

# SAMPLE SYLLABUS

NYU STERN

NEW YORK UNIVERSITY · LEONARD N. STERN SCHOOL OF BUSINESS

## Brand Strategy

B70.2365.070

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Professor Scott Galloway

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This course is based on the teachings and writings of Professor David Aaker, considered the father of modern branding.

### Texts

1. David A. Aaker, Managing Brand Equity, The Free Press, 1991 (MBE)
2. David A. Aaker, Building Strong Brands, The Free Press, 1996 (BSB)

Brand planners/strategists face many challenges, including how to:

1. Create a comprehensive brand architecture that will provide strategic direction;
2. Generate motivating brand identities and value propositions for the key brands;
3. Develop brand-building programs; and
4. Organize to manage brands effectively.

The goal of this course is to provide concepts, models, methods, and role models that will help address these challenges.

The brand architecture challenge involves an identification of the brands and the sub-brands that are to be involved, their respective roles, and, most important, how they relate to each other. Effective, well-conceived brand architecture will lead to clarity in customer offerings and realize real synergies in the brands and their communication programs. What is destructive and wasteful is to have a host of brands that emerge and drift in a random, disorganized fashion resulting in a confused set of offerings

with monumental communication inefficiencies. A key issue in the creation of effective brand architecture is knowing when to stretch an existing brand, when to employ a new brand, when to use sub-brands, and when to use endorsed brands. The roles and management of sub-brands and endorsed brands are often the key elements of brand architecture decisions. Can a sub-brand or endorsed brand be used to help a brand stretch over products and markets?

The brand identity challenge is to have a vision of how each actively-managed brand should be perceived by its target audience. The brand identity helps to provide clarity of mission for employees and partners and clarity of offering to customers. It needs to resonate with customers, differentiate from competitors, and reflect the organization's resources and plans.

Development of communication and other brand-building programs needed to realize the brand identity is the third challenge. Brand-building programs not only implement the brand identity, but also define it. An advertising execution or sponsorship can bring clarity and focus to a brand identity that appears sterile and ambiguous. In fact, some strategies are difficult to communicate in words without some pilot executional elements. In addition, some executional effort may provide confidence that a strategy is doable.

The fourth challenge is organizational. Brand strategies need to be created and implemented in the context of organizational structures and processes. This course will consider various forms of organizational efforts to support brand building. Global brand management creates complexities that put strains on the organization, and these strains will also be addressed.

## **The Brand Strategy Project**

A brand strategy project is to be undertaken by a team of five to seven people for a client with a new or existing brand. The project will count for about 50% of the grade. The project should involve some interviews or workshops with people in the client firm. You should pick a client that has one or more people who are willing to spend a few hours with you. You should pick a context in which there is strategic brand issue (i.e. opportunity or challenge). It could involve a brand extension with a new brand vs. endorsed brand vs. sub-brand decision. Or it might involve articulating and positioning a new brand or the role of the corporate brand. It could also involve reviving a tired brand or assessing which brands warrant investment for growth, and how?

## **Developing a Brand Strategy**

When you are developing a brand strategy for one or more brands, do not attempt to apply every brand concept that you know. Draw on those that are really relevant and helpful. There is no checklist here. Focus your efforts on the most important brands and branding issues.

## **Report Outline**

The following provides an outline of the report:

1. A brand audit as outlined in the appendix. You should consider including:

- a. Brand inventory.
  - b. Description of the current brand image and communication strategy—if customer research is not feasible, the opinions of managers could be used.
  - c. Competitor brand analysis.
  - d. Brand portfolio roles—what are the silver bullet brands, the strategic brands?
  - e. Brand system evaluation.
2. A brand identity and value proposition recommendation for one or more of the major brands. Specify if this identity is to be modified for different products or segments. For each brand identity, specify:
- a. The core identity
  - b. The brand essence/tagline
  - c. Strategic imperatives
  - d. Role models—internal or external
  - e. A measurement instrument

This phase should involve an assessment of the customers, competitors, and the brand itself. In the customer research, it might be appropriate to do some qualitative research to get at the brand's perceived heritage, unique attributes, brand personality, organizational associations, symbols, functional benefits, emotional benefits, and self-expressive benefits. The same information should be obtained about the major competitors—sometimes this can be implied from Web sites, ads, supplemented by secondary research. The brand goals of your client brand and competitors in part can come from reviewing their annual reports and current advertising.

3. Develop recommendations for a communication program for the brand. You can develop logos, packages, and ads, if you wish. However, you can also provide broad suggestions as to the elements of the communication program and not provide any creative work. What events might be sponsored? What promotions? What co-branding efforts? What visual images? What metaphors? What can be done to build/reinforce awareness, perceived quality, brand loyalty, and associations?
4. Develop a brand architecture that specifies the key brands and the relationship between them. Specify the use of endorsed brands, sub-brands, branded features/components, co-brands, etc. Identify the key brand architecture issues and defend your recommendations with respect to those issues.
5. Find a “best practice” brand strategy that could provide insights and guidance to your brand strategy. It might be a brand from a competing firm or from another industry. These benchmarking brands should be looked at critically—why might the strategy work in that context but not in ours? What is different?
6. Optional: If appropriate, develop a new brand name for a brand, a sub-brand, a branded feature or whatever.

### **Report Schedule (Dates are tentative and may be changed)**

Hand in by **February 23<sup>rd</sup>** a note outlining:

1. The group members
2. The client selected
3. The brands to be focused on

Hand in by **March 2<sup>nd</sup>** a memo with a draft of the brand audit (it can be incomplete) and an identification of the major brand strategy issues.

Hand in by **April 13<sup>th</sup>** a first draft of the brand identity and value proposition paper and the brand architecture section. Both can be incomplete. It does not have to be a final draft.

Final group report is due **April 27<sup>th</sup>**.

Submit a hardcopy of final presentation deck with detailed speaking notes and back-up material **on the day of your final presentation.**

With the exception of the final presentation, **all assignments should be submitted on Blackboard before class.**

## **Teams**

At the end of the semester, you will have an opportunity to provide me with feedback on the relative contributions of your team members. Obviously, it is important that each member carries his or her weight. These intra-group reviews will play an important role in the determination of final grades. It is possible that a grade could be reduced by one letter because of uniformly poor evaluations by other group members.

## **Class Participation**

A large part of the course will involve discussions of cases and exercises. This part of the course, which will include three short written assignments and class discussions, will constitute about 50% of the grade.

To facilitate participation, **name cards need to be used throughout the semester** and students must attempt to maintain the same seat. In order to be able to participate in class discussions, attendance is mandatory. Attendance will be taken at the beginning of each class. If for any reason you cannot attend a class session, please let the TA's know in advance. **You can miss one class per term without impact on your grade. Missing two or more classes will adversely affect your class participation grade.**

The three required written assignments should be done in teams of 2. There are several options for cases, for you to choose from. All written assignments should be turned in on the Monday of the week they are due, and will not be returned. Only one submission per team is required. Assignment grades will be posted on Blackboard.

## **Please Choose and Hand in THREE Written Assignments**

**All Written Assignments are due on Blackboard before class.**

**They may be completed in teams of 2 - no more than one partner!**

**Course Outline:**

**Week 1: 2/9**

**Introduction and Brand Equity**

Read	Discuss
<p><b>MBE Ch. 3</b></p>	<p>Review Syllabus, answer questions.            Overview of class.            Discussion of project.            Describe the following brands:                --Black Book Magazine                --Paris Hilton                --Al Qaeda                --South Africa</p> <p>What is a brand?            Why build brands? Why is it hard?            What is a strong brand? What examples can you nominate?            What is brand equity?</p> <p><i>Case: Datsun/Nissan (MBE Chapter 3)</i>            What was the logic? Was it a mistake?</p>

**2/16 – Presidents’ Day – NO CLASS**

**Week 2: 2/23**

**Brand Equity (Cont’d)**

Read	Discuss	Hand in via BB
<p><b>MBE Ch. 1-7</b></p>	<p>Awareness--                How do you create awareness if you are Volvo or Howard Dean?                Who has done it well? How?</p> <p>Perceived quality--                What are quality cues for:                    Cat Food                    Golf clubs                    Cosmetics                    Consulting firms                Why is Tiffany perceived as having high quality year after year?</p> <p><i>Case: The Schlitz Story (MBE Chapter 4)</i>                1. Why did Schlitz lose their perceived quality?                2. What was done to get it back? Why did those efforts fail?                    What would you have done?                3. Do you know of any brands that did recover from a perception of low quality?                    Consider, for example, Toyota, which started with a very</p>	<p><i>Submit Group Note</i></p>

	bad quality reputation.	
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**Week 3: 3/2**

**The Brand Identity**

<b>Read</b>	<b>Discuss</b>	<b>Hand in via BB</b>
<b>BSB Ch. 1-6</b>	<p><i>Case: Harley Davidson (BSB Chapter 5)</i></p> <ol style="list-style-type: none"> <li>1. Develop a brand identity. What is the core identity? The brand essence?</li> <li>2. What, in your view, is the brand personality of Harley? How did it develop? How is it maintained?</li> <li>3. How do you account for the Harley user's involvement in the brand? The summer gatherings? The local H.O.G. chapters? The tattoos?</li> </ol> <p>Strategic analysis for the Stern School-- Customer, competitor, self Building brand identities-- What should the brand identity be for the Stern School?</p>	<p><b>Written assignment:</b> Write up a brand identity for Harley.</p> <p><i>Group Project:</i> Submit draft of the brand audit and identification of the major brand strategy issues.</p>

**Week 4: 3/9**

**The Brand Identity (cont'd) and Valuing a Brand**

<b>Read</b>	<b>Discuss</b>	<b>Hand in via BB</b>
<b>BSB Ch.7,10  MBE Ch. 1 p. 21-30</b>	<p><i>Case: Elaborate the Harley Brand Identity</i></p> <ol style="list-style-type: none"> <li>1. Identify external role models for the brand.</li> <li>2. Probe the boundaries of one of the categories of external role models.</li> </ol> <p>Brand Valuation Methodology</p> <ol style="list-style-type: none"> <li>1. Why would you attempt to put a value on a brand?</li> <li>2. Evaluate the methodology. Suggest improvements.</li> </ol> <p><i>Case: The Y&amp;R Brand Asset Valuator (BSB Chapter 10)</i></p> <ol style="list-style-type: none"> <li>1. What in your view are the strongest brands in the U.S.? Why?</li> <li>2. Explain and evaluate the model. Does differentiation come first, as the model predicts? Can you think of counterexamples?</li> <li>3. Examine Figure 10-1. Given that evidence and the underlying model, what would you say are the strongest brands in the U.S.?</li> </ol> <p><i>Case: Luxury Sport Automobile Group</i></p> <ol style="list-style-type: none"> <li>1. For each of the brands—Jaguar, Mercedes, BMW, Lexus: <ol style="list-style-type: none"> <li>a. What is the brand personality?</li> <li>b. What is the emotional benefit?</li> <li>c. What is the self-expressive benefit?</li> </ol> </li> <li>2. Rank the symbols in terms of their ability to add to brand equity.</li> <li>3. Evaluate the advertising of each.</li> <li>4. Why do people buy luxury cars? How does the market</li> </ol>	<p><b>Written assignment:</b> Either provide a one-page note with an external role model set for Harley or evaluate a brand valuation method.</p>

segment?

3/16 - SPRING BREAK

Week 5: 3/23

Brand Architecture—Extensions

Read	Discuss	Hand in via BB
<p>MBE Ch. 9</p> <p>BSB Ch 8,9</p>	<p><i>Case: Pottery Barn (Web site, catalog(s))</i></p> <ol style="list-style-type: none"><li>1. What is the PB image?? What is its personality?</li><li>2. Evaluate PB's decisions to:<ol style="list-style-type: none"><li>a. Introduce a kids brand.</li><li>b. Introduce a brand for teens.</li><li>c. What are the risks? What research would you have done before making the decision?</li><li>d. What other business might PB extend into?</li><li>e. How should Crate &amp; Barrel respond?</li></ol></li></ol> <p><i>Case: American Express (Web site)</i></p> <ol style="list-style-type: none"><li>1. For each Amex brand identify the master brand, endorser brand, sub brand.</li><li>2. Evaluate the brand architecture. What are the strong points? The weak points?</li><li>3. Evaluate the Amex symbol. What is the</li></ol>	

	<p>logic?</p> <p><i>Case: The Healthy Choice Story (BSB Chapter 9)</i></p> <ol style="list-style-type: none"> <li>1. What is the brand identity of Healthy Choice? The core identity?</li> <li>2. Has it been extended too widely? On what product would you say no? On nonfood items?</li> <li>3. Compare the brand policy of Healthy Choice with that of Kingsford Charcoal (BSB Chapter 9).</li> <li>4. Compare Healthy Choice to Weight Watchers. (See MBE Chapter 5 for the Weight Watchers Story.) Is there any difference in their brand identities? Why wasn't Weight Watchers the first to introduce a "Healthy Choice" brand? Why was it ConAgra?</li> </ol>	
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**Week 6: 3/30**

**Branding in the High Tech World**

**Branding the Nation State and Political Parties**

<b>Read</b>	<b>Discuss</b>	<b>Hand in via BB</b>
	<p><i>Case: i-Tunes, i-Photo, i-Sight</i></p> <p>Issues in High Tech Branding--</p> <ol style="list-style-type: none"> <li>1. What are some strong high tech brands? How did they become strong?</li> <li>2. Identify some (good)(bad) examples of brand architecture in high tech.</li> <li>3. Is branding in high tech different than in other contexts?</li> </ol> <p><i>Case: Democratic National Committee</i></p> <ol style="list-style-type: none"> <li>1. What is the DNC's image/identity?? What is its personality?</li> </ol>	<p><b>Written assignment:</b> Conduct qualitative market research using ideas discussed in Chapter 6 in MBE assuming that your client is Microsoft. Conduct a minimum of three one-on-one interviews. If you work with another person, generate five interviews. Alternatively you can do one focus group. Ask, If Microsoft were a person, what would be its personality? age? gender? etc. Or, if it were an</p>

	<p>2.What issues should the DNC adopt for the upcoming election(s)?</p> <p><i>Case: China (branding countries)</i></p>	<p>animal, what kind would it be?          What kind of magazine? movie?          sports celebrity? movie star? etc.          Do the same for HP          and Intel.</p>
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**Week 7: 4/6**

**The Web and the Importance of Design/logos**

<b>Read</b>	<b>Discuss</b>	<b>Hand in via BB</b>
<p><b>BSB</b> <b>Ch. 7, 11</b></p>	<p><b>Branding on the Internet</b>            Explore the following sites:            Amazon, EBay, Abercrombie &amp; Fitch, Gap            Americangirl, Red Envelope, ESPN, AskJeeves,            Tide, Audi</p> <p>Evaluate the above web sites for:</p> <ol style="list-style-type: none"> <li>1. The name and/or symbol</li> <li>2. Look and feel—personality</li> <li>3. Content</li> <li>4. Experience</li> <li>5. Use of branded benefits, features</li> </ol> <p>What is a good brand-building web site? Do you have any other examples?</p> <p><b>Brands and Rejuvenation</b>  <i>Case: Playboy</i></p> <ol style="list-style-type: none"> <li>1. Customer analysis: How would you segment the market?</li> <li>2. Competitor analysis: How are the major competitors positioned?</li> <li>3. Develop a brand identity for Playboy. What are the sub-brands?</li> <li>4. What are immediate issues to be addressed? Where do we find growth?</li> <li>5. Address these issues:              The aging of the brand.              The impact of the Internet.              Too racy, not racy enough?              Hugh.</li> </ol> <p><i>Case: The New Yorker</i></p> <ol style="list-style-type: none"> <li>1. Develop a brand Identity for The New Yorker</li> <li>2. Where do we find (invest in) growth?</li> </ol>	<p><b>Written assignment:</b>            Write a comment on one of the two cases—you don't have to write up all the questions. Or...            Write up your analysis of two of the listed sites from the Branding on the Internet discussion points.</p>

**Week 8: 4/13**  
**Brand Based Investing**  
**Building Global Brands**

Read	Discuss	Hand in via BB
<p><b>MBE</b> <b>Ch. 11</b></p>	<p><b>Case:</b> Develop a thesis/argument for investing (long or short) one of the following companies based on brand strategy principals:</p> <ul style="list-style-type: none"> <li>Gateway Computer (GTW)</li> <li>Sharper Image (SHRP)</li> <li>Sears (SHLD)</li> <li>RadioShack (RSH)</li> <li>Other (you choose)</li> </ul> <p><b>Case: Levi's (Web site)</b></p> <ol style="list-style-type: none"> <li>1. What is Levi's brand identity?</li> <li>2. Is Levi's a global brand? Should it be?</li> <li>3. What elements should be global? Be specific.</li> <li>4. How would you organize to manage the Heineken brand?</li> </ol> <p><b>Case: McDonald's in Europe (Web site)</b></p> <ol style="list-style-type: none"> <li>1. Should the best ads be exported to other countries?</li> <li>2. Should this effort be extended to all of Europe? If so, how?</li> <li>3. Should this be extended to multiple agencies? How?</li> </ol>	<p><i>Group Project:</i>            Draft of the brand identity and value proposition paper and the brand architecture section</p>

**Week 9: 4/20**  
**The Brand That is You**  
**Class Recap**

**Week 10: 4/27**  
**Battle of the Brands, Round 1**

**Week 11: 5/4**  
**Battle of the Brands, Round 2**

**Week 12: 5/11 (Final Class)**  
**Battle of the Brands, Round 3 (Winner Celebration)**

## **Appendix: The Brand Strategy Audit**

The process starts with a brand strategy audit that provides a systematic way to inventory current brand assets and strategy. The audit will allow problems to be identified and priorities to be set with respect to brand strategy development and implementation. There are five elements of the audit. The first identifies the brands and sub-brands. The second identifies the current image and strategy of each brand. The third analyzes the competitors. The fourth categorizes the brands as to their roles. And the fifth evaluates the brand system.

### **Brand Inventory**

1. What are the organization's brands?
2. For each brand, what are the sub-brands?
3. For each brand, what are the branded features, services, or components?

### **Brand Image and Strategy**

For each brand:

1. What is the brand image? Its perceived quality? Its brand personality?
2. What is the awareness level?
3. What is the brand's point of differentiation? Its current value proposition?
4. What is the brand's heritage?
5. Develop a profile of the brand's brand-building activities. What advertising themes have been placed behind the brand?

### **Competitors**

1. Who are the major competitors or competitor types?
2. What are their strengths? How are they perceived? How is each positioned? Are they attempting to change perceptions? If appropriate, competitors' ads should be obtained and analyzed as to positioning strategies and quality and consistency of execution.

### **Brand Categorization**

1. What brands or sub-brands are "strategic brands"—brands that deliver or are expected to deliver significant sales and profits to the firm or are important points of leverage for the organization (e.g., Hilton Rewards)?
2. What brands or sub-brands are silver bullets—brands or sub-brands that influence another brand? Are they being exploited properly? Are additional silver bullets needed?
3. What brands are playing endorser roles? In what ways do they add value? Is their identity appropriate for that role? Is any identity-building augmentation needed because a brand is playing an endorser role at times? Are there cases in which the endorser should recede or even become disassociated? Are there other contexts in which an endorser should be added or made more pronounced?
4. Identify umbrella or range brands—brands that range over product classes. Does the brand identity work in each context? Is there a plan that specifies what products the umbrella brands will include in the future?

## **Brand System Evaluation**

1. Evaluate the number of brands. Are there too many? Are brands stretched too far? Should new brands be considered? What services, features or ingredients should be branded?
2. Are some brands not leveraged enough? Could they do more? Could they be used to attack new product markets? Could they be used to access value or premium markets?
3. Are there opportunities to partner or co-brand? What types of partners would serve to reduce limitations of the brand identity? What types would enhance the identity? In each case would it be more appropriate to be a modifier brand or a modified brand?
4. Does the system deliver clarity to the customer? Or confusion? Does the system represent a clear, motivating sense of purpose to employees and partners? Could sub-brands or sub-sub-brands be used to clarify or manage expectations?
5. Do the key brands have a brand identity? Are they actively managed?

A brand audit provides a start. The challenge is then to create a brand architecture, brand identities, and brand-building programs.

### **Bio, Scott Galloway**

Scott is a Clinical Associate Professor at The Stern School of Business (NYU) where he teaches brand strategy to 2nd year MBA students. In 1997, he founded Red Envelope (Nasdaq: REDE), considered the premier Internet-based branded consumer gift retailer (2005, \$120mm revs.). In 1992, Scott founded Prophet, a brand strategy consultancy, that employs over 100 professionals in the US, Europe and Asia. Scott was elected to the World Economic Forum's "Global Leaders of Tomorrow" which recognizes 100 individuals under the age of forty "whose accomplishments have had impact on a global level." He received a BA from UCLA and an MBA from UC Berkeley.