The best sub brands: Diving beneath the surface with sub brands

Category: Branding
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Brand architecture is one of the most important assets a business can have.

Think of building your brand like designing a house. You wouldn't start stacking bricks until you understood exactly what the finished product was going to look like, and where each room or space would interlock.

A brand architecture is the blueprint your company uses to guide its growth. As your organisation evolves with new products, services, and even distinct target markets, your architecture tells you how to structure your "master brand" and any subsequent identities that emerge from it.

Sometimes, when you need to connect with a new audience or explore an idea that doesn't fit with your core company's purpose, the best thing you can do is create a new "room" in your brand house, or a "sub-brand."

Sub brands are essentially spin-off concepts that are tangentially related to your existing company but embrace their own identity, personality, and values in order to attract new customers and revenue streams. For instance, "Wrangler" is a sub-brand of the Jeep corporation, just as Bud Light is a sub-brand of Budweiser.

Although the best sub brands are meaningful parts of the same umbrella organisation, they're not limited by sales strategies of the parent company. With sub brands, businesses have the freedom to explore beyond their initial portfolio and USP.

Let’s explore the potential of brands with sub brands.

How to plan your sub brands: Mapping your future

If you’re lucky enough to run a successful company, then you may eventually decide to expand or “extend” your offering. When growing your organisation means building out into new niches with sub brands, you’ll need to decide how your architecture is going to evolve, and how each entity will relate to each other.

Sub brands help companies to launch new services and products, boost the appeal of their master brand, and potentially connect with new segments of their existing target audience. However, it’s easy for companies to lose their way. Brand architecture exists to keep your business leaders on the right path as they explore new avenues for growth.

The three main kinds of brand architecture model available include:

- **House of brands:** One master company manages a selection of seemingly unrelated and independent brands that have no obvious connection to the brand house. Think of Unilever with sub brands like Dove, Persil and PG Tips.
- **Hybrid brands:** Each new entity is endorsed by the core brand and carries a portion of its value, but the company still maintains a distinct brand identity. Think of Sony with PlayStation, Walkman, and Bravia.
- **The branded house:** One parent brand shares its identity with each of the sub brands. Think of Google with Maps, Plus, and Translate, or Coca-Cola with Diet Coke and Coke Zero.



Making your sub brands sensational

Although building a map of interconnecting, yet separate brands may seem complex, it's simpler than it looks. The main thing to remember is that whichever brand architecture you choose, your sub brands need to be connected to the parent company, without selling the same products and services.

"Child" brands can have their own personality, USP and mission. However, it's essential for any selection of sub brands to connect to the parent brand in some way. For instance, it wouldn't make sense for Sony to create a sub brand that sold hair and beauty products, just as it would be confusing for Harley Davidson to release a line of luxury perfumes.

Every sub brand in a house of brands, branded house or hybrid portfolio needs at least one point of connection, intended to remind the customer what the parent brand is all about. Even corporations like P&G, known for their huge selection of seemingly unrelated child companies, have an underlying theme.

According to the P&G mission statement, the products offered by each sub brand support the overlying identity of the corporation by combining “what’s possible” with “what’s needed” in products for home comfort.

In other words, sub brands give businesses the freedom to explore new ideas and avenues for revenue – but only within reason. Everything remains connected to the same “master thread” of inspiration.

Our top sub brands examples to learn from

Brands with sub brands are most effective when a growing company needs a way to distinguish between the products they sell under specific names. For instance, the Samsung Galaxy collection is designed to sell smartphones with cutting-edge technology to people in search of the latest devices. On the other hand, Samsung Tab focuses exclusively on tablets.

The top sub brands help businesses to target their marketing and sales strategy to a specific audience. Additionally, because sub brands have a specific focus, it’s easier for customers to determine that they’re interacting with the right organisation.

Importantly, while sub brands have a lot of benefits to offer, they’re also expensive to cultivate and challenging to run. That’s why it’s so important to ensure that you’re creating your child companies for the right reasons. Here are some sub brands examples to guide you.

1. Toyota: Lexus, Isuzu, and more…

Sub brands seem to be a particularly common strategy among automobile manufacturers. After all, different kinds of cars will appeal to different buyers. Some drivers may prioritise

safety features when they're looking for a new vehicle, while others concentrate on luxury or performance. Toyota is a great example of a company with some of the best car sub brands on the market, including:

- **Lexus:** The "luxury" counterpart for the Toyota corporation, designed for indulgent on-road experiences.
- **Hino Motors:** A subsidiary of Toyota founded in 1942 that's still running today.
- **Fuji Industries (Subaru):** Toyota's investment in the racing and sports car world.
- **Isuzu:** Vehicles for the everyday driving market – including SUVs and pick-up trucks.
- **Daihatsu:** Toyota's brand for Japanese customers.

The wide range of Toyota sub brands in the auto industry allows the company to connect with new audiences form a range of different backgrounds. This way, Toyota doesn't have to choose between selling luxury or budget-friendly cars – they can sell both without compromising on a consistent brand image.



2. Ralph Lauren: Purple Label, Polo, and more…

When it comes to discussing the best sub brands, Ralph Lauren is an excellent insight into a business that maintains the same crucial focus on a unique set of values with every brand extension. Although Ralph Lauren's separate lines allow the company to appeal to different customers through bespoke clothing, casual pieces and highly formal wear too, each sub brand shares the parent brand's vision.

As Ralph Lauren said himself, his aim with the organisation was to design "dreams" not clothes. The Ralph Lauren sub brands support this overarching view that the clothes you wear should help you to live a happier, more confident and refined life. Some of the child companies under Ralph Lauren include:

- **Ralph Lauren Purple Label:** High-price top-tier couture items.
- **RLX Ralph Lauren:** Active sportswear for athletes and younger people.
- **RRL:** A rustic outdoorsy collection of everyday clothes
- **Ralph Lauren Polo:** A casual collection based on the iconic Ralph Lauren polo shirt.
- **Denim & Supply:** Younger, more modern clothing with a focus on denim.

Each sub brand has its own audience and appeal, but they all echo the unique aesthetic and values of the Ralph Lauren identity. Customers never forget who they're shopping with.



3. Nike: Jordan, Converse, and more…

Another exceptional journey into sub brands examples delivered by the apparel industry. Nike has transformed the way that we look at fitness forever. While most people think of the iconic Nike "Swoosh" when they think about Nike, the truth is that Nike is actually responsible for a wide variety of additional sub brands too.

For instance, for the "alternative" younger crowd in search of casual footwear, there's Converse, the canvas shoes that have soared in popularity around the world. The Nike Air Jordan brand appeals to people with an interest in sports, basketball, and high-octane performance. Nike even owns Umbro, a leading football brand exclusively found in the United Kingdom. Some other Nike sub brands include:

- Nike Air Max.
- Chuck Taylor All Stars.
- Hurley International.
- Tinker Hatfield.

- Jumpman.

As with the other sub brands examples above, each of the child companies created by Nike speaks to a unique and clearly-defined customer. This means that Nike has as many opportunities as possible to sustain their long-term growth. However, with every new organisation, Nike maintains its focus one accessible athletic apparel.



4. Sony: Vaio, PlayStation and more…

Sony built a reputation in the consumer world as the go-to company for entertainment. The standard Sony logo appears on everything from headphones to televisions. However, there's also a wide range of Sony sub brands in place to help the company connect with its audience on a deeper level.

For instance, Sony PlayStation is one of the best examples of the hybrid brand architecture. Though the "Sony" name reminds customers who they're buying from, PlayStation exists with its own image, logo, and marketing personality, ensuring a

distinct identity for the sub brand. Some of the Sony sub brands available today include:

- **PlayStation:** The Sony gaming brand.
- **Columbia Pictures entertainment or "Sony Pictures":** The film production brand.
- **Vaio:** The Japan-based company known for smartphones and computers.
- **Walkman:** Portable music systems.
- **Bravia:** The television and monitor business.

Because of the endorsed brand structure, Sony can either add their name to the title of their sub brands or leave it out depending on how much they want their customers to associate their new offerings with the existing Sony identity.



5. Whirlpool: Hotpoint, KitchenAid and more…

Finally, Whirlpool is a company best known for their washing machines and cleaning devices. Over the years, the business

has built its brand architecture with the strapline: “Every Home…Everywhere…with pride, passion, and performance.” Since the organisation was launched in 1911, it has opened a host of additional whirlpool sub brands that offer products in everything from cooling to cleaning and heating. Some of the whirlpool sub brands include:

- **Yummly:** A smartphone app with recipes to help you make delicious meals.
- **Hotpoint:** A kitchen device organisation known for making refrigerators, washing machines and more
- **KitchenAid:** A design-based organisation that creates countertop appliances like cookware, refrigerators, and whisks.
- **Consul:** Another appliance brand that supports faster and more efficient cooking.

To ensure consistency, every child company created by Whirlpool supports a more convenient home life for customers from a range of different backgrounds.



Reworking brand architecture: The evolution of Coca-Cola sub brands

At this point, you might be wondering what happens when you decide on a specific architecture for your sub brands, then realise that you'd be better off taking a different route. Although it can be difficult and expensive to transform your entire branding structure, it's not impossible. There are plenty of companies out there that have invested in rebranding campaigns to transform from a hybrid brand to a house of brands, or vice versa, for instance.

One particularly good example of a business that changed its brand architecture after decades in the same space is Coca-Cola. For years, Coca-Cola maintained a structure that allowed the parent brand to endorse new products, without fully taking ownership over any single sub brand. However, in 2015, the corporation began their new "One brand" strategy, to change the way that customers think about the coke identity.

The "One Brand" approach was designed to transform and share the equity of the Coca-Cola trademark across the entire product portfolio so that the business could take advantage of their differentiated position on the market. Instead of presenting themselves as a company that offered a number of different products, Coca-Cola decided that it was time to build an identity as a business that serves a multitude of customers.

According to Coca-Cola, the "One Brand" strategy:

- Highlights the company's position as a brand that's committed to giving their customers the option to choose the drink best-suited to their lifestyle.
- Demonstrates the universal "joy" and experience that the Coca-Cola brand can offer.
- Supports a wider global campaign under the "Taste the

Feeling" strapline with universal storytelling strategies that connect to any customer.
- Extends the appeal of the iconic Coca-Cola Colour palette and logo across the trademarked portfolio.

The decision to move into a "branded house" architecture isn't easy. While Coca-Cola's strategy means that drinks like Diet Coke and Coke Zero can benefit from the full impact of the Coca-Cola reputation, it also means that any issues with a single product will affect the parent brand's reputation, as well as the sub brand. In Coca-Cola's case, the "One Brand" strategy paves the way for greater synergy by bundling a range of products together, while opening the door for greater market penetration.

What's more, the rebranding scheme didn't mean changing a great deal for Coca-Cola, as the messaging between sub brands like Diet Coke and Coke Zero were very similar, to begin with. The biggest change is the introduction of the iconic red colouring across the product packaging – something that will give Coca-Cola drinks a greater impact on shelves.



Building the best sub brands: 3 points to keep in mind

As mentioned above, sub brands have the power to elevate your company and reach new audiences. However, they're not the same as just adding another product to your portfolio. When you create a sub brand, you need to design an entirely new structure, with its own values, brand manifesto, and guidelines.

Companies that rush into creating new sub brands end up with confused customers, drained budgets and other business issues. With that in mind, ask yourself the 3 following questions:

1. Is there conflict between your offerings?

When you launched your initial brand, you probably had a strategy for what you wanted to sell, and what kind of customer personas you wanted to target. However, if you begin to recognise new sources of revenue in other areas, then you may decide that you want to expand your existing plan. Unfortunately, a luxury brand selling economy items doesn't make much sense. That's where sub brands come in, to help you get the best of both worlds.

2. Do your offerings share a common thread?

Sub brands give you space to experiment with your product and service portfolio, without harming your existing identity. However, it's important not to lose your way.

When you're creating new "child companies" from your core brand, it's possible to give each new entity a unique selection of values and characteristics. However, that doesn't mean that your parent and child brands shouldn't be connected.

If your sub brands are in conflict, then you risk confusing your target audience when they learn more about your business structure.

For instance, a car company might decide to create sub brands that sell sports cards, off-road vehicles, and luxury automobiles. While each offering is different, the shared thread might be a commitment to safety, performance, and fuel efficiency with each entity.

3. Can you afford a sub branding architecture?

Finally, while sub brands can be an excellent choice for companies that need to expand their reach and connect with new customers, not every business will be able to afford them. There's a great deal of time and focus involved in creating a sub brand, including legal fees, trademark issues, and even the cost of promoting your new organisation.

To ensure that a sub brand survives as a separate entity, you'll need a full team, a campaign strategy and a promotional plan to keep the company afloat. Make sure that you have the resources available to nurture your sub brand before you begin building it.



Are sub brands right for your business?

Sub branding isn’t a new concept.

Over the years, countless iconic corporations have found new ways to spread brand awareness and “go global” through brand extensions and child companies. However, it’s crucial to remember that the sub brands strategy won’t work for everyone.

The idea of investing in brand architecture is that you find a way to simplify and clarify your strategy for growth. The more you know about where you want to go and what you want to accomplish in the long-term, the easier it will be to determine where you need to create a new brand, a new product line, or a sub-brand. This strategic process will also reduce your chances of getting “trigger happy” with your brand building efforts.

Remember, making the most of your sub brands means being

deliberate and intuitive with the way that build out your brand. Maintain clarity in everything you do, ensuring that each new entity has its own unique personality and purpose in the wider context of your parent brand. This way, you can rest assured that you won't be building endless overlapping brands and wasting your hard-earned investment cash in the process.

Ultimately, building a sustainable brand architecture is not a simple process. After all, that's one of the reasons why companies like Fabrik exist, to help organisations figure out how and where they need to grow, and which paths they can take for transformation. With our help and a meticulous plan, you'll be able to better grasp the nuances of your brand and determine how you should leverage different strategies to best benefit your end goals.

Are you ready to expand?

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