



Brand Architecture: Managing Large Brands at Retail

By Scott Young

For many small brands, the primary challenge at retail is simply to “break through clutter” and create an opportunity to sell. For larger brands with several feet of shelf space, such as Tide, Colgate and Campbell’s Soup, visibility is rarely a problem. The challenge these brands face is that of organizing their many offerings in a way that facilitates shopping and maximizes profitability.

Today’s packaging has to work harder than ever before to help shoppers sort through myriad flavors, features and sizes cluttering retail shelves—and to make sure new products are seen and considered. But when line extensions or sub-brands are designed independently, the end result on the shelf is often a “mish-mash” that weakens a brand and complicates shopping.

To address this challenge, marketers and designers are placing greater emphasis on brand architecture—the strategic process of creating a consistent framework for grouping product offerings and differentiating among competing brands. In this article, I’ll offer suggestions for approaching and assessing brand architecture, and I’ll share insights gathered from our studies.

Definitions and measurement

To improve brand organization, we need to begin with a thought process for defining and measuring success. To do so, it is helpful to think in terms of both “find-ability” and product differentiation.

Find-ability refers to shoppers’ capacity to locate specific SKUs on shelf. To measure this attribute, we give shoppers a specific task (find the 32-ounce size and chocolate flavor), time it takes them to complete the action, and confirm the accuracy of their identification. If more than 10 percent of shoppers are selecting the wrong SKU—or more than 20 percent need longer than 15 seconds to find the right one—it suggests that there might be a problem. Shoppers could be “deserting” your brand out of frustration, or going home to find that they’ve selected the wrong product.

In studying brand architecture, it is also essential to measure product differentiation—shoppers’ understanding of the relationships among offerings. We probe consumers to uncover whether they know which product to purchase for a specific need or occasion—and whether they understand why one product is more expensive than another. If more than 10 percent of shoppers associate the wrong package with a specific feature or benefit, again, it suggests that there may be a problem for the brand.

The idea of “find-ability” rests on the premise that shoppers know what they want, and that they approach the category looking for “their” product. But facilitating shopping is only half of the battle. Successful product differentiation is often the key to greater profitability for a brand.

For example, in many food and personal care categories, the primary opportunity lies in advancing incremental purchases (i.e. encouraging a shopper to buy a third or fourth can of soup). For higher-ticket items (such as technology products) where incremental purchases are unlikely, packaging can spur consumers to “trade-up” to higher-end products (i.e. from the “standard” to the “professional” edition). We need to go beyond helping shoppers simply find a product and, instead, focus on clearly conveying the “added-value” of new products and higher-end offerings.

What works? Using packaging to clarify distinctions

There can be no single “solution” to brand architecture because the issues and challenges of the task vary by category. Also, key decisions, such as whether to use a mega-branding approach, an “endorsement” from the parent brand, will often be driven by a brand’s strategy. However, despite differences in marketing objectives, our studies have uncovered consistent factors in brand packaging that facilitate both product find-ability and differentiation at the shelf:

1 Utilize color and structure

Color is the primary driver of product find-ability, as shoppers often shop “by color” (i.e. “I buy the Purina in the green bag.”). As most any brand manager will tell you, “owning” a color (such as Minwax Yellow) can help create a “signpost” that draws shoppers to your brand’s section of the aisle. We’ve seen that color-coding is typically the most effective way to differentiate flavors, scents or varieties—and that changing a variety’s color is perhaps the surest and quickest way to confuse loyal shoppers.

However, this does not mean that individual packages have to be fully color-coded. In fact, a more nuanced approach (via caps, a flag, etc.) can be just as effective in leading shoppers to the right product.

Shape and structure are also powerful design tools, particularly in terms of delineating sub-brands and conveying different product forms or quality levels. We’ve repeatedly seen that innovative structures (including foil enhancements and holographic features) are critical to conveying differentiation and supporting the price premiums associated with higher-end products.

2 Maintain visual continuity

Intuitively, you might think that a new product would need packaging that differs dramatically from established products to generate attention or justify a price premium. But, in fact, we've found that when SKUs vary dramatically in their appearance, shoppers have a difficult time comparing them and identifying the value of the more expensive model. Both find-ability and "trade-up" improve when appearance and label architecture remain consistent across products; shoppers know "where to look" when they pick up and compare packages.

3 Have packages "build" upon one another

When two products have completely different sets of claims and bullet points, they can be difficult to compare. To promote trade-up, we've found that it is valuable for a higher-end product package to present all of the features/benefits of the lower-end product, plus one or two additional points that convey the product's incremental benefit. In fact, incorporating four bullet points on a lower-end package and six on a higher-end item sends such a powerful visual message that the actual messaging/content of the bullet points is often irrelevant.

4 Ensure that naming conventions are descriptive

Too often, product names (such as "Ultra" and "Super") are not helpful in marking out a product, because they do not speak to specific features, benefits or usage occasions. Similarly, sub-brands (such as Motorola Timeport or BIC Cristal) can make shopping more difficult because they add an extra layer of complexity, without conveying information or intuitively clarifying a point of difference. It is important that package design and product naming work together to facilitate shopping.

Re-Thinking Brand Organization: Start at the Store

In developing brand architecture, it is best to start by observing shoppers in the aisle so you can better understand their decision-making patterns. To develop a primary organizing principle for your brand, you need to know:

Which decisions can be influenced at point-of-sale? Does your primary opportunity rest in winning over brand switchers? In driving incremental purchases? In trading shoppers up to higher-end products?

How do shoppers arrive at their decisions? Is the decision-making process driven by brand? By specific features? By usage occasion?

From our experience observing and speaking with shoppers, we've come across two primary "disconnects" related to brand architecture. First, there is often a discrepancy between what shoppers claim is important in their decision to purchase a product and what they actually buy at retail. The reason might be that shopping behavior is largely driven by what people see. For example, a shopper may come to the analgesics shelf looking for a children's product, but a large Tylenol "brand block" will start her on the path to shopping within that brand.

There are also inconsistencies between how shoppers and marketers think about and classify products. Marketers are often very product-driven. They tend to classify their products in terms of ingredients, features or quality levels (i.e. good/better/best). On the other hand, shoppers are often more usage-driven. They tend to think in terms of users (Is it for me or my child?) or usage occasions (Is it for my kitchen or my bathroom? For dinner or an afternoon snack?).

For example, while aspirin and vitamin products were once classified almost exclusively by product form (Vitamin A, gels, etc.), we now see products targeted to women and to specific pain types (headaches, back pain, etc.).

This reinforces the need for marketers to organize brands and product offerings in a way that more closely speaks to shopper needs and the way they actually make purchasing decisions at the shelf.

Driving More Profitable Brand Organization

To manage the architecture of a complex brand successfully and more profitably at retail, you should be sure that it is:

Rooted in shoppers' priorities and thought processes. Brand organization that is driven by the shopper—speaking directly to users, usage occasions and end-benefits—is nearly always more intuitive and effective than the ingredient- and feature-driven approach favored by most marketers.

Linked with brand objectives and opportunities at retail. Brand organization and packaging design should work to communicate a key objective, linked to the brand's primary opportunity to influence purchase decisions at the shelf.

Focused on clarifying product distinctions . Brand organization, naming and packaging design need to do more than help shoppers find specific products at the shelf. They need to ensure that product differences are clearly understood in order to drive incremental purchases and “trade-up” to higher-end products.

Ultimately, researching consumer shopping behaviors and organizing your brands around them is likely to lead to greater profitability at the point-of-sale.