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BRAND STUDY

Information About The Brand & Existing Prada Stores
Prada is a group and fashion brand ran by Miuccia Prada. The brand was created by Miuccia’s grandfather, Mario Prada, in 1913 with bags and suitcases. They expanded their scope of work over the next few decades to include men’s and women’s fashion as well as shoes and accessories. Miuccia’s along with her husband’s, Patrizio Bertelli’s, shared passion for contemporary art has a huge influence on their brand, and the design of their flagship stores. The brand exudes intellectual and minimalist style, a phenomenon that extends to the futuristic design of its flagship stores. Its design influences go beyond fabric to creative areas such as cinema and architecture as well.
The Brains Behind The Brand

Muccia Prada

Fashion designer Miuccia Prada was born on May 10, 1949, in Milan, Italy. She first dazzled the fashion world in 1985 with a series of black nylon handbags and backpacks. Prada is now a billion-dollar company. Much of what set Prada apart from the rest of the fashion world is her seeming disregard for the fashion industry. Prada has always blazed her own trail and demonstrated a fearlessness in trying new styles. She never follows anyone else’s lead, just her own original energy. Her collections are completely an expression of herself.

Fabio Zambernardi

Fabio Zambernardi has been design director for the Miu Miu and Prada brands since November 2002. Responsible for the collection and concept development, he oversees all the tasks that retain the coherence between image and products within the collection. He also supports the brands’ image communication. He started at the company as a collaborator in 1981 and was promoted to shoe design director in 1997, then design fashion coordinator in 1999. A largely ‘behind the scenes’ figure, Zambernardi has played a crucial role in Prada’s ascent to high fashion. Known for his “maximalist, but with simplicity” philosophy, his inspiration comes mainly from a preoccupation with “ugliness”. His styling is often unsettling and gives the sense of something being just a bit ‘off’, although Zambernardi always balances this with a sense of art and commerciality.
KEY BRANDING CONCEPTS

**Variety**
- Variety among stores: shops should not be identical, yet they should still be complimentary of each other.
- Variety of spaces within a store: "prada can be big in small spaces.

**Exclusivity**
- Space is a marketing tool
- A brand can convey a sense of exclusivity by the perception of its store in its host city
**Changeability**

- 60% of a business identity should remain constant while the other 40% should change constantly.

**Service**

- Prada aims to maintain the intimacy of a small company regardless of how large their brand becomes.

**Non-Commercial**

- The introduction of non-commercial typologies.
- Cultural events could be hosted at stores.
- Activities other than shopping could take place after store hours.
The ultimate luxury is focus and clarity. Museums are popular, not for their content, but for their lack of content: you go, you look, you leave. No decisions, no pressure. Prada’s ambition is to capture attention and then, once they have it, to hand it back to the customer.

As the brand expands, the danger is that Prada will capitalize on the Prada name by applying it to products without improving them—taking without giving in return. Applying intelligence to an object is the only way to pull ahead of the general onslaught of quality in manufacturing. Intelligence is the gesture of Adding value to an object. There is no generosity without intelligence and luxury is generosity.
If everywhere is smooth, art becomes that which maintains a quality of roughness.
- common is smooth, unique is rough
- recorded is smooth, live is rough
- commercial is smooth, art is rough
- typical is smooth, invention is rough
In the future, luxury must be rough.

In real estate context, every square foot counts, the ultimate luxury is wasted space. space that is not “productive” - not shopping- affords contemplation, privacy, mobility and luxury.

Massive change makes stability exciting. in order to incorporate stability into a system of continuous innovation (fashion), Prada must adopt a model of dynamic equilibrium, maximizing both dimensions of stability and change. The more stable the brand, the more you change.
Prada’s First Epicenter

The Prada Epicenter in New York is as much of an architectural marvel as it is a designer flagship. The SoHo store, designed as an **antidote to retail monotony**, is constantly mobbed by curious tourists, architecture buffs, designers, fashion enthusiasts and even the occasional shopper. In that way, this epicenter embodies the idea of “Non-Commercial” that Prada tries to emulate in their stores. Prada’s goal with their epicenters was to convey a sense of exclusivity by the perception of each store in its host city, which they have more than achieved in New York. The store is an idea; a concept place that makes you think, which surely has an effect on the way people view the brand.

“The Wave”

The crown jewel of Koolhaas’s design is the “wave” that dominates the 180-foot length of the store. It begins at the Broadway entrance and descends to the basement where most of the merchandise is housed. The wave then swoops back up to street level toward Mercer Street. One side of the wave features a fold-out cantilever stage, that can be used as a venue for film screenings, performances and lectures, reinforcing Prada’s non-commercial approach. The opposing side consists of steps used for displaying shoes and other accessories which can also be utilized as seating during these events.

(1) “The Wave” can be converted from a display area into an amphitheater with seating for hundreds to view the stage that mechanically unfolds from the smooth, sloped side.
Circulation - In retail, there is a common problem that the ground floor will often sell better than any other level. "The Wave" solved this problem by directing circulation from street level, down to the much larger basement. When you enter the store, the first thing you would naturally do is move downward.

Depth - The Store shoots through a full city block from Broadway to Mercer St. It is not a narrow space but the extreme depth (180 ft) creates the quality of a vertex.

Division of Space

- Dual Function: "The Wave" offers a new pedestrian link directly through the city block as well as limited retail display.
- Retail: Merchandise and changing rooms are located in the basement that the Wave carries you down to.
- Staff Only: Offices and Stock
On the ground floor, merchandise is displayed like works of art in a gallery, the simplest being display cases along the walls and throughout the space. In contrast, the most impressive means to display merchandise is Koolhaas’s “hanging city”, a series of cages hung from the ceiling that can be mechanically moved in order to change with the seasons of fashion. The focal point when entering, a glass cylindrical elevator is used as a display case for merchandise as well to transport customers. Shoes and Manikins are displayed on the steps of the wave leading down to the basement where more commonplace displays such as shelving and racks are utilized.
The wave is comprised of zebra wood as well as all the flooring on the ground floor. In the basement, the zebra wood is utilized again on the ceiling of the space. The basement boasts numerous references to the past designs of Prada stores such as the lime green walls and marble checkerboard floors. The use of these materials helps to unify the past and present.

Unfinished gypsum board on one wall contrasts with translucent polycarbonate walls covering the original exposed brick structure on the other. This creates an environment that is raw and refined, luxurious and un-precious, exclusive and intriguing. This also reinforces Prada’s definition of luxury as “rough not smooth.”

The north wall of the space is covered with wallpaper that can be replaced every six to 8 months in order to match the new seasons of merchandise. This reinforces the idea of changeability that Prada and Koolhaas were trying to emulate.

Pattern - Prada’s signature checkerboard marble flooring is used in the basement in order to bring in elements of the past to mix with the future.
The void of the storefront beckons visitors off the street and into the store.

“The Hill” - view from ground level.

The Prada Epicenter on Rodeo Drive is 24,000 sq. ft. across three stories. Through its horizontality and the need to connect mainly two floors many elements in this store echo those of the epicenter in New York. In New York the floor waves down towards the basement, in Los Angeles a similar wooden plane folds up and creates a ‘hill’ that supports a floating aluminum box; Inside which, the merchandise is organized along its perimeter. The third floor is dominated by the ‘scenario space’: An open floor plan that is used for changing display arrangements.

The LA Epicenter

The store’s most remarkable feature is the absence of a façade: without the classical storefront and glass enclosures, the entire width of the store opens to the street and merges public with commercial space. Separation is achieved through an air-curtain system. At night, an aluminum panel rises from the ground and seals the building.

The Facade
The hill is a symmetrical arrangement of stairs that leads visitors up into the floating aluminum box.

The Volume where much of the merchandise is housed is a simple rectangular aluminum box on the second floor, where merchandise is displayed around the perimeter.

The Void of the Storefront brings customers inside and beckons them up the staircase of the hill to a second floor plateau.
(26) Simple shelving and niches for merchandise.

(27) Steps of the hill are utilized to display merchandise.

(24) Display cones embedded into the floor in the entryway.

A roof structure spanning the entire third floor admits daylight to the 'scenario-space', where the merchandise is arranged on an open, flexible floor plan.

Display Types

Light - parallel beams across a skylight cast bands of shadow across merchandise and stairs.
The aluminum box is lined with a new material specifically developed for Prada: Half matter, half air, the ‘sponge’ provides a porous artificial background for the merchandise and further expands Prada’s physical identity in its stores.

The Hill is constructed of Zebra Wood identical to that of the wave in New York City. This structure supports the aluminum box floating above the entrance.

several walls in the space are covered in wallpaper that can be replaced every six to 8 months in order to match the new seasons of merchandise just like Prada NY. This reinforces the idea of changeability that Prada and Koolhaas were trying to emulate.

The Aluminum of the box brings a more raw and refined feel to the space. The reflectivity of the metal also helps to emphasize the shadows cast by the skylight.

Once again, Prada’s signature checkerboard marble flooring is used in the basement in order to bring in elements of the past to mix with the future.
**Focal Point**

Prada New York features ‘The Wave’ as the crown jewel of the design, and Prada Los Angeles ‘The Hill’. Both are sculptural details that direct circulation throughout their store and serve as the main form of vertical circulation. They display merchandise during the day and transform into a venue for cultural events afterhours. The first thing I wanted to accomplish with this design, was a focal point encompassing a large portion of the ground level, that satisfied those same needs.

**Space Planning**

Prada’s need to ‘depart from retail monotony’ was an important factor when space planning. I didn’t want merchandise to be an overwhelming factor in the design, so I aimed to use most of the ground level as a gallery-type space. The majority of merchandise would be housed on the second level. Lounge areas placed throughout the space reinforce Prada’s ‘non-commercial’ marketing approach.
Second Floor Program

- Focal Point (Multi Use) - 32%
- Retail Display - 11%
- Window Display - X
- Fitting Rooms - 8%
- Restrooms - X
- Entryway - X
- Gallery Space - X
- Lounge Space - 2%
- Circulation - 47%
Thought Process

Changeability

Prada’s branding concept of changeability was incredibly important when I was envisioning my design. They believe that 60% of a business should remain constant, while the other 40% is constantly changing. Since the construction of a flagship store is a long-term business decision, I felt that it was very important to keep their ideal of changeability in mind from the very beginning so that the store can evolve along with the brand.

40% of a business should be constantly changing

60% of a business should remain constant
Movable Gallery

The lower level gallery will comprise of hanging glass displays, suspended on a ceiling track system. The glass display cases will be able to move along the Tracks so they can be altered to fit Prada’s current needs.

Prada Wallpaper

The Signature Prada wallpaper is a must for any new Prada Flagship. An important wall will be reserved for the wallpaper which is changed out with the seasons at every major Prada epicenter. (pictured right and left is a previously used Prada Wallpaper)

Modular Display Types

non-stationary Display tables and cases will be used throughout the space so they can be moved or removed to fit their current needs.

Goals for achieving changeability
In real estate, every square foot counts; making the ultimate luxury Wasted Space. I wanted to put an emphasis on spaces that are not "productive", as in not shopping related.

Seating Areas throughout the store
Open spaces especially on the ground floor
Non-commercial features such as the amphitheater event space

Prada’s Branding Concept of Variety applies on both a large scale and a small scale. The large-scale side would be variety among stores. Prada Buffalo will be unique from other Prada stores, yet it will still be complimentary to the others. On a smaller scale, Prada Buffalo will have a variety of spaces within the store.

Material and furniture choices will provide unity between this store and other Prada stores, transforming a unique space into a complementary one that is recognizably Prada.

On the ground floor, the amphitheater will section the open first floor into a variety of spaces. On the Second floor, retail will be sectioned off into a variety of categories.
Inspiration for the Crown Jewel

With ‘The Hill’ and ‘The Wave’ having such organic names, nature photography seemed like the place to start digging for inspiration. After searching through landscape images from all over the world, I stumbled upon these images of “the cave of three bridges” located in the Baatara Gorge in Lebanon. The form of this cave along with the natural bridges careening around it inspired me to create a form that seemed to wrap around and embrace visitors when they enter. This lead me to an amphitheater-style form that carried visitors up to a landing located half way to the second level. Stairs then cross the distance between the landing and the second floor by wrapping around the amphitheater, emulating the Natural bridges in Lebanon. I appropriately named my crown jewel, “The Cave”.

DESIGN DEVELOPMENT

Plans, RCP's, Section's, Hand Renderings, & Furniture and Material Selection
Prada Buffalo’s cave is the multi-use focal point of the store. During Business hours the steps of the amphitheater-style display can be used to show merchandise as well as an area to either lounge or try on shoes. Afterhours, the merchandise can be cleared off to be used as a venue for cultural events. The Cave is also the main method of vertical circulation in the space.

Every other Bleacher of the Amphitheater runs down to the floor, blending in with the floor. They then crawl up the adjacent wall and continue to wrap around the perimeter of the first floor.

Creates a visually interesting background for the gallery-style first floor, as well as the window displays (Pictured right).

Casts dynamic shadows across first floor.
The majority of the first floor is a gallery setting. A grid-style track system is suspended above the space to hang oversized glass display cases. The cases can be moved along the tracks to create different layouts to accommodate Prada’s needs at any given time. These Displays will be used to show off Iconic Prada Pieces as well as Featured items each season. This floor is less about shopping and more about appreciating the art of Prada’s Designs.

- The Gallery setting is a departure from retail monotony.
- The movability of the display cases reinforces Prada’s Branding Concept of changeability.
Lighting Above The Cave

The space above The Cave is open all the way up to the second story ceiling where a soffit drops down in the shape of the amphitheater. The soffit hides lighting that shines up onto the ceiling leading your eyes toward the center where a sculptural light fixture hangs. The light fixture is made up of arcs that emulate the curve of the amphitheater. Each is offset and hangs lower than the last, creating a form reminiscent of the steps below.

- Draws more attention towards the focal point of the space
- Supplies lighting for events held in the amphitheater

Lounge Area Light Fixtures

Dropped down Light fixture over seating areas defines it as a place to sit and relax, rather than a place to shop

Reminiscent of light fixture over amphitheater
Ceiling Treatment
Above Gallery Space

A translucent polycarbonate is affixed to the top of the grid-like track system that holds the display cases...

- Masks the not-so-aesthetically-pleasing LED lighting above.
- Softens the light to feel more natural.
- Disperses the light evenly.
- Adds color and another layer to the overall space.
Open Wall Shelving

- Open simple shelving displays Prada Bags, Purses and Wallets along south wall
- Highlights an important part of the Prada brand considering Prada was founded on bags and suitcases
- Shelving is lit from lighting panels behind as well as LED lighting above each shelf
- Continues above opening to fitting room

Segmented Retail

Retail is segmented into four different sections, Men’s, Women’s, Leather Goods and Sale items. Merchandise lines the perimeter of each section. Glass showcases for accessories, and mannequin display sit in the center of each room as well as a small seating area.

- Merchandise is displayed minimally on hanging bars
- Task lighting illuminates merchandise from above
- Walls behind merchandise are adorned with a textured “Prada Green” Wallpaper

SECOND FLOOR
High-Tech Fitting Rooms

- Glass doors frost over with the touch of a button for privacy
- 360 degree Live-footage mirrors allow customers to view themselves from all angles
- Screens allow customers to check if other sizes or colors are available for the garment they are trying on, as well as call an employee to fetch it for them.
- Features a seating area for waiting guests
- All stalls are ADA accessible, though there is still a larger one available

Custom Designed Furniture

Seating areas will be furnished with sofas designed specifically for Prada by Verner Panton.
Fitting Room Lighting

Recessed task lighting over Fitting Rooms

Same rectangular statement fixture above seating area as featured over lower level seating areas

Horizontal bars run across the length of the space concealing LED lighting that shines up onto an aluminum ceiling.

The aluminum ceiling reflects the light back down into the space.

The horizontal stripes and dynamic shadows created are reminiscent of the details of the crown jewel on the lower level.

Uplit Ambient Lighting

Lighting & Ceiling Treatments
Second Floor
Materials

- **Zebra Wood**
  - Flooring throughout first level.
  - Material that makes up "the Cave".
  - Utilized in several other Prada epicenters across the world.

- **Checkered Wood**
  - Contrasting wood stains create a checkerboard effect.
  - A nod toward the classic marble checkerboard flooring used in all Prada stores.

- **Prada Wallpaper**
  - Runs along the North wall of the space.
  - Designed specifically for Prada stores by distinguished artists and fashion designers.
  - Changes with the seasons.

- **Textured Wallpaper**
  - Supplies the element of iconic Prada Green that is expected in Prada Stores.
  - Lines the walls behind Merchandise on second story.

- **Glass**
  - Seamless railings line the amphitheater, stairs and opening on the second floor.
  - Display cases.
  - Fitting room doors that frost over.

- **Aluminum**
  - Ceiling treatment on Second story.
  - Reflects lighting throughout the space.

**Crown Jewel Detail**

The steps of the amphitheater that melted into the flooring crawl up the south wall framing the entrance. The continuity is implied as the steps are not actually visible on the floor made of the same material.

**Wallpaper**

Runs the length of the North wall. Wallpaper will be changed with each season to a different design created specifically for Prada retail stores.

 RENDERED SECTIONS

**Southern Section**

[Diagram of Southern Section]

**Northern Section**

[Diagram of Northern Section]
The Buffalo Prada flagship store is a reconstruction of a 20,000 square foot space formerly belonging to New Era Caps. This space is a part of an ongoing goal of Prada to challenge what shopping can be. The Main Element, “the Cave” is what transforms the space from a commonplace shopping center into a public space, gallery, performance space and art piece. The amphitheater-style structure can be used as display during the day and cleared off to make room for cultural events afterhours. The Cave directs circulation from the main entrance up to the second level where most of the merchandise is housed. The first thing you want to do when you enter the store is move upward. This solves the age-old problem in retail, of the ground floor outselling the other levels. The steps of the amphitheater curve down to the floor before wrapping around the perimeter of the lower level, defining the gallery space, where movable glass showcases house iconic Prada pieces as well as featured pieces of each season. Materials such as checkerboard flooring, exclusive Prada wallpaper, and use of Prada’s iconic green hue throughout the store help to blend the concepts of old and new Prada.
Frontal View of Crown Jewel
Rear View of Crown Jewel
View of Crown Jewel Detail From Landing
View of Gallery Space
View of Upper Level Foyer
# Prada Buffalo Flagship Store

160 Delaware Ave  
BUFFALO, NY 14203

Interior Design 3: Retail Design

Fall 2017

Nicky Gurowicz

Instructor: Bahiki Sharma

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### CODESTUDY

<table>
<thead>
<tr>
<th>CLASSIFICATION</th>
<th>Occupancy Type</th>
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<td>NUM PETS MAX OCCUPANTS ALLOWED</td>
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<td>DOOR WIDTH PROVIDED</td>
<td>36 in</td>
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<td>NO OF W.C. PROVIDED</td>
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<tr>
<td>NUMBER OF LAVATORIES PROVIDED</td>
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### General Notes:

1. We certify to the best of our knowledge, information and belief that the design of this project complies with the applicable provisions of the requirements.
2. All items to be operated from the inside without the use of a key or of special knowledge.
3. The general contractor is responsible for verifying all existing conditions of site, location and compatibility with proposed new construction. In the case of discrepancy, the architect shall be notified immediately.
4. Upon completion of the project, the registered architect/engineer shall certify in writing that to the best of his or her knowledge, the building or structure has been completed in accordance with the design and applicable codes, or he will sign an AIA certificate of substantial completion, form G-704.
5. The contractor shall comply with all applicable codes and ordinances as established by Erie County.
6. The general contractor shall supervise and control the trade and method of construction as required for completion of this project in accordance with the requirements of construction documentation.
7. Each sub-contractor is to verify all existing conditions at the site and be responsible for protecting and/or removing and replacing existing site improvements as required to perform the intended work.
8. The contractor shall verify the exact locations of all utilities prior to excavation. The contractor shall cap all abandoned utilities and shall replace all active utilities that are damaged.
9. All removed materials and/or construction debris shall be legally disposed by the contractor, keep area clean.
10. Areas and items to remain that are disturbed/damaged during construction shall be restored to match adjacent materials, whether or not specifically indicated on the documents.
11. Dimensions shown on the drawings are taken from the property line, the face of the street curbs, and the face of the concrete, masonry, or studs unless otherwise noted on drawings.
SECOND FLOOR PLAN

SCALE: 1/16" = 1'-0"

Key Notes:

W1- Wall type 1
W2- Wall type 2
W3- Wall type 3
-For Wall types refer to page A10-

O1- Second floor open to below above Amphitheater

C1- Custom shelving to be built under hanging retail display; employee storage.

C2- Seamless glass rolling wraps around perimeter of opening. Continues around perimeter of amphitheater on lower level.
1. All fixture dimensions are from center-line unless otherwise specified.
2. Locations of all ceiling access panels to be approved by designer prior to rough-in.
3. See fixture legend for pendant mounting height.
4. Ceiling grids are centered unless otherwise specified.

Key Notes:
- M1: Gypsum Board coated in Paint color 1
- M2: Wood clan ceiling
- M3: Translucent polycarbonate covers track ceiling grid
- Refer to FFE for material specifications.
Second Floor RCP

SCALE- 1/16" = 1'-0"

General Notes:
1. All fixture dimensions are from center-line unless otherwise specified.
2. Locations of all ceiling access panels to be approved by designer prior to rough-in.
3. See FFE for pendant mounting height.
4. Ceiling grids are centered unless otherwise specified.

Key Notes:
M1+ Gypsum Board coated in Paint color 1 - refer to FFE for material specifications
M6+ Aluminum ceiling treatment

Legend:
- Recessed Lighting
- Beams concealing led strip lights
- Statement fixture above amphitheater (see FFE)
- LED tracklighting uplight into coffered ceiling
- Gypsum board with Paint type 1 (See FFE)
- Statement fixture over seating areas

44
Key Notes:

1) Cut furniture not shown for clarity.
2) Finishes refer to FFE.
3) For exact lighting heights refer to sheets A3 and A4.
**First Floor Plan**

**Key Notes:**

- **W1:** Wall type 1
- **W2:** Wall type 2
- **W3:** Wall type 3
- **Note:** For all wall types, refer to page A10.

- **D1:** Multilevel feature; Amphitheater style performance area and main form of vertical circulation.
- **D2:** Design element in relation to amphitheater steps wraps around the perimeter of lower level. Refer to pages A5 and A6.
- **D3:** Platform to be built for window display, 1" AFF.
- **D4:** Glass display cases to be hung 18"-6" AFF on ceiling track grid.
FIRST FLOOR FINISH PLAN

SECOND FLOOR FINISH PLAN

Finish Legend:
- Zebra Wood Flooring
- Tile Type 1
- Tile Type 2
- Tile Type 3
- Checker pattern Stained Zebra wood Flooring

For flooring material specifications see FFE
### Overall Program

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<tr>
<th>Use of Space</th>
<th>Square Footage</th>
<th>Percentage of Overall</th>
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<tbody>
<tr>
<td>Focal Point/ Multi-use</td>
<td>6,528 sq. ft.</td>
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<td>Retail Display</td>
<td>1,348 sq. ft.</td>
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<td>Window Display</td>
<td>960 sq. ft.</td>
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<tr>
<td>Fitting Rooms</td>
<td>864 sq. ft.</td>
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</tr>
<tr>
<td>Restrooms</td>
<td>236 sq. ft.</td>
<td>1%</td>
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<tr>
<td>Entryway</td>
<td>800 sq. ft.</td>
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<tr>
<td>Gallery Space</td>
<td>3,146 sq. ft.</td>
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<td>Lounge Space</td>
<td>482 sq. ft.</td>
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<tr>
<td>Circulation</td>
<td>6,605 sq. ft.</td>
<td>32%</td>
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Overall Square Footage: 20,969 sq. ft.
### Ground Floor Program

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<th>Square Footage</th>
<th>Percentage of Overall</th>
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<tr>
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<tr>
<td>Lounge Space</td>
<td>282 sq. ft.</td>
<td>3%</td>
</tr>
<tr>
<td>Circulation</td>
<td>1,281 sq. ft.</td>
<td>18%</td>
</tr>
</tbody>
</table>

Floor one Square Footage: 11,000 sq. ft.

### Second Floor Program

<table>
<thead>
<tr>
<th>Use of Space</th>
<th>Square Footage</th>
<th>Percentage of Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focal Point/ Multi-use</td>
<td>3,264 sq. ft.</td>
<td>32%</td>
</tr>
<tr>
<td>Retail Display</td>
<td>948 sq. ft.</td>
<td>11%</td>
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<tr>
<td>Window Display</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Fitting Rooms</td>
<td>864 sq. ft.</td>
<td>8%</td>
</tr>
<tr>
<td>Restrooms</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Entryway</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Gallery Space</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Lounge Space</td>
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</tr>
<tr>
<td>Circulation</td>
<td>4,893 sq. ft.</td>
<td>47%</td>
</tr>
</tbody>
</table>

Floor two Square Footage: 9,969 sq. ft.


Corporate branding and brand architecture: a conceptual framework

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Abstract. This paper examines the relationships between product and corporate brands with a view to clarifying the role and function of corporate branding in the context of different brand architectures. Through the prism of rebranding decisions, brand architecture is analysed as an evolutionary strategy decision. Two broad strategies are identified: an integration strategy which seeks to achieve image alignment between corporate and product brands; and a separation strategy which seeks to shape different images for different stakeholders. Implementing these strategies within the context of the brand architecture, we introduce the concept of ‘ascending and descending brand extension’, which leverages the strong image of the corporate brand to enhance the image and credibility of the product brand and vice versa. Based on this analysis, we propose three types of corporate branding strategy within the brand architecture framework: the ‘trade name’, which is a basic identity over a house of brands; the ‘business brand’, which is consciously nurtured and is aimed primarily at stakeholders other than consumers; and, finally, the ‘holistic corporate brand’ is a fully developed corporate brand, extending across all target audiences. Key Words  ● brand architecture ● brand equity ● brand extension ● corporate brand ● rebranding

Introduction

The relationship between brand architecture and corporate reputation has attracted increasing attention in recent years, with a Marketing Science Institute conference, and a number of papers published on the topic (Laforet and Saunders, 2005; Dacin and Brown, 2006; Uggle, 2006). This interest has undoubt-
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Laurent Muzellec and Mary C. Lambkin

Arguably, however, corporate and product brands have different characteristics which are explored in the next few paragraphs.

Corporate brand vs product brand

The concept of brands emerged from the domain of consumer products and was originally considered more or less synonymous with that category. Over the years, however, marketing scholars have reappraised the traditional brand concept and widened its meaning to include corporate as well as product brands, and to recognize the fundamental differences between these levels (Balmer and Gray, 2003). In a seminal article, King (1991) referred to the ‘company brand’ and foresaw that it will become the main discriminator. That is, the consumers’ choice of what they buy will depend less on an evaluation of the functional benefits to them of the product or a service, but rather more on the assessment of the people in the company behind it, their skills, attitudes, behaviour, design, altruism, modes of communication, speed of response, and so on, the whole company culture in fact. (King, 1991: 46)

While corporate and product brands are now recognized as distinct entities, they may sometimes be considered as equivalent because they are context independent (de Chernatony, 2002) and share the same objective of creating differentiation and preference (Knox and Bickerton, 2003). Yet the complexity of the corporate context has fundamental implications for the nature of the corporate brand. Corporate branding goes beyond product branding by ignoring product features and focusing on a well-defined set of values (Aaker and Joachimsthaler, 2000; Hatch and Schultz, 2001). Balmer (2001) suggests that corporate brands differ from product brands in higher strategic focus, internal as well as external targets, and incorporation of corporate strategy. As a result, the role of employees—including senior management—is seen as crucially important in transmitting the brand values both internally and externally (Balmer and Gray, 2003).

Hatch and Schultz (1997) put forward a proposition where corporate brands gain full strength when vision, culture and image are aligned. They argue that corporations need to define their corporate identity as a bridge between the external position of the organization in its marketplace and other relevant environments, and internal meanings formed within the organizational culture (Hatch and Schultz, 1997). Urde (1999, 2003) believes that brands can help the company to articulate its core values. Urde promotes the concept of a brand-oriented company, which would have the ability to ‘generate value and meaning via its brand’. Successful corporate branding is claimed to imply a shared set of coherent statements about the company’s values toward its external and internal stakeholders over time (Morsing and Kristensen, 2001; Brexendorf and Kernstock, 2007).

In sum, current conceptualizations have insisted on the holistic nature (involves the whole organization), the strategic value (shapes future direction for the company), and the relational nature (is founded in the web of internal-external stakeholder activities) of corporate brands (Schultz and de Chernatony, 2002).

Corporate branding and brand architecture: the alignment between corporate and product brands

In recent years, multinational corporations (e.g. Altria, AT&T, Diageo, Novartis, Mastercard) have been managing their identity and image more proactively (Muzellec, 2005; Krebisch, 2006; Carson, 2007). As a result the brand concept, which was traditionally focused on the product/service level, can now be applied to the entire corporation (Ind. 1998; Schultz et al., 2000; de Chernatony, 2002; Balmer and Greyser, 2003; Fombrun and van Riel, 2004; Dacin and Brown, 2006).
Brand image transfer between product and corporate brand

Following the extension of the scope and applications of branding, interactions between the product, the company and the customer are becoming more closely scrutinized by marketing academics and practitioners (Dowling, 1993; Balmer, 1995; Brown and Dacin, 1997; Lafferty and Goldsmith, 1999; de Ruyter and Wetzel, 2000; Harris and de Chenatony, 2001; Knox, 2004; Keller and Lehmann, 2006).

The degree of synergy between the corporate brand and the product brand depends on the brand architecture (Keller, 1998; Varadarajan et al., 2006). The various relations can be illustrated along a spectrum from the 'branded house' to the 'house of brands', including 'endorsed brands' and 'subbrands' (Aaker and Joachimsthaler, 2000). Most companies employ mixed strategies but it is useful to briefly characterize the two extremes for the sake of clarity. The 'house of brands', in which there is separation between the corporate and product brands avoids corporate brand associations that might adversely affect the image of the product brand. Reciprocally, at a corporate level, it allows the company to diversify into new product categories without running any risk of diluting its corporate brand equity. P&G is able to manage brands like Pampers diapers, Juicy Couture and Tide laundry powder without affecting the brand equity of either product or its own corporate brand equity.

By contrast, in a branded house, where both corporation and products share the same name, the master brand is the primary driver for brand associations (Saunders and Guoquin, 1997). Reciprocally, corporate brands take on values from the product portfolio (Brown and Dacin, 1997) as well as from the corporation's culture and heritage (Aaker, 2004). The master brand becomes the umbrella for various products or services offered. Virgin provides a typical example: Virgin Cola, Virgin Music, Virgin Airlines, and Virgin Jeans. Other examples include Honda, Philips or Heinz. Corporate brands can be used to replace multiple, complex sub-brand structures to achieve cost efficiencies (Laforet and Saunders, 1999, 2002).

In a corporate dominant system, the reputation of the corporation critically influences consumers' perceptions of the services (Knox, 2004). Berens et al. (2005) have demonstrated the role of the corporate brand in consumer product responses. Equally, corporate images may be mainly the result of consumers' experience of the brand (Chun and Davies, 2006). In addition, perceptions of the product brand are also used to evaluate corporate reputation (Pombrun et al., 2000). Aaker and Joachimsthaler (2000) suggest that the synergies between product and corporate brands are stronger in a branded house situation, as the master brand contributes to the offering by adding associations that enhance the value proposition, reinforcing the credibility, as well increasing visibility and communication efficiencies.

Through successive rebrandings, brand architectures and corporate identities are evolving all the time to the extent that they modify the degree of synergy between the corporate brand and the product brand (Keller and Aaker, 1998, 2009).

Figure 1

A dynamic model of brand architecture management

Berens et al., 2005). Two broad strategic approaches can be observed among companies going through a dynamic (re)branding process (Muzellec and Lambkin, 2006). The first and most common is an integration strategy – to unite the corporation and its constituent businesses and products under a single name or master brand. Brand integration is a marketing strategy which leads towards a 'branded house' situation by leveraging the associations previously constrained at one level of the brand hierarchy. The second is the opposite of the first and might be described as a separation strategy, driven by a desire to distance the corporate brand from its constituent businesses and products. A model of Brand Architecture Management, shown in Figure 1, illustrates the interactions between corporate brands, product/services brands and their respective audiences.

This model illustrates the assumption that differences in image can be examined depending on the degree of synergy between the corporate and the product name. The vertical dimension refers to the interrelation between corporate images and product brand images, which is the principal focus of this paper, and which will be explored in the next section, first in a branded house context, then in a house of brands context.
Brand architecture management: synergies or asymmetries

In this section, rebranding that leads to a more integrated brand architecture with image transfers between product/services brand and the corporate brand, is first reviewed. The concept of 'ascending and descending brand extension' is then presented. Finally, brand separation strategies – where the images are further distanced over time – are examined.

Brand architecture synergies: Image transfer among the levels of the brand hierarchy

The role played by the name in transferring images from the corporate to the product level and vice versa is now considered. A rebranding is the opportunity to assess the potential image transfers between corporate and product images irrespective of whether the two share the same name or when the two share different names.

Integrating the brand hierarchy can be achieved through three alternative strategies. It can first be done by changing the corporate name entirely and aligning all the constituent levels of the brand hierarchy under the new name. Eircom, the Irish telecom company, provides a good example of this type of rebranding. As the national state-owned telecommunications company, Telecom Eireann carried some negative associations, and strategic business units gradually moved away from the main corporate brand by developing their own brands. This resulted in a plethora of different brands with individual identities. In 1999, a major rebranding exercise, carried out by Enterprise IG, aimed at rationalizing and unifying the brand portfolio under a single, new brand name: eircom.

Second, when a company is fortunate to own a popular product brand, it can attempt to extend the positive associations related to the product brand name throughout the entire corporation. For example, the rather anonymous BSN Group rebranded itself as the Danone Group in an effort to build on the positive associations of its dairy products’ family brand.

Third, integration can be achieved by aligning the business unit brands with the corporate – and very often global – brand. In this case, it is the brand name of the corporation (group) that is used to rebrand the business units. UBS and HSBC, for instance, gradually rebranded their national or local branches under the corporate name in an effort to promote a monolithic, global brand.

In essence, the principle that underpins the strategy used by Danone or HSBC is similar to that of brand extension, which is to leverage the strong image of one brand to enhance the image and credibility of others (Aaker and Keller, 1990).

The assumption that image can be transferred from one level of the hierarchy to another, particularly from corporate to product level, has been tested to a limited extent. An experiment conducted by Keller and Aaker showed that corporate-level marketing activities can improve the perceptions of brand extensions (Keller and Aaker, 1998). The notion that corporate associations, understood as a subset of brand associations, can influence purchasing behavior and customers’ perceptions of the product has also been tested and found to occur (Brown and Dacin, 1997).

Ugilla (2006) has gone a bit further by examining the source of brand associations. He introduced what he calls the corporate brand association base model which shows how brand equity is affected by institutional, partner and corporate brand associations. The model is useful for brand managers to design brand-to-brand collaboration strategies by identifying potential transfer of image from sources of brand equity in the internal brand hierarchy and in the surrounding brand network.

The nature and strength of the image transfers within the brand hierarchy depends on the naming strategy used for the corporate brand, i.e. the same name for both product and corporation or not (Kapferer, 1995). Berens et al. (2005) have demonstrated the role of the corporate brand name in consumer product responses. Consumers were tested first in a branded house context where corporate ability (CA) associations were found to have a strong influence on customer product attitudes. However, when the corporate brand name is used simply as an endorser (i.e. endorsed brand or low corporate brand dominance context), the influence of CA is positively moderated by product involvement. In this case, consumers only use CA associations as means to increase the reliability of their product evaluation. This experiment provides support for the theoretical proposition that attitudes towards a product brand may change as a result of a corporate rebranding.

Ascending or descending brand extensions

The degree of association between the corporate brand and the product brand is determined by the extent to which both entities are connected. Therefore, we introduce the concept of ‘vertical rebranding’, which can be conceptualized as the extension of the corporate brand downwards to the business units (e.g. from HSBC Group to HSBC UK (replacing the Midland Bank Brand) or, conversely, an extension of the product brands upwards to the corporate level (e.g. from Danone products to Danone Group). We shall refer to the former as a ‘descending brand extension’ and the latter as an ‘ascending brand extension’.

In the first case – a ‘descending brand extension’, for example HSBC or UBS, a group tries to build stronger corporate brand equity by extending its corporate brand downwards to all business units and products. The tight alignment between a business unit (HSBC UK, HSBC France, HSBC Mexico . . .) and the main corporation creates global synergies, which can be leveraged through a slogan (‘HSBC, the world’s local bank’). The immediate consequence, however, is to destroy the (local) business unit brand equity. When UBS decided to scrap two well-known brands – S.G. Warburg and PaineWebber – in an effort to promote a global and unique UBS brand, the Swiss company had to take a non-cash charge of approximately $770 million, that being the value at which the two brands were carried in its balance sheet (Tomkins, 2002). Stronger brand equity is expected to accrue, however, through a mutually reinforcing effect between the corporate brand and sub-unit brands.

In the second case – that of an ‘ascending brand extension’, an attempt is made to leverage product brand attributes and extend those attributes to the upper levels
of the brand hierarchy. As with all brand extensions, this strategy presents many opportunities for the ‘parent brand’ (Balachander and Ghose, 2003) but also some risks, including a dilution of the brand or an addition of undesirable associations to the ‘parent brand’ (Loken and Roedder John, 1993; Kirmani et al., 1999). Where the same name is now used for product and corporate brands, there is a reciprocal effect in that any corporate decisions might have a direct or indirect effect on the equity of the product brand. If the Danone Group now enjoys some attributes previously constrained to the product brand, the converse is that decisions made by the group Danone might have some collateral consequences on the equity of the family product brand. For example, a few years after the rebranding, Danone Corp. decided to close down two factories in France. This decision prompted a call for a consumer boycott on all products made by the Danone Group, which probably had a greater resonance now that the products and the corporate names were identical (Klein, 2004).

Brand architecture asymmetries: Shaping different images for different stakeholders

It is a natural follow-on from the separation strategy that once the corporate brand has been separated from its product (via a change of name of the corporation), the images of product and corporation should become independent from each other. The images of the corporation will not be derived from the product and vice versa. This can be explained by the necessity to project a certain identity towards corporate stakeholders, which might not represent a positive reinforcement of consumers’ images.

Research has shown that a sub-branding strategy can protect the parent brand from negative feedback (Milberg et al., 1997; Janiszewski et al., 2000). Consumers’ emotional attachment may in fact be a valuable asset at the product level (Fournier, 1998), yet at the corporate level it can be a burden (Klein, 2004). The case of Danone, mentioned above, illustrates how consumers’ carefully contrived perceptions of a product brand can dramatically conflict with a corporate decision such as the close-down of an unproductive site. Equally, a brand separation strategy has allowed Philip Morris Corp. (now called Altria) to ‘disassociate’ its business unit brand (Kraft Foods) and its multiple food product brands (Jacobs, Jello, LU, Oscar Meyer, Oreo, Ritz, etc.) from the negative aspects of belonging to what is primarily a tobacco group.

In fact, many companies have reinvented themselves to become authentic business brands. Altria (ex-Philip Morris), Diageo (ex-GuinnessUDV), Novartis (ex-Sandoz), or Vivendi (ex-General des Eaux) are business brands constantly adding new business units and brands to their portfolio. By separating the product and the corporation, business brands foster a business identity by promoting the business values of competence, unity, vision and performance (Muzellec, 2005). Companies now carefully manage their corporate reputation and constantly monitor the equity of the corporate name.

Diageo, for example, regularly promotes its name and values to the general public, journalists, investors and the government. It evaluates the equity of its corpo-

Corporate branding and brand architecture
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rate name through the ‘Corporate Brand Tracker’; the effectiveness of its Corporate Social Responsibility programme by measuring stakeholders’ attitudes and behaviour both at the business unit level (such as the TNS mrbi report, Diageo Ireland Stakeholder Tracker); and at the corporate level by adopting a share value approach to its CSR policies (Knox et al., 2005).

This evidence calls for a redefinition of corporate branding and its relationships with consumers and other stakeholders of the brand architecture (Muzellec and Lambkin, 2006).

Implications for corporate marketing: a threefold classification for the corporate brand

The framework hereby proposed leads us to distinguish three types of corporate brand identity. At a minimum, corporate branding can confine itself to providing a visual identity to a ‘trade name’. This corresponds to the traditional house of brands configuration, where the primary point of contact between the consumer and the corporation is in fact the product brand. As mentioned before, in this instance, the corporate brand is a trade name which is not actively promoted and acts as a simple umbrella name housing a collection of independent brands (Figure 2).
In the context of a corporate trade name, brand marketing tends to focus mainly on the management of individual product brands. The corporate owner of the brands is not closely tied to its brands. The brands stand alone and are the principal point of contact with the consumers. The marketing organization of the corporation is separated into traditional brand management units which further distance the corporate brand from the consumers (Knox, 2004). This low organizational involvement leads Olins, one of the foremost consultants in branding in the UK, to question whether corporations such as Procter and Gamble or Unilever should actually be considered as brands at all (Olins, 2001).

One may also argue, however, that a trade name could be granted brand status if it is considered as a précis of the values that define the organization (Ind, 1998) or as symbolic of a corporate culture (Hatch and Schultz, 2002). Corporate brands as trade names (P&G, Tyco, and Unilever) can therefore be seen as symbols associated with values. In this way, the corporate trade name acts as a flagship for employees and may be associated with values mainly promoted to internal stakeholders. As far as the external audience is concerned, P&G displays its values (integrity, leadership, ownership, passion for winning and trust) to its web users but does not run expensive billboard campaigns towards the general public or consumers to promote those. As a result, consumers may be aware of corporate names such as Unilever, P&G, Johnson & Johnson or Tyco but they may not have strong associations about them, nor can they relate them precisely to any particular product.

In other words, trade names can be considered as symbols associated with fundamental values (Ind, 1998; Urde, 1999, 2003) but may not fully correspond to the definitions of corporate brand as image building devices (Frost and Cooke, 1999; de Chernatony, 2002; Balmer and Gray, 2003; Fombrun and van Riel, 2004).

The second and most novel type of corporate brand identity could be called a ‘business brand’ as distinct from a pure consumer brand (product brand). A business brand is more than a simple trade name over a house of brands (such as P&G). It is not, however, a full corporate brand (such as 3M, Heinz or Danone) because it is not clearly visible to consumers—they have to read the small print on the package to find out which company owns the product. Yet thanks to a specific branding program, it is a strong name with various associations for particular stakeholders, hence the corporation could be fully granted the status of a brand.

Business branding may focus primarily on business stakeholders and other social partners (e.g. government, media) while the relationship between consumers and the product brands is nurtured at market level. For example, following a merger with GrandMet, the well-known and well-liked Irish company, Guinness, became just one business unit in a huge multinational corporation selling a wide array of products. The change of name to Diageo effectively led the group to gradually distance itself from its main product — Guinness Stout (Simmons, 2006). Muzellec and Lambkin show that the corporate culture of 'hard nosed' business is embedded in the corporate brand, which affects the relationship with distributors and suppliers; whereas the traditional values of welfare and philanthropy inspire the corporate social responsibility program and its promotion towards government agencies and the general public (Muzellec and Lambkin, 2008). Through a carefully implemented marketing program, Diageo shapes an image of a socially responsible company and is associated with the slogan 'Drink responsibly'.

This multidimensional approach to branding means promoting different images for different stakeholders. From this viewpoint, corporate branding can be conceived of as a prism through which the corporation is perceived differently depending on the stakeholder perspective. This scheme is illustrated in Figure 3. This suggests, furthermore, that corporate branding may not always be a single, monolithic entity but a multidimensional one that can be configured uniquely for each of several stakeholder groups. Under such a configuration, a particular brand (e.g. Smirnoff Ice) may be perceived by consumers as ‘cool, cheeky and young’, while the corporate brand (e.g. Diageo) is primarily perceived as ‘financially responsible’ for the shareholders or as ‘socially responsible’ by the government and the general public (Muzellec and Lambkin, 2007).

Finally, the last type of corporate brand identity is the holistic corporate brand, which is both a corporate and a consumer brand. This corporate brand identity fits most closely within a branded house configuration. Aligned with the existing model of corporate branding (Schultz and Hatch, 2002; Urde, 2005), the corporate–consumer brand (e.g. Accenture, HSBC, Lego, Volvo, Virgin, Air France) is
developed holistically and requires a certain degree of consistency between the brand image of the service/product and the images and identity of the corporate brand (Figure 4).

As the figure implies, the images of the corporation should be similar regardless of the position and interests of the stakeholders. Recent studies suggest that when a corporation and a product share the same name, consumers fail to distinguish between the two (Muzellec and Lambkin, 2007). Hence, successful corporate brands in this configuration align vision, culture and image and achieve a high level of coherence and consistency (Schultz and Hatch, 2002, Urde, 2005).

Some B2B brands may also be included in this category if they are primarily using an integration (branded house) strategy. For example, General Electric’s slogan of ‘Imagination at Work’, which it displays constantly, is used to shape the image of an innovative company for its employees, its suppliers and its customers. GE is clearly a corporate brand, which can be seen both as a symbol associated with fundamental values and an image building device, as the advertisement in Figure 5 demonstrates.

Conclusions

The ultimate aim of this paper was to add value to the literature by introducing a dynamic dimension to the concept of brand architecture. This framework consi-

Consider the vertical dimensions of the brand architecture and tries to show how changes at any one level reverberate to other levels. This framework paints a picture of the brand architecture as a dynamic model with constant change and evolution, as companies manage their portfolios of products and brands over time.

Using examples, the paper identifies two types of branding strategies: integration and separation. An integration strategy is where product brand image is used to improve the visibility of the corporation (ascending brand extension) or where the corporate brand is used to enhance the credibility of the product or services brand (descending brand extension). A ‘holistic corporate brand’ is the result of tight alignments between elements of the hierarchy (branded house context).

On the contrary, companies may deliberately separate their corporate and product brand identities in order to selectively address the needs and expectations of individual stakeholder groups. A separation strategy assigns a different role to corporate branding. In addition to the traditional ‘trade name’, which is at best a basic identity over a house of brands; we introduce the ‘business brand’ concept, which is consciously nurtured and is aimed primarily at stakeholders other than consumers.

Acknowledgements

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Notes

1. Corresponding author.
3. The term parent brand refers to the brand from which the extension has been initiated – not to the parent group – in this particular case it is actually the product family brand.
The principle focus of this paper is the interrelation between corporate brand images and product brand images. To understand these interrelations, one must first understand the difference between corporate and product branding. The concept of brands used to be synonymous with the concept of consumer products. Over time this has changed and the idea of branding has expanded to recognize corporate and product brands as distinct entities. Corporate Branding promotes the brand as a whole, rather than specific products. Each category of branding is aimed to portray a certain image, creating differentiation and preference over competitors, towards a certain audience. Product Branding focuses on the perspective of their brand towards a much wider audience including shareholders, distributors, suppliers, competitors, the government, the media and the general public.

Occasionally, these branding subcategories are still considered equivalent since they derive from the same context and share the same objectives of creating differentiation and preference; however, corporate branding is much more complex. Corporate brands must maintain a higher strategic focus, both internal and external, and they incorporate a brand architecture. Brand Architecture is the structure of brands within one organizational entity, the objective of which is to control the degree of image transfer between the product and the corporate brand. Although most companies employ a mixed strategy, the different types of Brand architecture can be classified on a spectrum ranging from “a branded house” to “a house of Brands”.

In the “Branded House” strategy of business architecture, both the corporation and products share the same name. The master brand becomes an umbrella for various products and services and is the primary driver for brand associations. Corporate brands will take values from the product aspect, as well as from the culture and heritage of the corporation. This makes image transfer constant and hard to limit. This method of business organization is the most cost efficient since one corporate brand can be developed in the place of several sub-brand structures. An example of a company that utilizes this form of business architecture is Virgin. This corporation owns Virgin Airlines, Virgin Music, Virgin Mobile, Virgin Cola and more. All their sub brands are recognizable and trusted by consumers since most people are already familiar with the Virgin corporation, which is a positive effect of image transfer between brands. This can also be detrimental to the company in some cases. For example, this past summer a video was released online showing a man being forcefully dragged from a United Airlines flight. The backlash to United Airlines was detrimental to their corporation. If that video had come from a Virgin Airlines flight, the backlash would have hurt more than just their airline. It would have been detrimental to every aspect of their corporation since they are all associated by the same name. This is the reason why some companies choose to implement a business architecture that allows less image transfer between sub brands and the corporation.

The “House of Brands” strategy is the other extreme on the business strategies spectrum. This strategy implements the separation of the corporate brand and the product brands, which helps to limit image transfer, eliminating the risk of a scandal negatively effecting the entire corporation. It also allows the company to diversify into new product categories without diluting the image of the corporate brand. An example of a corporation that utilizes this strategy is P&G, a company that owns Pampers Diapers, Iams Dog and Cat food, Tide laundry detergent and more. They are able to manage these brands without affecting the brand equity of either product or its own corporate brand identity.

The relationship between brand architecture and corporate reputation has gained increasing attention recently with the large number of high-profile corporate rebranding’s that have occurred. Rebranding of a company occurs when corporations go through Mergers, buy outs, general industry consolidation, or just when a company thinks they need to switch up their branding style. Two strategic approaches can be observed when companies go through a rebranding process. The first and most common is the integration strategy, when a corporation unites itself, its constituent brands and its products under the same name. This is common when one company buys out another or when two companies are merging. The new corporation will adopt the name and image of the more favorable brand in order to extend that image to the whole of the new brand. This marketing strategy will eventually lead towards a “branded House” situation. The second is the opposite of the first and is referred to as a separation strategy. This is driven by the inclination to distance the corporate brand from its constituent businesses and products. This strategy will eventually lead towards a “house of brands” situation.
Dual branding: how corporate names add value

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and
Fu Guoqun
Wuhan University Business School, China and Loughborough University, UK

Examines how corporate names add value to branded fast moving consumer nondurable goods, using conjoint analysis to test combinations of brand names, corporate names and prices of confectionery products. The results show that both brand names and corporate names add value although some add more value than others. The market is price sensitive so pricing above a threshold level wipes out much of the influence of corporate and brand names. The sensitivities to names and price do not vary with the a priori segment tested although natural clusters of customers show differences.

Introduction
Competing companies are entrenched in the way they brand their products. In the UK confectionary market each of the major competitors, Cadbury Schweppes, Nestle and Mars, have different brand strategies. Cadbury use mixed corporate brands where their corporate name has the same emphasis as the brand name, for example, their top selling chocolate bar is Cadbury’s Dairy Milk. This product competes with Nestle’s Yorkie where the brand name Yorkie dominates and Nestle appears as a small endorsement. Another direct competitor is the stand-alone brand Galaxy made by Mars, whose origin appears on the back of the pack. This divergence is not unique to the confectionary market, as Table 1 shows.

Branding, as a way of marketing products, has grown alongside brand management, where bright using marketers manage brands. This has led to brands being managed in isolation and the brand being the focus of attention. This is changing. Through category marketing and other new ways of organizing the marketing effort, managers or teams look after several brands rather than one (Kotler et al., 1990). Other popular marketing plans are making the branding situation more complicated. Umbrella branding means the same brand name covering several individual products. Fairy Household soap and Fairy liquid being old examples. Recently the quest for brand leverage has found brand names appearing on products managed and manufactured by completely different parts of the organization. Following Nestle’s acquisition of Rowntrees Mackintosh, Rowntree and Milky Bar have all appeared as desserts sold by the grocery division of the company. Simultaneously, market leading products such as Kitkat and Rowntree’s Fruit gums reappeared as “faced confectionery”. Acquisitions have led to a middle in other ways, so that the same organization sells Nestle’s Milky Bar, Rowntree’s Postilles and Mackintosh’s Quality Street. Perhaps the most extreme case of a brand’s tentacles reaching too far was when the Cadbury’s name with its rich chocolatey connotations, appeared on Smash instant potatoes and a grotesque product that followed using a synthetic meat in gravy. Although originally a pioneering “Housewife liberating food”, once Smash aged, it added little to Cadbury’s traditional chocolate image. Thankfully Cadbury Schweppes concentrated on the confectionary and soft drinks market accomplishing a rationalization of the brand names used.

This brand confusion accompanies an increased recognition of the value of brands (Barter, 1995; Lefebvre, 1993; Merlo, 1994) and concerns the appropriateness of brand extensions (Aaker, 1996). It brands do have value then the way a company uses its portfolio brands is a top management decision (Unles, et al., 1995).

Table I: Corporate brand strategies of competitors

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Research aims

The multiplicity of names that appear on brands have meanings that could relate to a brand’s history, its corporate structure, acquisitions or an attempt to impress shareholders as well as customers (Labre and Saunders, 1994). Companies sometimes use their name on brands to express their identity, or strategy to stakeholders other than consumers (Clift, 1988), but to the customer the corporate name is a name like any other. Aaker (1991) gives several components of brand equity including association, loyalty, awareness, perceived quality and other proprietary brand assets. All these combine to encourage the customer to buy one product rather than another. Whatever its origin, this equity manifests in one of two ways: the willingness of the customer to pay more for one brand than another, or the frequency of a brand being chosen.

In using two names on a product, companies hope to doubly benefit from brand equity. When Launching ‘Time Out’, Cadbury’s name associated the product with chocolate and gave customers confidence in what that chocolate would taste like. Sometimes the two names can be intentional, as in Carnation Snobber, a milk chocolate bar for dieters. The Snobber name denotes weight loss and slimming whereas Carnation suggests rich creamy products. Between them they create the impression of a product that tastes rich and creamy but is low in calories and fat. If this works the customer will prefer Snobber with the Carnation associations over alternative endorsements. Our first proposition is therefore:

P1: The addition of a corporate name to a brand increases customers’ preference for that brand.

Names have different associations so it is very unlikely that all corporate names have the same value. It is likely that a more prominently advertised name, like Cadbury’s, adds more value than other corporate names that are less prominently used, such as Mars or Nestlé, or a name associated with a smaller player in the market, such as Terry’s. This is not just a matter of advertising expenditure. Cadbury’s use an integrated approach to build their name using taste as a slogan, mood music, a strong corner wrap signature and the seasonal rotation of flagship chocolate products. In contrast Nestlé is one of the top brands world-wide but the use of the name on many brands is new. Also Nestlé is often a minor endorsement on established brands and is diluted by use across products as diverse as breakfast cereal, tinned milk and baby food.

The growing association between confectionery and ice creams suggests that customers respond to a confectionery name appearing on ice cream. Is the opposite true? Does the appearance of an ice-cream brand name, such as Lyons Maid or Wall’s, make a confectionery brand more attractive or less so? These thoughts lead to more propositions:

P2: All corporate names do not add the same value to a product.

P3: The more highly advertised corporate names add more value than others.

P4: For confectionery products, non-confectionery corporate names add less value than confectionery names.

The market leading Mars bar is rare in having just a corporate name and a description to identify it. Cadbury’s call their milk chocolate bar Cadbury’s Dairy Milk, not Cadbury’s milk chocolate bar. The rarity of simple brands like Mars bar suggests that consumers would prefer products that have a brand and a corporate name. Also, since most brands are heavily promoted, consumers would prefer well-known brand names over those that are not. This leads to two more propositions:

P5: Consumers prefer products whose corporate name appears in conjunction with a brand name.

P6: Customers prefer products with established brand names over those that are not.

Finally do all customers respond in the same way to combinations of brand and corporate names? The confectionery market has segments, an extreme case being Milky Bar, mostly consumed by children under five. If some segments respond more positively to corporate names than others, their firm might choose endorsements for products targeted at one market while not endorsing products aimed at another. The recycling of Nestle’s Infinty Formula baby food troubles from decades ago (Kotler, et al., 1996) could damage sales of Nestle-endorsed KitKat to politically correct segments while not influencing the “energetic males” who consume Nestle’s Lion bars (Smith and Saunders, 1996). This leads to a final proposition:

P7: Market segments differ in the way corporate and brand names appeal to them.

Methodology

Most confectionery is bought on impulse by people who visit a shop to buy other items.

When people walk into a shop or petrol station they face a bewildering array of confectionery items laid before them. Competitors fight aggressively to get their products in the hotspots near the till where customers pay for their purchases. The methodology used to assess the impacts of corporate and brand names needs to capture the situation where customers face an array of options from which to choose. Conjoint analysis allows this.

Conjoint analysis is one of many techniques that have become popular for measuring consumer behaviour (Boley and Hussey, 1994) and used widely in the USA and Europe (Wittink, et al., 1994). In new product development the method allows researchers to analyse the part worth of individual design elements. In one example Green, et al. (1998) checked the rate of contribution of brand name, tread life, price and the black or white sidewall for automobile tyres. With three possible brand names, designs giving three different tread lives, three possible prices and two sidewall designs it is unrealistic to test all possible combinations of these but the beauty of conjoint analysis is that it allows the part worth of each element to be tested using a subset of the alternatives. While there are 54 combinations of these features, conjoint analysis can give results with just 18 evaluations. In this process respondents are given a set of cards showing 18 concepts and have to sort them according to which is most and which is least desirable.

Our conjoint experiment used five corporate names and left one blank as a control. These being: the three leaders in the UK confectionery market – Mars, Cadbury and Nestlé; Terry’s, a small confectioner; and Wall’s, a name Unilever uses on ice cream. Eight brand names were used, these being Snickers, Aero, Galaxy, Bounty, KitKat, Twirl, Toffee and Kisses, the latter being a brand not used in the UK. To value the contribution of the corporate and brand names, prices of 20p, 30p and 40p were tested. As controls, concepts also included brands with no associated corporate name and corporate names with no associated brands. In the conjoint experiment respondents used profile cards containing a combination of corporate names, brand names and price. Limited conjoint experiments do not entirely represent the wide range of confectionery facing consumers in a small shop or petrol station. The experiment is, however, consistent with the limited choice of quantities at supermarket checkout or the “hotspot” by a small shop’s till.

Questionnaires went to 120 academic and postgraduate research students at a university.
each consumer but in this figure they are aggregated. Interpreting corporate names shows that all the names add value to confectionery brands, even that for Wall's, who are known for their frozen products. This supports P2 since all part worths for the corporate identity are significantly greater than the control with no corporate identity. Uncles et al. (1995) suggest that many western firms do not recognize the value of the corporate brand name. This study supports that view. Even Wall's, who do not have a name in the confectionery market, contributes some value to the brands tested. Given the strength of the results, why do so many firms, such as Mars and Procter & Gamble use stand-alone brands? One reason may be to prevent their brands cannibalizing each other by maximizing their perceived difference. Many of Mars products are very similar for example Mars bars and Snickers, so by giving them different names and no corporate endorsement, the psychological difference between them is increased. In contrast Nestle can use endorsements on their physically differentiated products to add value without encouraging cannibalization between Smarties and KitKat. This opposes Kotler's (1972) view that a corporate structure favours companies with a coherent set of products. In Mars's case, the product range is coherent but the company does not use a corporate brand structure. In contrast Nestle uses its name on products as diverse as mineral water, breakfast cereal and confectionery. Perhaps the decline in part worth from Cadbury's to Nestle is explained by the lack of cohesion within Nestle's product range compared with Cadbury's. In contrast, the relatively low part worth of Wall's may occur because the experiment stretches the brand too far.

The statistically significant differences, in the part worth of each of the corporate names in Figure 1, support P2, that the corporate identity does add the same value. The results also support P3, that the highly advertised names add more value than the less highly promoted brands. Cadbury's benefit from the double delight with their name adding the motivation maintained by using it to promote all their brands. The name of Mars does not fall far behind Cadbury's but, because of their preference for using stand-alone brands, they are less able to use the leverage than the leader Nestle may be suffering from stretching their corporate identity across too many products. Terry's inherited double jeopardy matches Cadbury's double delight. Terry's is not so prominent in the market since there are fewer brands with which to promote it. Also, when Terry's uses its name, it adds less value than more prominent corporate names. Wall's is a well-known name by virtue of Unilever’s frozen products but here the name and reliability attached to that name are damaged by its non-confectionery associations. Wall's still has equity in the confectionery market but the awareness it gives is in conflict with its associations. Their positive part worth supports P4, that non confectionery corporate identities do add value, but this survey suggests that they do not add as much value as brands with confectionary connotations.

The part worth of all the confectionery brands shows that brand names add value in all cases; even Ritter's Kisses. In the results from corporate names this shows the benefits of dual branding. The presence of a corporate name helps products in their early days. Later the dual association of corporate and brand name increases the overall value. In this case the most desirable product would be Cadbury's Galaxy, a combination of names with a combined part worth of 7.9. This has interesting implications for the valuation of brands. Galaxy is actually a Mars product sold without the Mars endorsement. As a stand-alone brand, its part worth is 3.7. However, if after an acquisition or through licensing Mars could add the Cadbury's endorsement to the Galaxy name, the product would become very desirable to our sample.

Although the fictional brand Kisses does have a significant part worth, it is well below the major brands of Snickers, Galaxy, Aero, Twirl, KitKat and Bounty. This supports P5, that people prefer established brands over new ones. Although confectionery products are cheap and easy to try, customers still prefer what they know. Again, the result shows the benefit of corporate branding. Although Kisses is attractive by itself, if launched in combination with the Mars Nestle or Cadbury's name, its attractiveness lifts above that of any stand-alone brand.

The part worth for price indicates how important branding is within the confectionery market. As expected, the part worth of price declines as prices increase. Comparing the part worths of price with that for the corporate and brand names indicates the name's value. Increasing the price from 20p to 30p reduces the part worth by 1.31 (3.86–1.55), a figure that is less than the part worth of any corporate name other than Wall's and all but two brands. This may explain why own brands have been so unsuccessful in penetrating the confectionery market.

Notice that the part worth of price is a clear threshold up to 30p. Beyond that, consumers are relatively indifferent to price. We do not have the evidence here but these part worths suggest that at some point between 20p and 30p there is a real threshold price, perhaps 25p, which customers are willing to pay. Given this pattern the market could be segmented by price, with different products competing heavily below 30p and more expensive products, such as Ferrero Rocher and After Eight, competing at much higher prices.

Are some groups of customers more responsive to corporate brands than others? Since conjoint analysis gives results for individuals it is possible to see if respondents group in some way. A priori approaches looking at the gender and usage rates showed no significant difference between samples. This is not surprising since single dimensions rarely split markets significantly. However, as often occurs, cluster analysis reveals differences. Cluster analysis, like conjoint analysis, is a well-established marketing tool that searches for alike items (Saunders, 1984). Figure 2 gives the part worth functions for each of the three groups. Subgroup 1 is mainly influenced by brand names and price. The range of brand name's part worth goes from 3.81 for Kisses to 5.74 for Twirl, while the range for corporate names goes only from 1.79 for Terry's to 3.21 for Cadbury's. This subgroup is also less sensitive across the price range of prices so, unlike the full sample, the desirability of the product almost halves when its price goes up from 20p to 30p and then halves again when it changes from 30p to 40p.

In contrast Subgroup 2 is indifferent once prices go above 30p and is much more affected by the producer's name than in the previous one, the part worth in this case dropping from 4.92 for Cadbury's to 1.63 for Wall's, the first group. Subgroup 3 is much more influenced by brand names than corporate names but, in this case, the respondents are highly sensitive to price change from 20p to 30p while being indifferent beyond that.

These results support P4, that there are differences in the way that groups of consumers respond to brands and corporate names. This suggests it is wrong to use the same brand structure across all segments. For instance, a child is influenced by the strong brand name and presentation of Smarties, whereas an older chocolate lover could favour the endorsement of Cadbury's.

Conclusions

The way companies use their portfolio of brands is often driven by historical and company policies rather than consumers (Hall, 1990). There are also few markets where competing firms follow the same brand strategies. This implies that firms do not share a common view of how to use brands, dual brands and corporate identities. However, this evidence here suggests that the increasing use of dual branding by companies follows consumers' preferences. In all cases the addition of a corporate name to a brand increases the consumer's perception of the brand and preference for it. In markets where purchases are as spontaneous as confectionery, this could be the clinching issue in making sales. There is also evidence here of a double delight of corporate branding where the most promoted corporate names create most value. Even names, like Wall's, which are out of context add some value, although not as much as less stretched names. This supports the approach being taken by Cadbury Schweppe in using Cadbury's on its confectionery products and Schweppe's on its soft drinks.

The results refute the idea that companies should adhere to corporate dominant or brand dominant structures (Olins, 1989). An effective strategy could be to use house brand
This article’s main focus was to explore how, and to what degree, a corporate name adds value to a product. The authors used the example of competing candy companies and how they are inconsistent in the way they choose to brand their products. Cadbury Schweppes for example, uses a mixed corporate branding strategy where the corporate name has the same emphasis as the brand name. This is apparent in their most popular product, “Cadbury’s Dairy Milk”, where the product brand of “Dairy Milk” has the same weight as their corporate brand name, “Cadbury’s.” Their close competitor Nestle, however, chooses to have their product name be the most emphasized on their packaging, and “Nestle” appears as a small endorsement. Lastly, the candy company Mars, chooses to forgo their corporate brand name on their packaging, and just focus on the product brand. These inconsistencies beg the questions, does this clutter of brand names appearing on packages add value? Did Cadbury make the right decision when deciding to use its name across a wide variety of candy? Or is Mars strategy of keeping its name off of Snickers and M&M’s wiser?

The authors of this article set up an experiment to determine if the addition of a corporate identity to a product adds value to consumers. To do so they utilized a research strategy called “conjoint analysis”, a method used in new product development to determine the added value of individual branding elements on packaging. They handed participants a stack of 18 cards, each printed with a candy corporations brand name, a product brand name and a price. One was left blank for a control. Participants were asked to put the cards in order from least desirable to most desirable. The results were collected and analyzed and they came up with several conclusions.

The first conclusion is that the addition of a corporate name for a brand, increases customers preference for the brand. All perceived value for the candies with corporate identity were much higher than the control without one. This was even true in the case of the card printed with the corporate brand, “Walls”, who’s main product is not candy at all, but frozen goods. The participants saw a recognizable name and immediately trusted that the candy would be better than that of the candy without a brand attached. Although Walls scored much higher than the control, it still didn’t compete with the large corporations of Cadbury and Nestle. This leads them to their next conclusions; that different corporate identities do not all add the same value, and that those that are more highly advertised are more likely to have a higher perceived value.

The experiment also included the newer brand of candy, “Kisses” which scored lower than the other brands on perceived value (though still higher than the control). This proves that customers prefer products with established brand names over those that are not. Customers still prefer to stick to what they know. The next conclusion they made was by analyzing the differences between the two top scoring brands of Nestle and Cadbury. Between the two corporate brands, Cadbury ended up scoring a higher perceived value. This goes to show that customers prefer products with the corporate name used in conjunction with the brand name. Lastly, since not all results were identical, they were able to conclude that there are differences in the way that groups of consumers respond to brands and corporate names. This means that it would be incorrect for companies to use the same brand structure in all situations. They should instead, try to specifically cater to the demographic that they are trying to sell their product to.

There are very few markets where every competing company follows the same branding strategy, which means that most do not share a common perspective on how brands should be used and marketed. The results of this study suggest that consumers prefer the use of “dual branding”, like the strategy utilized by Cadbury. Regardless of the specific type of branding, this study proved that the addition of any brand name at all, in any market, has a positive effect on consumers perceived value of a product. Consumers want a product that they can trust will be worth the money they spend on it. A recognizable brand name on a product gives consumers a sense of security when making purchases. With this fact becoming more well known, companies will begin to develop their brand identity more out of necessity to compete with other brands.