

Implementing a multi-brand strategy in the action sports setting: The case of a board sports company

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INTRODUCTION The rise of consumer and corporate interest in action sports, widely known as extreme sports, has been phenomenal, as illustrated by increases in media coverage, athlete endorsements, branding, corporate sponsorships, and lay-athlete participation (Bennett & Henson, 2003; Bennett, Henson, & Zhang, 2003; Bennett & Lachowetz, 2004; Cianfrone & Zhang, 2006; Johnson, 2001). Naturally, the elevated status of action sports has been followed by mainstream athletic footwear and apparel companies' efforts to establish a presence in the alternative sports market, notwithstanding suspicions surrounding those companies' perceived authenticity. Core action sports brands have realized that in this competitive environment success will come not only from strengthening their core, but also from expanding to mainstream markets-which could be potentially achieved through a multi-brand strategy.

THEORETICAL BACKGROUND The sport marketing literature has paid considerable attention to the concept of branding of sport teams mainly through the study of brand equity (e.g., Boone, Kochunny & Wilkins, 1995; Gladden, Milne & Sutton, 1998); brand associations (e.g., Gladden & Funk, 2002; Ross, James & Vargas, 2006); brand loyalty (e.g., Gladden & Funk, 2001); and brand extensions (e.g., Apostolopoulou 2002a; 2002b; 2005; Chadwick & Clowes, 1998). Surprisingly, not much has been written about branding of other sport properties, such as athletic wear or equipment companies, which, given their resemblance to more traditional businesses, are in a position to explore a variety of branding strategies. Branding can offer valuable direction in growing a business into new markets and/or new product categories.

Aaker (1991) proposed that one of the ways to revitalize a brand is to introduce extension products or services. As a growth strategy brand extensions present many benefits, namely name awareness and positive associations stemming from consumers' past experience with the parent brand, efficiencies in production, cost savings in promotional efforts, and leverage in negotiations with distributors (Aaker, 1990). Brand extensions can prove beneficial in retaining consumers who are looking for a different offering. However, potential risks do exist, particularly if the fit between the parent brand and the extension is perceived to be low or if consumers' experience with one or the other is less than positive. Another area of concern regarding brand extension, which should not be overlooked, is the fact that certain brand elements and associations may be prohibitive in allowing the parent brand to move into new product and consumer markets. In that case, a multi-brand strategy can prove more appropriate. A multi-brand strategy has been defined as "marketing of two or more similar and competing products by the same firm under different and unrelated brands" ("Multi-brand strategy," 2007-2008). Aaker and Joachimsthaler (2000) used the term "house of brands" to describe a similar situation whereby a number of independent, seemingly unconnected brands exist under the ownership of a single firm. The authors contend that this strategy "allows firms to clearly position brands on their functional benefits and to dominate niche segments ... with a targeted value proposition" (p. 106). By creating distance between brands, this strategy minimizes potential harm to brand extensions by incompatible parent brand associations.

PURPOSE The present study aims to expand our relatively limited knowledge on the use of a multi-brand strategy in the sport setting by studying a successful action sports company that has adopted such strategy. Specifically, the primary purpose is to examine the company's implementation of their multi-brand strategy by looking at the different product and consumer markets into which they have expanded. The secondary purpose of this research effort is to assess the impact of the multi-brand approach on the company's organizational structure and culture as seen by its employees.

METHODOLOGY The subject of this case study is the Board Sports Company (BSC, pseudonym), a private company and globally recognized leader in authentic action sports footwear and apparel with distribution in more than 70 countries and revenues close to \$200 million. Although the roots of the company can be found in skateboarding, BSC has developed seven (7) distinct brands that expand to surfing, snowboarding, motocross, and BMX. Personal observations and review of company documents (e.g., archives, web-sites) were performed to acquire information about the organization as a whole, as well as the individual brands. In addition, 13 in-depth semi-structured interviews were completed with key BSC employees involved in marketing, public relations, consumer research, graphic design, web management, and branding in order to assess their perceptions towards advantages and limitations derived from the existing multi-brand strategy and resulting structure. Sources of data (interviews, observation, and documentation) were analyzed through QSR NVivo 7.

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DISCUSSION OF FINDINGS Data from the personal interviews and the review of documents were used to produce a detailed profile for each of the seven brands including sport(s), product lines, target markets and distribution channels, as well as a description of the personality of each brand and core brand themes. The multi-brand strategy has allowed BSC to appeal to mainstream consumers through the "lifestyle" brands, while maintaining its authenticity and integrity as a core action sports company through its more traditional brands. The company has managed to successfully expand its distribution through both mainstream and lifestyle channels, without jeopardizing its appeal to core consumers. In terms of the company's structure, results did not depict seven separate operations but rather a hybrid-like condition including separate but also shared functions. BSC employees offered valuable insight on positive and negative aspects of the current structure and culture.

Four themes emerged from their comments: 1. Shared resources: Even though each brand had their own designers, areas such as sales, public relations and research development were shared, providing an advantage particularly to the smaller brands. 2. Shared offices: BSC brands also shared office spaces. This allowed executives from each brand to share creative ideas. However, the same setting brought on "cookie-cutter" styles and similar-looking products. 3. Brand marketing managers: Their roles fluctuated within the seven brands. Not having a designated brand manager for each brand to also serve as the final decision-maker led to differences in the decision-making process followed by each brand. 4. Company support: Having the backing of the other brands, as well as the parent company, was seen as a safety net, should one of the brands ever stumble. In addition to the information provided in this abstract, this presentation will expand on the discussion of benefits of a multi-brand strategy, but also explore alternative strategies that BSC should consider, such as merging brands or enhancing co-branded efforts. Examples of successful single-brand entities in action sports will be illustrated and contrasted to BSC's multi-brand strategy.