

Welcome to the **house of brands**

Prince once sang that there were 23 positions in a one-night stand. Handily, there are about the same number of options in the brand relationship spectrum. The spectrum was invented in 2000 by David Aaker and colleague Erich Joachimsthaler to describe the relationships between brands in a portfolio.

The spectrum begins far left with a single 'branded house' in which a company such as McKinsey creates a single brand for all its operations. It concludes, far right, with a 'house of brands' in which a company, such as Procter & Gamble, opts for a holding company comprising a series of apparently unconnected brands.

Brand architecture is a fascinating area of brand management, and the past few weeks have seen a number of interesting architectural alterations taking place.

First, Tesco finally opened its US operation, using an entirely new approach to brand architecture. In the past, it has maintained its branded house approach in which all its products were clearly associated within the singular brand equity of Tesco. It is a classic retail strategy born of the need to be as economic as possible and enabling a singular focus on everything from research, to communications, to recruitment.

But Tesco's adventure in the US has resulted in a remarkable shift. The need to build a fresh brand around a very specific set of needs in the US market, plus the parochial nature of US consumers, has resulted in the creation of a new brand for its US venture: Fresh and Easy.

Perhaps even more interesting have been the recent travails of Unilever. Over the past

two months a viral version of Unilever's latest ad for Dove cosmetics has been picking up steam on the web. It takes footage from Dove's ad about protecting girls from the damaging messages contained in most beauty advertising, and combines it with recent images from one of Unilever's other big brands, Axe (Lynx) deodorants, and its notoriously sexist ad campaigns.



One advantage of a house of brands is that you can contradict yourself with relative impunity

The overriding message in the viral is that Unilever is being hypocritical in promoting women's body image with one brand, and denigrating it with sexist images in another.

Unilever's problem is entirely self-inflicted and related to brand architecture. In 2004, it shifted from an out-and-out house of brands to a firm that endorsed all its products with a link to a newly created corporate logo. At

the time, Unilever claimed the move was intended to achieve higher levels of transparency and accountability. Cynics also suggested it was an attempt to boost flagging share price and regain equity that had been lost to own-label brands in recent years.

But another, unintended, result was to draw connections between brands that had previously existed in a sort of vacuum. Consumers rarely look beyond the façade of branding into the world of corporate ownership. Few ever realise, for example, that driving a Mazda, Volvo or Ford, is essentially the same thing.

One of the advantages of a house of brands is that, as a result of consumer ignorance, you can strategically contradict yourself with relative impunity. How else would it be possible for a firm such as Masterfoods to make one of the leading brands of chocolate bar (Mars) and one of the bestselling dog food brands (Pedigree Chum)?

Unfortunately for Unilever, its attempt to draw a closer link between its corporate and product brands has left a trail of gunpowder linking each of its previously independent brands. Suddenly it is much riskier to try to market a brand that fights for women's body image, while simultaneously catering to adolescent fantasies of female enslavement with another.



30 seconds on... Unilever

- Unilever owns about **400 brands**, including Flora, Marmite, Persil and Vaseline. Many brands are specific to individual countries.
- It employs nearly **180,000** people and had a worldwide revenue of almost **\$52.3bn** in 2006.
- Unilever has two parent companies: Unilever NV and Unilever plc.

- Both firms have the same directors and effectively operate as a single business. The non-executive chairman of both companies is **Michael Treschow**; **Patrick Cescau** is group chief executive.
- Unilever is in the midst of a **five-year vitality**

- **initiative** in which it has converged the marketing of disparate arms of its business, including personal care, dieting, and consumables, into an umbrella function
- This plan has been implemented due of the **lack of brand recognition** that Unilever wields, despite its ubiquitous presence.