STRATEGIC BRAND MANAGEMENT

Course Times/Places

Class Meetings: Mondays and Tuesdays 8:30 – 10:00 & 10:15 – 11:45
Borelli classroom

Office Hours: By appointment: Tuesdays, 12:30 – 2:00
Room: Woodbury 315 (Phone: 646-0393)
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Academic Coordinator: Alison Pearson
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Required Text


Course Objectives

Some of a firm’s most valuable assets are the brands that it has invested in and developed over time. Although manufacturing processes can often be duplicated, strongly held beliefs and attitudes established in consumers’ minds cannot. This mini-elective provides students with insights into how profitable brand strategies can be created. It addresses three important questions. How do you build brand equity? How can brand equity be measured? How do you capitalize on brand equity to expand your business? Its basic objectives are to (1) provide an understanding of the important issues in planning and evaluating brand strategies, and (2) provide the appropriate concepts and techniques to improve the long-term profitability of brand strategies. The course consists of lectures, exercises, and case discussions. The course content has relevance to students pursuing a variety of different career goals in virtually any type of organization (public or private, large or small, etc.).

Course Organization and Administration

Strategic Brand Management is a marketing mini-elective that is designed to improve student’s marketing skills and understanding of specific branding topics, as well as “big picture” issues of how various aspects of marketing “fit together,” all from a brand equity perspective. Accordingly, Strategic Brand Management is organized around key product and brand management decisions. The course involves weekly sessions on Monday and Tuesdays. The weekly sessions examine specific marketing topics from the perspective of building, measuring, and managing brand equity. These sessions combine lecture and case discussion. Background reading will include material from the 3rd edition of the instructors’ text, Strategic Brand Management.
**Course Requirements and Evaluations**

1. Adequate preparation for, regular attendance of, and full participation and involvement in the 9 regular class sessions & special guest speaker session. You will be asked to complete a Key Learnings worksheet at the end of every class.

2. Exercises (attached at the end of the course syllabus)

3. Take-home final exam

More detail on these requirements is provided below. Final grades are based on the designations and standards published in the MBA student handbook and the distributional grading norms of the business school. Grades are assigned according to how well I feel you have satisfied the course requirements. Final grades are based on my perceptions of your performance for the three requirements, roughly according to the following weights:

1. Class participation and involvement (20%)
2. Exercises (30%)
3. Final exam (50%)

**Exercises**

There are three individual short exercises, described later in the syllabus which should be turned in at the end of the class session for which they are assigned.

**Cases**

The four cases to be discussed (Dockers, GE, Nivea, and Snapple) will be handed out in class roughly a week before they will be discussed.

**Final Exam**

The final exam is a take-home exam. The take-home final will be available in the course folder at 5 pm on the day of our last regular class session on Tuesday, November 16th. Completed finals need to be turned into Alison Pearson by 5 pm on the last day of finals, Tuesday, November 23rd.

**Laptop Policy**

To provide a first-class learning environment, and out of respect for fellow students, visitors, and faculty, Tuck honors the following policy regarding the in-class use of laptop computers, cellular telephones, and all other electronic communication devices (e.g., iPhones and Blackberries).

* Students shall not use laptop computers, cellular telephones, or any other electronic communication device in any class session unless explicit permission to do so is granted by that class's faculty member(s). Thus, the default policy in all Tuck class sessions is for no use of laptop computers, cellular telephones, or any other electronic communication devices.

* "Class session" refers to any meeting of a for-credit Tuck course. More broadly, "class session" also refers to guest-speaker presentations for the Tuck community and to recruiter presentations.
In each Tuck course, the faculty member(s) will articulate when (if at all) and how use of laptop computers is permitted. Such policies will be clearly articulated in the course syllabus. They may also be communicated through other channels, such as discussion in the inaugural class meeting.

In each Tuck course, it is ultimately each student's responsibility to be aware of and in compliance with that course's laptop policy. Students are always encouraged to talk with faculty regarding any policy questions they may have.

**Required and Supplementary Readings**

The reading consists of chapters from the third edition of my textbook. Given the length of the textbook and the short duration of the course, almost all of the assigned chapters can be skimmed as need be. Depending on student background and interests, however, certain sections of the text should be read more carefully. Six chapters that are likely to be of greater interest and importance — chapters 1, 2, 3, 8, 10, and 15 — are highlighted in italics below. These 6 chapters provide a good foundation to key branding topics.

A number of sources of additional information are available to further supplement the course readings which, depending on your career interests and goals, you may want to read at some point. Many of these readings are referenced in my text.

Most students find the articles in the academic journals themselves fairly dry and abstract but the *Journal of Marketing* (American Marketing Association, 250 S. Wacker Drive, Chicago, IL 60606) has more of an applied focus that makes it a little easier to digest. The *Journal of Brand Management* offers more of a European as well as more of an applied perspective that some may find useful (Henry Stewart Publications). The *Harvard Business Review* and *MIT Sloan Management Review* have included many branding-related articles in recent years. An excellent online site for lots of different articles is [www.brandchannel.com](http://www.brandchannel.com).

In terms of current industry information, generally all of the main business publications (e.g., *Business Week*, *Fortune*, *Forbes*, and *The Economist*) as well as newer business publications (e.g., *Fast Company*) have marketing articles frequently dealing with branding issues. The *Wall Street Journal* has a daily column in Section 2 on advertising that often addresses branding issues. Two extremely useful industry trade publications are *Advertising Age* and *BRANDWEEK*. Both are excellent sources of current information about advertising, branding, and marketing in general for that matter.

**Summary of Class Schedule and Assignments**

The next page provides a summary of the topics and required textbook readings for each of the 9 sessions. The outline of class sessions that follows describes the topics discussed in each class session and the requirements that each student should meet in preparing for that class.
## Summary of Class Schedule

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| * | Thurs| 11/18  | Guest Speaker: John Bello (SoBe founder)  
   |     |        | Special time & room: 5 pm in Georgiopoulos classroom |
1. **Course Introduction**  
   (Tuesday, October 12th)

**Background**

The objective of the first session is to provide the "big picture" for the course in terms of what strategic brand management is all about. The goal is for you to get a sense for what decisions must be made in brand management. *Before today’s session, please read the entire course syllabus carefully.* The first chapter provides a useful overview of the scope involved in the course and the topics that will be covered. There is also a short written exercise to be turned in at the end of class on personal brand preferences (see worksheet at the end of the syllabus).

**Reading:**

- Course Syllabus
- SBM (Read)  
  - *Chapter 1 (Introduction)*

**Topics:**

- Course Structure and Content
- History of Branding
- Why do Brands Matter?
- Overview of Brand Equity
- Examples of Strong Brands

**Written Individual Assignment I:**

1) Complete the “Personal Brand Preferences” exercise
2. **Brand Planning**  
(Monday, October 25th)

**Background:**

The objective of today’s session is to consider in depth how to develop brand plans by crafting positioning and devising marketing programs and activities. There is also a second short written assignment to be turned in at the end of class on personal branding (see worksheet at end of the syllabus).

**Readings:**

- SBM (skim)  
  - *Chapter 2 (Brand Equity)*  
  - *Chapter 3 (Brand Knowledge)*

**Topics:**

- Creating Mental Maps  
- Customer-Based Brand Equity Model  
- Brand Resonance  
- Brand Building Blocks  
- Brand Positioning Criteria

**Written Individual Assignment II:**

1) Complete the “I Am A Brand” Exercise
3. **CASE: Dockers**  
(Tuesday, October 26th)

**Readings:**

- Dockers: Creating a Sub-Brand

**Assignment:**

This case concerns Levi-Strauss’ introduction and subsequent marketing of the Dockers pants line. Although the case may be taught to emphasize a number of different points, perhaps the most interesting issues relate to the brand image and brand equity of Levi’s and how they affect and are affected by the introduction of new products. Class discussion will revolve in part around the following four issues that should be considered before class:

1) How would you characterize Levi’s branding strategy in general? What are the positive aspects? Are there any negative aspects?

2) How would you characterize the Dockers brand image? What makes up its brand equity? Evaluate the move to expand the line into the bedding, bath, and luggage markets.

3) Describe some of the changes in the Dockers marketing strategy from its debut. Has LS&Co. maintained a consistent enough marketing message? Are they well-positioned strategically and tactically to maintain a strong leadership position in the coming years?
4. **Brand Building**  
(Monday, November 1st)

**Background:**

In this session, we will explore the three main ways you can build brand equity. Chapters 4 and 7 are more likely to deal with newer material for you; Chapters 5 and 6 may be more of a review depending on your prior course work or familiarity with different marketing tactics.

**Readings:**

- SBM (skim)  
  - Chapter 4 (Choosing Brand Elements to Build Brand Equity)  
  - Chapter 5 (Designing Marketing Programs to Build Brand Equity)  
  - Chapter 6 (Integrating Marketing Communications to Build Brand Equity)  
  - Chapter 7 (Leveraging Secondary Brand Associations to Build Brand Equity)

**Topics:**

- Brand Element Guidelines and Examples  
- Personalizing Marketing  
- Value Pricing  
- Blending "Push" and "Pull" Strategies  
- Integrated Marketing Communications  
- Leveraging Secondary Associations
5. **Brand Metrics & GE Case**  
(Tuesday, November 2nd)

**Background:**

In this session, we will review a number of different ways to measure brand equity. Chapter 8 deals more with the process of managing brand equity measurement and provides a useful foundation. Chapters 9 and 10 may be more of a review depending on your familiarity with marketing research techniques. We will also discuss some issues related to the GE case.

**Readings:**

- SBM (skim)
  - *Chapter 8 (Measuring Sources of Brand Equity)*
  - *Chapter 9 (Measuring Outcomes of Brand Equity)*
  - *Chapter 10 (Brand Equity Measurement System)*

- GE: Branding in Business-to-Business

**Topics:**

- Indirect and Direct Measures of Brand Equity
- Qualitative, Exploratory Research
- Quantitative, Tracking Research
- Experimental Approaches
- Industry Measurement Models
- Financial Measures of Brand Equity
- Brand Equity Measurement System

**Assignment:**

1) Discuss the importance of B2B marketing and a strong B2B brand. How does it differ from consumer marketing?

2) Did Jeff Immelt and Beth Comstock do the right thing by dropping “We Bring Good Things to Life” for “Imagination at Work”? Have the new campaigns over the past 4 years (“Imagination at Work,” “Ecomagination,” “Healthcare Re-Imagined,” and “NOW”) changed GE’s brand? If so, how?

3) Considering the unique and difficult economic times of 2009, do you think GE has the right marketing strategy in place? Why or why not? What else should they be considering?
6. **Brand Architecture**  
(Monday, November 8th)

**Background:**

The objective of today’s session is to consider brand architecture. We will consider issues concerning the appropriate product and brand strategy to effectively leverage brand equity and introduce new products. Which product or service categories should be considered and what names and other brand elements should be applied? There is also a third short written assignment to be turned in at the end of class on brand architecture (see worksheet at end of the syllabus).

**Readings:**

- SBM (skim)  
  - *Chapter 11 (Corporate Branding Strategies)*  
  - *Chapter 12 (Introducing and Naming New Products and Brand Extensions)*

**Topics:**

- Corporate Branding Strategy  
- Brand Hierarchy  
- Brand Portfolios  
- Line Extensions  
- Category Extensions
7. **CASE: Nivea**  
(Tuesday, November 9th)

**Reading:**

- Nivea: Managing a Brand Architecture

**Assignment:**

This case concerns the marketing program for Beiersdorf's flagship Nivea brand. Nivea is a popular skin creme in Europe and other parts of the world that has been extended into a variety of skin care and personal care categories. The case addresses the issue of how to manage the brand image for a brand associated with different products. How can Nivea add new customers to their skin cream brand franchise without harming their brand equity? Further, how can Nivea maintain its brand equity in its core skin creme product while also leveraging that equity into new product categories? Class discussion will revolve around the following questions that should be considered before class:

1) What is the brand image and sources of equity for the Nivea brand? Does it vary across product classes?

2) How would you characterize the Nivea brand extension strategy – have they properly expanded the brand? How consistent and cohesive is their brand hierarchy?

3) What are the pros and cons of the various options available to Beiersdorf management? Should they run a corporate brand or umbrella ad for all of their products? What is the role of the Nivea skin creme advertising? Should it be changed?
8. **Brand Growth**  
(Monday, November 15th)

**Background:**

The objective of today’s session is to consider brand growth. We will expand our boundaries to take a global perspective and consider the implications of different cultures on effective brand management. We will also consider how to effectively manage brands over time. Finally, we will take stock of current branding trends.

**Readings:**

- SBM (skim)  
  - Chapter 13 (Managing Brands Over Time)  
  - Chapter 14 (Managing Brand Over Geographical Boundaries, Cultures, and Market Segments)  
  - *Chapter 15 (Closing Observations)*

**Topics:**

- Global Branding Strategies  
- Brand Reinforcement & Revitalization

**Written Individual Assignment III:**

1) Complete the “Evaluating Brand Architecture” Exercise
9. **CASE: Snapple**  
(Tuesday, November 16th)

**Reading:**
- Snapple: Revitalizing a Brand

**Assignment:**

This case addresses the question of how to determine what a brand is worth. It reviews the history of the purchase of Snapple by Quaker Oats for $1.7 billion and the subsequent sale to Triarc for $300 million only a few years later. The case provides background information to help assess what the brand value should have been. Another issue raised by the case is whether “this brand can be saved.” In other words, was Triarc’s investment a wise one? How can they best maximize their investment to avoid a similar experience? A number of issues are raised concerning how to properly evaluate a brand. Class discussion will revolve around the following questions that should be considered before class:

1) Prior to the purchase by Quaker, how would you characterize Snapple's positioning? What have been the key drivers of their brand equity?

2) In what different ways might you estimate the value of the Snapple brand at the time of the Quaker acquisition? Do the different estimates agree? If they differ, why might that be the case?

3) Did Quaker Oats pay too little or too much for Snapple? Why? If it was your own (company's) money, how much would you pay?
John Bello is a General Partner with Sherbrooke Capital, a venture capital group dedicated to investing in leading, early stage health and wellness companies. He serves on the board of Boathouse Sports, a Sherbrooke portfolio company. Mr. Bello is the founder and former CEO of South Beach Beverage Company, the maker of nutritionally enhanced teas and juices marketed under the brand name SoBe. The company was sold to PepsiCo in 2001 for $370 million. In 2001, Ernst and Young named Bello national Entrepreneur of the Year in the consumer products category for his work with SoBe.

Prior to founding SoBe, Bello spent 14 years at National Football League Properties, the marketing arm of the NFL and served as its President from 1986 to 1993. Prior to the NFL, Bello served in marketing roles at General Foods and PepsiCo. Currently Bello is a General Partner with Sherbrooke Capital, a venture capital group dedicated to investing in leading, early stage health and wellness companies.

He serves on the board of Boathouse Sports, a Sherbrooke portfolio company. He is also president of JoNa Ventures, an investment and strategic management company he co-founded with his wife Nancy (T’75). During four years of service with the United States Navy, he achieved the rank of lieutenant (senior grade) and received the Navy Commendation Medal with Combat V for meritorious service on riverboats in South Vietnam. His activities include: Tufts University board of overseers (board member, athletics); Gordon Entrepreneurial Center at Tufts (board of directors); Rye (NY) YMCA (board director); New York Council Boy Scouts of America (board director).

He obtained his BA from Tufts University, cum laude, and received his MBA from the Tuck School of Business in 1974 as an Edward Tuck Scholar.
1) What are 5 of your favorite brands? Why?

a.

b.

c.

d.

e.

2) What do your favorite brands tell you about what makes a successful brand?
For this exercise, consider your career after graduation. What kind of “brand” would you like to build for yourself? Answer the following three questions concerning brand strategy to provide some marketing perspectives.

1. Define the 3-5 points-of-difference you would like to establish in the long-run. In what ways can you be unique to other top-tier MBAs as your career progresses? What are the 2-4 points-of-parity you will also need?

2. What kinds of things will you need to do in the future to achieve your desired positioning?

3. Does adopting a branding perspective change your views on career management in any way?
For this exercise, pick one of the brands you identified as one of your five favorites. Answer the following two questions concerning its brand architecture.

1. Provide a simple characterization of their brand hierarchy and portfolio (no more than a page each).

2. Assess the effectiveness of the brand architecture. What are its strengths and weaknesses?