumers of milk? When, why and how do they consume milk?
2. How can the CMPB change consumer perception of milk and increase its consumption? Do you think that the Got Milk program will be successful with regards to these two objectives? What about the Milk Mustache ads (see examples of the milk mustache ads: www.whymilk.com)?

Assigned reading:

- Keller chapter 4 & 6.

SESSIONS 7: GLOBAL BRAND EXPANSION

Case: Russian Standard Vodka: Strategies for Global Branding and Expansion into the US Market (INSEAD)

Discussion questions:

1. Understanding the sources of brand equity: What are the sources of the brand equity of the Russian Standard brand? Why was the brand able to enjoy such rapid success in Russia?
2. The value of horizontal brand extensions: Are the banking and vodka businesses compatible with a single brand? Can a single brand offer a common promise to such seemingly different categories? Is the brand getting diluted or can it benefit from synergies?
3. Managing global branding: Should Russian Standard be launched in the US? If yes, Should Russian Standard adapt the positioning of the brand and its marketing mix (name, price, packaging, distribution, communication) or should it try to keep the positioning and marketing that have been successful in Russia, in order to create a consistent global brand?

Assigned reading

- Keller Chapter 14.
- Aaker, David A and Erich Joachimsthaler (1999), "The lure of global branding," *Harvard Business Review*, 77 (6), 137-44.

IV. MANAGING MATURE BRANDS

SESSION 8: FIGHTING GENERICS AND PRIVATE LABELS

Case: Clamoxyl: Marketing Strategies in the Competition Between Branded and Generic Antibiotics (INSEAD).

Discussion questions:

1. Why would a doctor prescribe Clamoxyl rather than generic amoxicillin?
2. What should SB do?
 - Milk Clamoxyl and divert promotional investments to Augmentin?
 - Strengthen Clamoxyl's brand equity among doctors? But how?
 - Reduce the price of Clamoxyl despite SB's corporate philosophy? How much?
 - Change nothing and count on the resistance of French doctors towards generics?

Assigned reading

- Hoch, Stephen J (1996), "How should national brands think about private labels?," *Sloan Management Review* (Winter), 89-102.
- Milligan, Andy (1998) "Branding in the Pharmaceutical Industry" in *Brands, The New Wealth Creators*, Susannah Hart and John Murphy (eds) London: Macmillan Press.

SESSION 9: BRAND EXTENSIONS

Case: Steinway Pianos: Buying a Legend (HBS)

1. What are the sources of brand equity for Steinway and for Boston?
2. Should Steinway continue its high-end niche strategy or market its pianos more aggressively?
1. How far down can they stretch the Steinway brand? Should they introduce the Essex line?

Assigned reading

- Keller chapters 11.
- Aaker, David A (1997), "Should you take your brand to where the action is?," *Harvard Business Review*, 75 (5), 135-43.

SESSIONS 10 & 11: BRAND ARCHITECTURE

Case: Diesel for Successful Living: Strategies for Upward Brand Extension in the Fashion Industry (INSEAD)

Discussion questions:

1. Describe Diesel's and StyleLab's brand identities (key promise and key tangible elements).
2. What branding strategy should Diesel use for the upscale StyleLab Line? Independence, endorsement, or sub-branding? How should Diesel measure the success of StyleLab?
3. What should Diesel do to remain at the cutting-edge of fashion over time? Can Diesel maintain its original identity after so much growth? Should they reposition the brand?

Assigned readings:

- Keller chapter 13.
- Aaker, David A. and Erich Joachimsthaler (2000), "The Brand Relationship Spectrum," *California Management Review*, 42 (4), 8-23.

SESSION 12: PRODUCT PORFOLIO & MERCHANDISING

Case: Louis Vuitton (HEC Paris) – [Case Available Online, see below.](#)

Discussion questions:

1. Fill the Excel spreadsheet available on the web site by indicating which bags you would produce, at what price, for how long. Also indicate in which store they should be available.
2. Once the assortment decisions have been made, use the “Merchandising” software available on the web site to create a window for all the Louis Vuitton store around the world. Choose which products you want to display and how to display them.

Note: This case is internet-based. Follow the link from the course web site or go directly to:

http://faculty.insead.fr/chandon/brandmgmt/Cas_Louis_Vuitton/index.html
or <http://campus.hec.fr/profs/vanhuele/vuitton/>

Assigned reading

- Wetlaufer, Suzy (2001), "The perfect paradox of star brands: An interview with Arnault of LVMH," *Harvard Business Review*, 79 (9), 116-23.
- Dubois, Bernard, Paternault, Claire (1995), "Observations: Understanding the world of international luxury brands: The "dream formula", *Journal of Advertising Research*, 35 (4).
- Underhill, Paco (2000), "Making First Impressions Count," *Why We Buy: The science of Shopping*, Simon & Schuster.

SESSION 13: BRANDING LICENSING

Case: Disney Licensing (in preparation). **A draft of the case will be distributed later.**

Discussion questions:

1. **Will be announced later.**

Assigned reading:

- Keller chapter 12
- Dammler, Axel and Astrid V. Middelmann-Motz (Jan-Mar 2002) "I Want the One With Harry Potter on it'," *International Journal of Advertising & Marketing to Children*, 3 (2), 3-8.
- Weller, Dean C. (Apr-June 2002), "When is a Brand Not a Brand", *International Journal of Advertising & Marketing to Children*, 13-18.

SESSION 14: BRANDING STRATEGIES FOR LOW-INCOME CONSUMERS

Case: Unilever in Brazil: Marketing Strategies for Low-Income Consumers (INSEAD)

Discussion questions:

1. Go/no go. Should Unilever invest in a lower-margin segment of the market instead of continuing to invest in its premium brands? Does Unilever has the right skills and structure to make money in a market in which even small local entrepreneurs struggle to break even? In the long run, what exactly would Unilever gain and what would it risk losing?
2. Marketing and branding strategy. Unilever already has three detergent brands with distinct positioning. Does it need to develop a new brand with a distinct value proposition, or can it adapt the promise of its existing brands, perhaps with a brand extension?
3. Marketing mix implementation. What price, product, promotion, and distribution strategy would allow Unilever deliver value to low-income consumers at a profit without cannibalizing its own premium brands too much? It is just a question of price?

Assigned reading:

- Prahalad, C. K. and Kenneth Lieberthal (1998), "The End of Corporate Imperialism," *Harvard Business Review*, 76 (4), 69.
- de Abreu Filho, Gilberto Duarte, Nicola Calicchio, and Fernando Lunardini (2003), "Brand Building in Emerging Markets," *McKinsey Quarterly* (2), 6.

V. BRAND MANAGEMENT FORUM

SESSIONS 15 & 16: GROUP PRESENTATIONS

All group reports due on the beginning of session 15