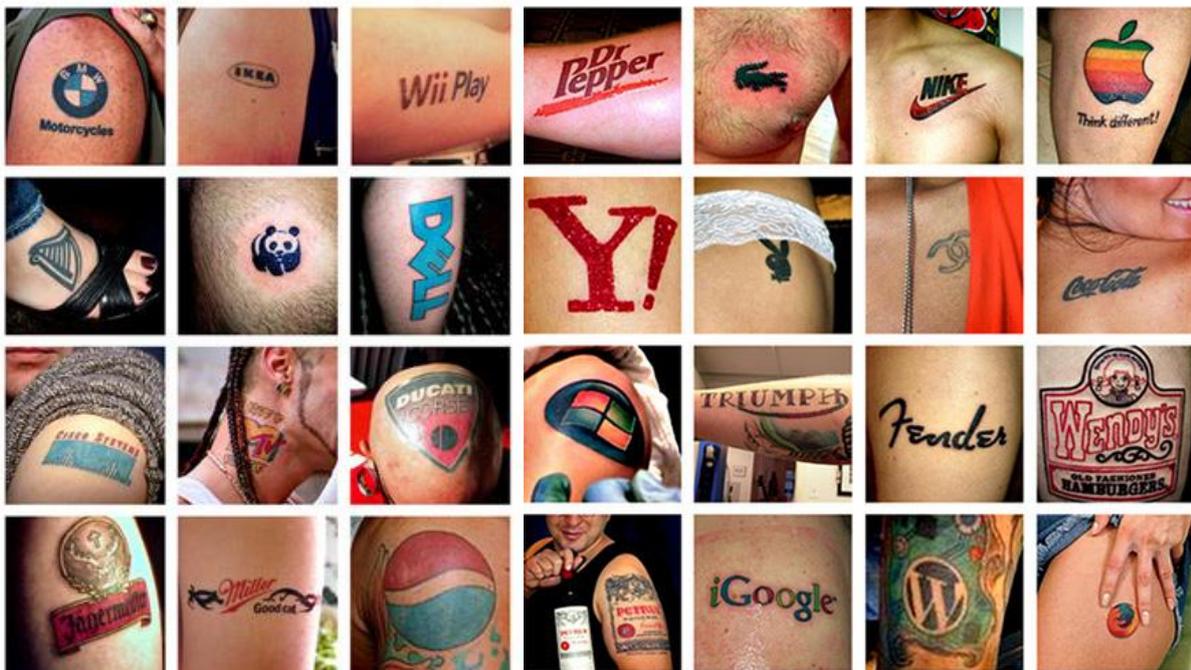


Management



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WHY TAKE BRAND MANAGEMENT?

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

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

WHAT IS THE TEACHING FORMAT?

This course relies extensively on case studies. We will study consumer and luxury brands (*e.g., L'Oréal, Louis Vuitton, Red Bull, Tata & Tetley teas, Diesel, Nike, Steinway*) but also a few technology and service brands in business to business settings (*e.g., Intel*). Only three of the ten cases studied are about US brands and only one is a HBS case. Seven of the cases studied are INSEAD cases, six of which were written by me for the purpose of this elective (*Cacharel, Diesel, Unilever in Brazil, Russian Standard Vodka, Clamoxyl antibiotics, and L'Oréal in China*). Also, the Diesel and Unilever cases were both winners for the Marketing category and the overall winners of the CaseCentre Global Case Awards and L'Oréal in China won first prize for the best marketing case awarded by AFM.

WHO SHOULD TAKE BRAND MANAGEMENT?

This course is designed to help general managers and consultants operating in a branded industry learn the tools and rules of brand marketing. It is not restricted to people who want to start their career as a brand manager.

HOW WILL I BE EVALUATED?

- (20%)** Class contribution (individual).
- (20%)** Participation in the online case surveys (individual).
- (60%)** Group work (group project OR 3 case write ups)

□ Class contribution

Every session of the course will involve interaction in the form of class discussion. I expect you to be prepared at all times to comment in any class session. I understand that job interviews are a fundamental component of P4. This being said, poor attendance will significantly reduce your class contribution grade and may lead to failing the course if it becomes unreasonable. To help you juggle the constraints of job search and class attendance, **I will allow section swapping** provided that you send an email ahead of time to: delphine.bellir@insead.edu.

Note also that attendance to the first session is compulsory and that I do not allow auditing. Under special circumstances, I will allow students who are not enrolled to attend one session but you need to check this with me first.

□ Online case survey

You must answer individually all the surveys on the course web sites. Answering the survey can help compensate for class absence due to job interviews or to other valid reasons. However, in order to receive full credit, your entry must be posted on the course web site, or sent by email **by 8:00 AM on the day of the session**. Entries submitted after will receive no credit.

□ Group work

Sixty percent of your course grade will be determined by work done in self-selected groups of 3 to 5. You will have to form your own group. Each group must choose to do ONE of the following:

- a) Three write ups of the cases studied in class.
- b) A large brand project (a brand audit or a brand management recommendation)

You must provide the composition of your group and your choice (brand project or three case write ups) before the second class. If you choose to do a brand project, you will also need to include a brief description of the topic(s) that you are considering studying. If you have an idea but no group, you can send an email to all the students. Please complete the necessary information on the website <http://tinyurl.com/groupscomposition>.

In order to expedite the group formation process, the deadline will be strictly enforced. I will assign all the students left without a group either to an existing group with fewer than five students or to a new group. Groups with fewer than 3 people will have to accept the group-less students. These groups will have to do the three case write ups and will not be able to choose the brand project. In any case, all group members will receive the same grade.

- a) The three case write ups (an alternative to the brand project)

The goal of the write ups is to allow you to work on a real-world marketing issue with more depth than what is possible in the classroom. The goal of the write up is not to test your ability to find information on what happened to the company described in the case. Finding out what happened is a normal impulse but it necessarily biases your analysis and hence diminishes the value of the exercise for you. So, my advice is that you don't waste your time on something that will diminish the value of your INSEAD experience.

Your group can choose to prepare a written analysis of three of the following cases: Russian Standard Vodka, L'Oréal Luxe China (distributed in class), Unilever in Brazil, Tata Tea Limited, Clamoxyl, Steinway Pianos, and Diesel. Please send your write ups by email to: delphine.bellir@insead.edu **by 8:30 am on the due date mentioned in the course overview**. Because the cases will be discussed in class, no write up will be accepted after the deadline. **Note that the write up for the Unilever in Brasil case is due on Thursday, March 26th 8.30am for everybody.**

Case write ups must be sent in a single Word or PDF document, single-spaced, and must not exceed 1,500 words. You may include exhibits. Exhibits do not count toward the word limit and must not exceed 3 pages. This syllabus lists preparation questions, which should help you steer toward the

important issues discussed in the case. **However, you do not have to answer these preparation questions one by one.** In fact, because these questions typically are about understanding the source of the problem, rather than its possible solutions, you do not always need to answer them in the write up (or perhaps only in the appendices). To help you, I have posted on the course web site an example of a good write up (for the Harlequin Romance case).

The key to a successful write up is to identify the important decisions that need to be made and to make specific and implementable recommendations on what the company should do next. The format for the case analyses is as follows:

1. A concise executive summary. This should define a) the context in which the decision must be made, b) the most important problems facing the company, c) your quantitative and qualitative goals, and d) an outline of the recommendations.
2. Recommendations
 - a. This should start with a statement of the quantitative and qualitative marketing objectives (including timetable).
 - b. The marketing strategy recommended to achieve this goal comes next (i.e., the positioning statement).
 - c. The action plan comes next (i.e., specific changes in the marketing mix). It should include detailed and actionable solutions.
 - d. The expected benefits of the recommended solution.
 - e. The expected drawbacks of the recommended solution and the key major impediments.
3. Appendices. These should provide supporting analyses as needed, including a brief analysis of the market (customers, competitors, company, community), the customer segmentation scheme (if applicable), support for the targeting decision (target attractiveness vs. company resources), and information supporting chosen positioning. Reasons why obvious alternative strategies and actions were not chosen should be given. Finally, the appendices should include relevant financial forecasting and break even analyses.

Case write-ups will be graded according to:

1. Quality of problem diagnosis. The source of identifiable symptoms or key impediment to attaining valued goals is defined (i.e., the correct problem is identified).
 2. Quality of recommendations. Specific, comprehensive and practical plans recognizing issues of implementation are provided.
 3. Writing style and organization. The write-up is logically structured and is clear and concise. Use exhibits to amplify and support your paper, but ensure the argument in the paper can stand on its own. Never append an exhibit that is not referred to in the text. There is no need to repeat facts from the case except to explicitly support a conclusion. No need to add a table of content or fancy images (which creates the suspicion that you searched the internet to solve the case).
- b) The brand project (an alternative to the three case write-ups)

Each group choosing the brand project will have to write a report with a maximum length of 10 pages, double spaced, plus 5 pages of exhibits. There will be no presentation. An electronic copy of the group report is due on the last day of class. To help you choose a topic and write your project, previous brand projects can be downloaded from the course web site. Do not forget to inform me if your project is confidential and if you do not wish to make it available to future Brand Management students.

Regarding the selection of topic, my attitude is that it is pretty much entirely up to you as long as it deals with a marketing problem, and even if this problem is not a branding problem per se (e.g., projects focused on customer segmentation, pricing, or distribution are OK).

In general, write ups that are entirely written using publicly-available sources (i.e., library reports) tend to be less interesting than those that supplement public knowledge with either new data or insider's information from the company's management. I also think that projects that try to answer a general question (i.e., "When is above-the-line marketing necessary?" "Branding in a recession") using one or a few brands as illustrations are more interesting than purely descriptive reports that are just focused on understanding a brand's particular issue. Finally, given the short deadline and the huge pressure on your time caused by job search, I recommend that you favor depth over breadth and start working on the projects very early in the program.

Doing a brand project is riskier than doing the three case write-ups because there is more uncertainty about the choice of topic, the collaboration of the company, etc. If your project fails to materialize you will still be able to do the three case write-ups available, provided that there are still three cases eligible by the time you are making this decision.

- **Recommendations for projects involving data collection.** This "hands-on" project type requires you to design and use a qualitative or quantitative market research technique in order to measure the awareness, image, equity, or value of a brand of your choice. This project will involve collecting data on a small convenience sample (through in-depth interviews or quantitative surveys) or analyzing stock-market and accounting data. I believe that this is the best way to learn the market research techniques described in the second part of the course. The outcome of the report may include, for example, an assessment of the brand's awareness, image, equity or value in comparison with its main competitors. You may also prefer to study a specific issue (i.e., test different proposed brand extensions, different logos or advertising ideas). In any case, the report must include not just the analysis but recommendations on how to improve the studied issue. More information on the brand audit report is provided in the "Note on measuring brand awareness, image, equity and value" included in the course pack. Most groups choose to do a brand audit.

Examples of past projects of this type: Measuring brand awareness and equity (Starbucks coffee in Europe, conjoint analysis of Champagne brands, Arsenal vs. Manchester United, Vietnam vs. Indonesia; Bulgari vs. Rolex, Omega vs. Gucci), brand valuation (Smirnoff UK, Bulgari worldwide), evaluating brand promotions (Yorkie UK), and finding a brand name. All non-confidential previous projects can be found on the course web site.

To create your surveys, do not open a free account from the main Qualtrics page because it offers limited functionality (250 respondents max, etc.). Go to <http://insead.qualtrics.com> and create an INSEAD account using your insead email.

- **Recommendations for projects involving company involvement.** For this type of project, my recommendation is that you either start with an existing company contact or try to establish this contact very quickly. Remember that you only have about seven weeks and that it can easily take a month for a company to get back to you. So always have a fallback option available (e.g., you could still switch to the case write ups as long as you can still do three write ups). The best projects of this type try to stick closely to the company's problem and focus on specific and manageable issues.

Examples of past projects of this type: Brand revitalization (Burberry, Iberia, Heineken in the UK), brand extension (Caudalie for men, Christian Dior shampoo Frogspub, Club Med, Jose Cuervo ready to drink, Louis Vuitton Haute Couture, Lancôme shampoos), brand portfolio management (BMG, Carrefour private labels), new brand development (Optimus Telecom, Roni Brunn handbags, Victoria Buckley jewelry), and global branding strategies (Wall's ice cream in China, internet search engines in Japan).

It is a good idea to choose a topic, brand, or company that you are already studying in other courses (typically entrepreneurship or ICA), as this provides you with a comprehensive view of inter-related issues. However, it is obviously important that 1) you fully disclose this to me (and to the other professor) and obtain my permission 2) that your brand management report contains unique and non-overlapping content.

WHAT IS THE COURSE MATERIAL?

- Packet of cases and readings.
- Optional books:
 - Keller, Kevin Lane (2012), *Strategic brand management: building, measuring, and managing brand equity*, 4th ed. Upper Saddle River, NJ: Pearson/Prentice Hall.
 - Kapferer, Jean-Noël (2012), *The New Strategic Brand Management: Advanced Insights and Strategic Thinking*, London: Kogan Page. A thought-provoking book. Provides many European examples.
 - Chernev, Alexander (2011) *The Marketing Plan Handbook*. Available on amazon.com.

WHO IS THE INSTRUCTOR?

Pierre Chandon is Professor of Marketing at INSEAD (with tenure) and Director of the INSEAD Social Science Research Centre (www.insead.edu/studies). Prior to joining INSEAD, he was on the faculty of the London Business School and of the University of North Carolina at Chapel Hill. Since joining INSEAD in 1999, he has held visiting positions at the Wharton School of the University of Pennsylvania and at the Kellogg School of Northwestern University. He holds a PhD from HEC Paris and an Ms from ESSEC. His primary research interests focus on the effects of marketing on food consumption, obesity, and in-store decision making. He is an Associate Editor of the Journal of Consumer Research and has published articles in Journal of Marketing Research, Journal of Marketing, Journal of Consumer Research, Obesity, and Annals of Internal Medicine. His research has won numerous awards, including the 2010 JCR award for the best article published in the Journal of Consumer Research in 2007 and was twice finalist for the Marketing Science Institute/H. Paul Root Award, in 2005 and in 2009. He has worked with various companies including Danone, Procter & Gamble, Unilever, Ferrero, L'Oréal and various governmental organizations. At INSEAD, Pierre Chandon teaches brand management and marketing management in the MBA, EMBA, and executive education programs. He has been nominated multiple times for the Best Teacher award and has received the Dean's Commendation for Excellence in MBA teaching in 2009 and 2010." He is the author of many case studies and has won the European Clearing House best case award in 2006 (marketing category), 2007 (marketing category and overall award), and 2008 (overall award). His work has been the subject of media coverage in Europe and in the US by, among others, The New York Times, The Economist, Scientific American, Cosmopolitan, and the Rush Limbaugh show. More information, including full-text copies of cases and articles, can be found at: www.insead.edu/facultyresearch/faculty/profiles/pchandon.

MBA ACADEMIC NORMS REMINDER (EXTRACT FROM THE CODE OF CONDUCT)

Intellectual honesty:

- Plagiarism (1) is not permitted. All work submitted in connection with your courses must be your own unless it is clearly identified as that of someone else;

- During exams, do not copy from or communicate with other students. Do not take any materials into the room unless explicitly permitted. Students are expected to respect the rules set down during exams by the invigilator;
- Active contribution to and respect for your group is expected. Work submitted should be original, unused before in any other course and should be the responsibility of the group as a whole;
- Reproduction or distribution of any copyrighted materials or publications is strictly limited and should only be done for study purpose.

Appropriate sanctions include, but are not limited to, the following: probation, suspension, exclusion.

(1) Plagiarism is usually defined as copying material (either word-for-word or approximately) from published documents without enclosing the passages in quotation marks and citing their source in a bibliography - Suggesting that conceptual ideas or models are one's own when they originate from someone else.

SESSION OVERVIEW

I. A FRAMEWORK FOR UNDERSTANDING THE VALUE OF BRANDING

Thu 5 Mar	Course overview and organization The value of branding	<i>Lecture and in-class exercises</i>
Tue 10 Mar	Brand orientation vs. customer orientation. Group composition and choice (3 write-ups or project) due	<i>Case (INSEAD): <u>Parfums Cacharel de L'Oréal</u></i>

II. BUILDING STRONG BRANDS

Thu 12 Mar	Branding in a commoditized market	<i>Case (INSEAD): <u>Renova Toilet Paper*</u></i>
Fri 13 Mar	Global brand expansion	<i>Case (INSEAD): <u>Russian Standard Vodka*</u></i>
Tue 17 Mar	Measuring brand equity	<i>Lecture and in-class exercises</i>
Thu 19 Mar	Building brands via media communication <i>Case due (INSEAD): <u>Tata Tea*</u></i>	<i>Lecture and in-class exercises</i>
Tue 24 Mar	Building brands via non-media communication	<i>Case (LBS): <u>Red Bull</u></i>
Thu 26 Mar or Tue 31 Mar	Building brands for low-income consumers	<i>Case (INSEAD): <u>Unilever in Brazil*</u></i>

III. MANAGING MATURE BRANDS

Thu 2 Apr	First mover advantage and strategies for later entrants	<i>Case (Wharton): <u>Viagra</u></i>
Tue 7 Apr	Fighting generics	<i>Case (INSEAD): <u>Clamoxyl antibiotics*</u></i>
Thu 9 Apr	Managing local brands	<i>Case (INSEAD): <u>L'Oréal in China*</u></i>
Fri 10 Apr	Downward brand extensions	<i>Case (HBS): <u>Steinway Pianos*</u></i>
Tue 14 Apr	Horizontal and vertical brand extensions	<i>Lecture and in-class exercises</i>
Thu 16 Apr	Brand architecture	<i>Case (INSEAD): <u>Diesel For Successful Living*</u></i>
Fri 17 Apr	Trading up and down <i>Brand Management projects due</i>	<i>Lecture and case discussion</i>

*Case eligible for group write up

I. A FRAMEWORK FOR UNDERSTANDING THE VALUE OF BRANDING

SESSION 1: THE VALUE OF BRANDING

Assigned readings:

- This syllabus.
- Keller chapters 1 and 2 (optional).

SESSION 2: BRAND ORIENTATION VS. CUSTOMER ORIENTATION

Case: Parfums Cacharel de L'Oréal: Decoding and Revitalizing a Classic Brand - (INSEAD)
Group work choice and group composition due before this session.

Case survey: <http://tinyurl.com/cacharelcas>. Before answering the survey, watch the Cacharel commercials on <http://cases.insead.edu/cacharel>.

Assigned readings:

- Kapferer, Jean-Noël (2012), *The New Strategic Brand Management: Advanced Insights and Strategic Thinking*, London: Kogan Page. Chapter 7 (Brand Identity and Positioning).
- Holt, Douglas B. (2003), "What Becomes an Icon Most?," *Harvard Business Review*, 81 (3), 43.

II. BUILDING STRONG BRANDS

SESSION 3: BRANDING IN A COMMODITIZED MARKET

Case: Renova Toilet Paper: Avant-garde Marketing in a Commoditised Category
Case eligible for the group write-up.

Case survey: <http://tinyurl.com/renovacase>

Assigned readings:

- Keller Chapter 3&4 (optional).

SESSION 4: GLOBAL BRAND EXPANSION

Case: Russian Standard Vodka: Strategies for Global Branding and Expansion into the US Market - (INSEAD)
Case eligible for the group write-up.

Case survey: <http://tinyurl.com/russianstandardcase>

Assigned readings:

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

SESSION 5: MEASURING BRAND EQUITY

Case: Tata Tea, Limited (A) - (INSEAD).
This case will **NOT** be discussed in class because we need to cover the methods first.
You do NOT need to read it unless you choose it as one of your group assignments.

Case survey: None!

Assigned readings:

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

SESSION 6: BUILDING BRANDS VIA media COMMUNICATION

Case: None!

Assigned readings:

- Keller Chapter 6 and 7 (optional).

SESSION 7: BUILDING BRANDS VIA NON-MEDIA COMMUNICATION

Case: Red Bull, the Anti-brand Brand - (LBS)

Case survey: <http://tinyurl.com/redbullcase>

Assigned readings:

- Niederhoffer, Kate, Rob Mooth, David Wiesenfeld, and Jonathon Gordon (2007), "The Origin and Impact of CPG New-Product Buzz: Emerging Trends and Implications," *Journal of Advertising Research*, 47 (4), 420.
- Egol, Matthew and Christopher Vollmer (2008) "Major Media in the Shopping Aisle", *strategy + business*, Winter (53), 68-75.

SESSIONS 8 & 9: Building brands for low-income consumers

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

Case eligible for the group write-up.

The write-up is due on Thursday, March 26th for everybody.

Case survey: <http://tinyurl.com/Unilevercase>. Before answering the survey, watch the Unilever commercials on <http://cases.insead.edu/unilever/>

Assigned readings:

- Dawar, Niraj and Amitava Chattopadhyay (2002), "Rethinking Marketing Programs for Emerging Markets," *Long Range Planning*, 35 (5), 457.

III. MANAGING MATURE BRANDS

SESSION 10: FIRST-MOVER ADVANTAGE AND STRATEGIES FOR LATER ENTRANTS

Case: Viagra (Wharton).

Case survey: <http://tinyurl.com/inseadviagracase>

Assigned readings:

- Boulding, William and Markus Christen (2001), "First-Mover Disadvantage," *Harvard Business Review*, October, pp. 20–21 (reprint F0109A).

SESSION 11: FIGHTING GENERICS

Case: Marketing Strategies in the Competition Between Branded and Generic Antibiotics – Clamoxyl in 1996 - (INSEAD).

Case eligible for the group write-up.

Case survey: <http://tinyurl.com/clamoxylcase>

Assigned readings:

- Keller chapter 5 (optional).
- Hoch, Stephen J (1996), "How should national brands think about private labels?," *Sloan Management Review* (Winter), 89-102.

SESSION 12: MANAGING LOCAL BRANDS

Case: L'Oréal Luxe China: Relaunching the Chinese Cosmetic Brand Yue Sai (INSEAD)

Case eligible for the group write-up.

Case survey: <http://tinyurl.com/lorealchinacase>. Before answering the survey, watch the L'Oréal commercials and interviews with the manager and CEO on <http://cases.insead.edu/loreal-china/>

Assigned readings:

- Luxury with Chinese Characteristics, *China Economic Review*, 2012.
- Meet the 2020 Chinese Consumer, McKinsey report 2012.

SESSION 13: DOWNWARD BRAND EXTENSIONS

Case: Steinway Pianos: Buying a Legend - (HBS)

Case eligible for the group write-up.

Case survey: <http://tinyurl.com/steinwaycase>

Assigned readings:

- Aaker, David A (1997), "Should you take your brand to where the action is?," *Harvard Business Review*, 75 (5), 135-143.

SESSION 14: HORIZONTAL AND VERTICAL BRAND EXTENSIONS

Case: None!

Assigned readings:

- Keller chapters 11 and 12 (optional).
- Aaker, David A. and Erich Joachimsthaler (2000), "The Brand Relationship Spectrum: The key to the brand architecture challenge" *California Management Review*, 42 (4), 8-23.

SESSION 15: BRAND ARCHITECTURE

Case: Diesel for Successful Living: Branding Strategies for an Up-market Line Extension in the Fashion Industry - (INSEAD).

Case eligible for the group write-up.

Case survey: <http://tinyurl.com/dieselcase>

Assigned readings:

- Keller chapter 13 (optional).

SESSION 16: TRADING UP AND DOWN

Case: None!

Assigned readings:

- The New World of Luxury, BCG 2012.