



BRANDING 15.846

Instructor: Renée Richardson Gosline (rgosline@mit.edu)
Teaching Assistants: Melinda Salaman: msalaman@mit.edu
Diego Aparicio: dapa@mit.edu

Schedule: H2, Tuesdays and Thursdays
• Section A: T, TH 10-11:30, in E51-325
• Section B: T, TH 1-2:30, in E51-315

Please note: This class is full, so please attend only the section to which you have been admitted. Should you need to make a change, it is imperative that you contact the TA for your section at least 24 hours in advance, as we will be recording attendance.

Welcome to Branding!

Nature and Purpose of this course:

Everyone is a consumer, and everyone is aware of brands. Despite this apparent ubiquity of experience, relatively few companies are successful at building strong, resilient brands. Some of a firm's most valuable assets are its brands. Although manufacturing processes can often be duplicated, beliefs and attitudes established in consumers' minds cannot. This class is meant to introduce you to the fundamentals of branding, and to prepare you to build and protect brands yourselves. Along the way, you will tackle some of the strategic issues that affect brands at various stages of the "life course." We will also dig into the challenges that come along with success, including imitation, second-mover advantage, and the illusion of Marketer control over brands in the face of consumer co-creation.

Classroom Policies:

Please read the Sloan Values. In addition, here are the policies for my class:

- **Do the reading and speak up, thoughtfully.** This is imperative. I will employ the Socratic method, so please be ready to engage in lively discussion.
- **Arrive promptly and do not go in and out.** Please do not leave midway unless in case of physical emergency. It is distracting and unnecessary.
- **Turn off electronics.** This is Sloan policy. Laptops, tablets and phones are not to be open in the classroom except with explicit permission from me. Please silence your phones (not just vibrating mode) before class.
- **Show up and participate.** Interviews, recruiting and the like will not be accepted as excuses. You will be docked for absence from class. To help you juggle the constraints of job search, I will allow section swapping, provided that you inform the section TAs and me 24 hours before class time.

Grading:

This class cannot be taken for P/F, nor will we be able to accommodate listeners due to capacity constraints. Your grade will be determined based on four criteria:

1. Class participation and involvement (30%).
2. Individual Tumblr Blogs (30%): Create a Tumblr account for this class. Please note that this content will be made public. If you already have a Tumblr, you may create a new blog under your account. *Each student must make 1 post each week related to the research topic and class in general – you must post commentary along with your post. Your post is due by 7pm the night before the class session, late posts will not be counted. Please follow your TA's Tumble handle to ensure that your submission is found and tabulated.* Also, each post must have the following hashtags (though you can add others): #2018mitsloanbrandingA or #2018mitsloanbrandingB, according to your section. This will allow your TAs to track your post completion. More details on Tumblr posts below.
3. Branding Lab (40%). You'll have 10-15 minutes to create a killer presentation for your "client." Think of it as a long elevator pitch. Therefore, there is no paper; you'll need to create a multimedia presentation. Please note due dates for proposals/bids, progress reports, and lab presentation. More details provided under separate cover and in class. Each team member must also provide a grade for each other team member.

More about Tumblr posts:

The general idea is that this is a way for you to respond to the topic of the day and incorporate different media, including pictures, gifs, and links. You do not have to directly answer the questions for the day's case, but it should be an analysis of topic of the day. We want you to be thinking about how the topic relates to the outside world and to be able to see what others in the class have discussed as well. Guidelines:

1. When you do post content, make sure to add your own thoughts. Content without commentary will not earn credit. Similarly, answering the case questions without adding some additional points won't earn full credit. Remember that there is no final paper, so you should put some effort into these. We want these posts to be a conversation starter, and encourage you to use the case as a jumping off point for your ideas.
2. If you pull content from somewhere else, please give credit. Feel free to quote, but make sure to be clear which words are from you versus someone else.
3. We encourage you to read each other's posts. This should be a conversation.
4. Finally, the expectation is one post per week.

Course Roadmap:

We don't have much time together, so we need to make every session count. The course will be broken up into four modules:

1. Building Brands
2. Managing Brands
3. Defending and Sustaining Brands
4. Leadership Branding

Module 1: Building Brands

1. THE POWER OF A BRAND: April 2

Cases:

- Black & Decker Corp. (A): Power Tools Division, by Robert J. Dolan

This case describes the challenges, strategy, and results of Black and Decker's (B&D) brand-building attempts in the tradesman segment of the US power tools market. Some questions to consider as you prepare this case:

- Why is Makita outselling B&D 8 to 1 in an account that gives them equal shelf space?
- Why are Black and Decker's shares of the two professional segments – Industrial and Tradesmen – so different? Wouldn't you expect them to be similar?

2. BUILDING BRANDS BY STEERING GREAT CREATIVE: April 4

Cases:

- Corona Beer (A)
- Market Research: 592034-PDF-ENG

Some questions to consider as you prepare this case:

- What are Heineken's vulnerabilities and how could they be protected?
- What do the Heineken and Corona brands mean in the minds of consumers, and how do these meanings differ in the minds of consumers?
- How do the advertising campaigns contribute to these meanings?

3. BEHAVIORAL SCIENCE AND EXPERIMENTATION: April 9

Reading:

- BEworks: Experimentation in Business W17655-PDF-ENG
- The Last Mile: Using Behavioural Insights To Create Value, HBR # ROT273-PDF-ENG

Understanding and embracing experimentation is essential for insightful branding strategy. Some questions to consider as you prepare this case:

- What are the obstacles for widespread adoption of behavioral experiments?
- What firms/brands are best poised to benefit from behavioral experiments?

4. DIFFUSION: April 11

- Case: "Four Products: Predicting Diffusion" (508-103)
- "Note on Innovation Diffusion: Rogers' Five Factors"
- Optional: "Forecasting the Adoption of A New Product"

These readings address important aspects of building brands – diffusion and adoption. Although you would not have a crystal ball as a Marketer, *please use the data in the cases to move beyond your gut reactions and impressions*. In this case, you are asked to compare and contrast the likely diffusion for four very different products. The goal is to establish a small set of criteria that you think most influence the process of diffusion.

Some questions to consider as you prepare for class:

- What is the market potential for each of the products?

- Which products will reach this market potential rapidly, and why? Which products will reach this market potential slowly (if at all), and why?
- How do Rogers' five factors apply to the four products?

Module 2: Managing Brands

Note: **BRANDING LAB PROPOSALS DUE BY START OF CLASS UPLOADED TO THE STELLAR WEBSITE UNDER HOMEWORK.** Please include: Team name, the group members' section, names, contact information, company ranking, and a summary of the branding problem you have identified and the research question that you are looking to answer through the primary data that you will collect. Note: You do **not** have to write and submit a separate proposal for each company in your ranking. Only your first choice, i.e. your top-ranked company.

5. April 18

- Case: Concha y Toro
- Article: "Fine as North Dakota Wine: Sensory Expectations and the intake of companion foods," *Physiology and Behavior* 90 (2007) 712-716.

Please consider the following questions as you prepare for class discussion:

- Does a "bottom-up" or "top-down" strategy make more sense for Concha Y Toro? Why does "Made in Chile" matter?
- How much of wine consumption is perception versus actual quality?

[NO CLASS TUESDAY, APRIL 16 DUE TO PATRIOT'S DAY]

6. April 23

Case: Singapore Airlines (A)

Article: "Want To Perfect Your Company's Service? Use Behavioral Science."

Please consider the following as you prepare the case:

- How does SIA deal with an industry crisis?
- How do you sustain customer-centric value?

7. April 25

Articles:

- ASICS: Chasing a 2020 Vision, 517060-PDF-ENG
- Brand Portfolio Strategy and Brand Architecture, 517021-PDF-ENG

As you prepare for class, please consider the following:

- Analyze the ASICS brand architecture strategy in light of its goals. What are your expectations and recommendations?

Module 3: Defending and Sustaining Brands

8. LUXURY BRANDING: April 30

****Branding Lab Progress update due****

Case: Burberry

Today we move into the module that examines the ways in which brands defend against competitive encroachment and an ever-changing consumer landscape. Please consider the following as you prepare the case and article:

- Compare Burberry's market position relative to that of its competitors, including Polo, Coach, Armani and Gucci. Is Burberry's competitive position sustainable over the long-term? Why or why not?
- To what extent have the changes that Bravo made exacerbated or mitigated Burberry's risk profile in the unpredictable world of fashion?
- Who is Burberry's target audience?
- Should Burberry launch Brit?
- How have Burberry's strategic decisions affected expectancies about its products?

9. NUDGING & CULTURE: May 2

Case: Fair & Lovely Vs. Dark Is Beautiful HBR 516079-PDF-ENG

As you prepare this case, please consider the following question:

How do you really get into the heads of customers – even when the matter is a thorny one? This case will examine consumer behavior and the choices that brands have to make when appealing to customers who are embedded in culture.

Module 4: New Frontiers

10. NEW FRONTIERS: May 7

Articles:

- *"The Power of Consumer Stories in Digital Marketing,"* Gosline, Urban, and Lee, Sloan Management Review 2017
- Consumer Behavior Online: A Playbook Emerges, ROT361-PDF-ENG
- "Ignore the Human Element of Marketing at Your Own Peril," by Bob Garfield and Don Levy, Advertising Age, January 2, 2012.

In an era where brands appear to have decreased control over customer experiences, what brands are getting this right? Where are there unmet opportunities to effectively engage the digital customer?

11. LEADERSHIP & BRANDING: May 9

Article: How to Pitch a Brilliant Idea: R0309J-PDF-ENG

As you prepare for class, please consider:

- What makes an effective leader, and how can Branding principle be leveraged for Leadership?

12. **ALL BRANDING LAB PRESENTATIONS DUE – UPLOAD TO STELLAR: May 14

Each team should come on Tuesday prepared to present. We will randomly announce the list of teams that will present at the start of class. To help us with that:

- All presentations must be emailed to your TA no later than 1 hour before class on Tuesday to give us time to get them set up on the computer for presenting. This means: Section A is due at 9am on Tuesday. Section B is due at 12pm on Tuesday.
- Depending on final enrollment, you should plan on 10-15 minutes for your presentations.

13. BRANDING LAB PRESENTATIONS IN CLASS FOR GROUP B: May 16

You are expected to attend this session, even if your team has already presented. Absence at this session will not only be in violation of Sloan standards, but inconsiderate as well. Absence from this class will affect your grade accordingly.