Brand migrations in Spain in the last 10 years. A descriptive study


Abstract

Rebranding phenomena have increased over the last two decades, both in companies and in mass market products. This is a business operation that does not add value to the consumer and that involves risk. A brand is not only recognized, bought and consumed because of its physical characteristics, so when a company migrates from one brand to another, consumers are not sure whether they’ll get the same satisfaction as with the original brand. The aim of this study has been to survey the key factors companies have taken into account when managing brand migrations in Spain over the last 10 years.

Key words: migration, brand, rebranding.

JEL codes: L26, M31.

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The key authors that have analyzed brands and their meaning clearly differentiate between product and brand. Kotler (1991) defines brand as “a name, term, symbol, design or combination thereof that identifies a seller’s products and differentiates them from competitors’ products”. Keller (1993) concludes that these individual components of a brand can be defined as brand identifiers and that all of them together go to make up the brand. Aaker (1995) also explains that, when a product is put forward and offered to a market, it needs to be identified by consumers through a brand.

But a brand is not just a name: together with other interrelated factors, a specific brand identity is provided by creating value and meaning (Urde, 1999; Lozano and Fuentes, 2005). If this brand identity is rated by consumers as unique and different from the competition, a brand can become a competitive edge, brands having become, over the last twenty years and with the growth in consumption in western countries, the most important asset for mass market firms. A brand is known, bought and consumed by its consumers beyond its physical characteristics. Companies invest in their brands and make them grow in order to communicate brand values and differentiate one brand from the rest in a competitive environment. Renaming a brand, product or service is a complex and costly process that goes beyond a simple name change.

We talk of brand migration when the brand name is changed to another brand, be it new or already in existence, which may or may not involve a change in positioning. In any migration process, it should be remembered that a brand’s existence depends on its consumers, who identify it both through its functional and also emotional attributes. When a brand migrates to another, the first brand’s consumers are faced with the dilemma of having to move to the second brand, which is either unknown, less well-known or known with different connotations, and which they are not sure will give them the same satisfaction as the original brand. One of the basic aims of migration is therefore not to lose consumers along the way. Consumers are not directly involved in taking the decision to migrate; they play a passive role in the decision but are active in its realization. In order not to lose these consumers, companies must handle the whole process to
ensure that consumers are guided from their current brand to the new brand. If a firm decides to invest in brand migration, it is undoubtedly because the brand has enough value to pay back the investment costs and achieve greater profit after the migration. Migrating one brand to another is much more than a name change. The aim of this study is to determine which elements and values of the brand to be migrated need to accompany the change to the destination brand and for how long, as well as to detect what periodic follow-ups and controls must be carried out in companies in order to ensure a successful migration from a business point of view.

This article proposes to show the current status of scientific knowledge concerning brand migration and, given the content of this theoretical systematization, to describe the behavior of some variables that have been claimed as relevant in brand migration processes in the last few years in Spain. This research has been carried out from the perspective of the firm and within the context of brand reorganization, with the aim not only to verify, from a business point of view, how the key factors to success are interpreted by consumers that have experienced a migration, but also to discover the business objectives of migrations within companies and how the applied marketing mix variables are managed. On the other hand, the study has focused on brand migrations in mass market products. It has not looked at migrations of corporate identity (such as Sanofi-Aventis, Winterthur-Axa) nor at products or brands that are not aimed at mass markets (Airtel-Vodafone) or those of other kinds of goods or objects (Talbot-Peugeot).

Background
The phenomenon of “brand migration” is relatively recent and has been quickened by the globalization in which the world economy is immersed. Academic literature still does not reflect this phenomenon as an isolated fact in business. However, there is extensive literature on brand-related issues, such as brand values, architecture and extensions. The migration process exists because the brand has a value; otherwise, it would not need to migrate.
Chernatony and McWilliam (1989) state that brand differentiates a company and effectively communicates a quality, a product, a service, a positioning; it helps consumers to take purchase decisions and acts as a symbolic element in consumer perceptions. Dawar and Parker (1994) also state that consumers have more faith in brands per se than in other factors such as the price and physical appearance of products, when judging product quality. Studies carried out highlight, on the one hand, that brand is the most important element in a product and that, in cases of success or failure, up to 40% is due to brand perception (Zaltman and Wallendorf, 1979). Brand value was also decisive in the price paid by Grand Metropolitan for Pillsbury and in Nestlé’s takeover of Rowntree (Maxwell, 1989). These sales were valued so highly because of the high value of the brands. Brands are deemed to be able to provide higher levels of profit in the long-term (Arnold, 1992). Brand as an asset is related to its functional values and personality, transmitting the emotional values that can make it irresistible to consumers (Schmitt and Simonson, 1997, 1999). Other attributes identified as brand values are sensations, brands that appeal to the five senses (Lindstrom, 2004). Since the end of the 1980s, brands have become well-known in the strategy of firms and have become “the product” that is consumed. For a company, a brand is conceptualized as the firm’s essence, one of its most highly valued assets, as well as recognizing the importance of brand policies and of the optimal handling of the brand portfolio (Salzer-Morling and Strannegard, 2004).

Brands have become the most important asset of mass market firms with the growth in consumption in western countries. Different authors have stressed the importance of brands, clearly differentiating between product and brand (Kotler, 1991; Keller, 1993; King, 1993; Aaker, 1995; Rubinstein, 1996; Basu, 2006; Galván, 2007). Complete knowledge of a brand’s value is required in order to effectively preserve its identity, as we cannot rely on its new name alone. There are many different factors that affect how consumers perceive a brand: the product itself, its physical appearance, its function, its physical shape, its color, its packaging, its advertising and also its name (Meyers, 2000). Consequently, migrating one brand to another is much more than a change in name. As it has been giv-
en value and meaning, there are many factors and variables that go to make up a brand within consumers’ perception and these must be taken into account in order to ensure successful migration. Throughout the migration process, it must be remembered that a brand’s existence depends on its consumers, on the fact that they identify it both through its functional and also emotional attributes. In brand migration, it is important to determine which elements and values of the brand to be migrated need to accompany the change to the destination brand, as well as to detect what periodic follow-ups and controls must be carried out in companies to ensure successful migration from a business point of view.

A study carried out in 1995 by Boze and Patton on six of the largest mass market multinationals (Colgate, Kraft, Nestlé, Procter&Gamble, Quaker Oats and Unilever) in the 67 countries where these companies operate reveals the use of an infinity of brands to satisfy the demands of their many different markets, there being few global brands and these accounting for only 1% of the total brands (1,800). Given that the study dates from 1995, most of the aforementioned companies have extensively cleared out their brand portfolios, involving a large number of brand migrations from local to global. Brand strategy in the last decade has focused its attention on the big players. Philip Morris invested more than $18 billion in acquiring General Foods in 1985 and Kraft in 1988, four times the value of the tangible assets. This sum was paid due to the equity represented by the company’s four large brands (Sandler and Shani, 1992). The most recent cases are Unilever’s takeover of Bestfoods, turning Knorr in the biggest brand in Unilever’s portfolio, as well as Procter&Gamble's takeover of Gillette to become world leaders in men's shaving and, in May 2008, Mars’ takeover of Wrigley, becoming global leader in the soft candy category. The annual reports of large companies reflect the ranking of global brands with turnover of more than one billion dollars as a barrier to be passed in order to be truly global.

80% of the sales of large companies are through just 20% of their brands (Kumar, 2003). This means that there are many companies whose growth strategy includes rationalizing their brand portfolio, brand concentration being a strategic option chosen to increase efficiency in their
markets by optimizing their portfolio to reduce costs and concentrate their efforts. There are currently many firms that have improved their market performance by eliminating brands that make a loss, are in decline or marginal. This concentration of resources on fewer brands allows companies to optimize investment and improve their remaining brands, making them more appealing to consumers. After the strategic decision of which brands should be kept by a company and which it can do without, Kumar (2003) and Aaker (2004) consider several options possible for divesting such brands, such as selling, squeezing, eliminating or migrating, both defending the strategy of brand migration as a means of achieving greater business efficiency and as an alternative strategy, provided the brand to be migrated enriches the brand it migrates to. Migration can be carried out gradually or immediately, depending on the company’s needs. Villemus (1996) stresses why a company chooses to migrate a brand is related to improved performance. Brand concentration provides greater potential for growth in sales and market share, allows mega-brands to be built, generates economies of scale and optimizes investment in marketing and advertising. For their part, Kaikati (2004) talk of proactive motivation when the stimuli for change are internal to the company, it being the directors who promote change, and reactive motivation in the case where a company is forced to make a change thrust upon it by the situation it finds itself in.

We are now in the brand migration era, with examples such as Kalkam Cat Foods migrating to Whiskas and Johnson marketing the same product under the Pledge brand in England, Pliz in France and Pronto in Italy, Switzerland and Spain. In 1984, Black and Decker bought the domestic products division of General Electric. The gradual integration of logos, containers and color codes are habitual practice in companies when they have to migrate brands, although a speedy disappearance of consumers’ reference points in the product can be very bad for sales.

Brand migrations are frequent in mass market firms. The reasons why a migration occurs can be justified at the level of company although consumers may not have anything to do with them. In migration, the brand to be migrated transfers its brand values, attributes, positioning and even
product characteristics to the brand it migrates to, and the latter must be sufficiently permeable to take on this transfer. That is why brand migration is so important as a strategy to grow and consolidate the brands a company decides to back.

The different authors that have dealt with migration (Villemus, 1996; Kumar, 2003; Aaker, 2004; Kaikati, 2004; Kapferer, 2008) place the origins of brand migration in a need arising and originating in the company itself. Consumers are the passive object of migration and not its cause. Consumers do not demand migration but rather this is imposed on them (Alameda, Olarte, Reinares and Saco, 2006).

The objective of any migration is to direct the consumer of the brand to be migrated towards the destination brand and to ensure that the latter naturally incorporates, within its image, the values of the brand to be migrated. This is a delicate process if we take into account the fact that “affect is a notable aspect in the link generated between consumers and a brand” as stated by Adaval (2003). However, in spite of the fact that consumers are a “passive object” in migration from the point of view of their desires and needs, they are the most involved “active subject” when migration is carried out. Consumers experience brand migration as something “imposed” by the company, something inevitable in the current competitive environment. The only option remaining open to them is either to accept it and hope that the rest of their product’s marketing mix isn’t changed, or to abandon the brand.

**Descriptive study**

This more than justifies the importance of empirically tackling all the aforementioned variables in the successful business outcome pursued by brand migration. Below we will therefore embark upon a preliminary empirical study of brand migration. The importance of brand knowledge and its relation with the decision to buy is one of the most widely studied aspects by different authors (Nedungadi, 1990; Alba, Hutchinson and Lynch, 1991). It is important to understand what lies behind brand knowledge and its constructs because this affects what comes into consumers’ minds when they think about a specific brand.
The effect of awareness
Brand knowledge is supported by two variables: awareness and image. Awareness is related to brand familiarity, which Alba and Hutchinson (1987) define as the number of experiences a consumer has of a product or service, both through use and through other external factors, such as advertising.

Awareness is the variable that measures our target’s knowledge of a brand. A brand with high awareness is a brand with high knowledge on the part of consumers. Degrees of awareness can be analyzed both spontaneously (without naming any brands, merely asking about the brands known in a specific category, so that there can be many different answers) and prompted (asking about a specific brand so that there are only two possible answers, affirmative or negative). It is also related to the acts of brand purchase and to the knowledge of a specific brand (Dichter, 1992).

Consequently, bearing in mind the fact that a brand that is already present on the market has a certain degree of awareness that must not be lost but must at least be preserved when it migrates to another brand, and considering a purchase as the last step in the brand-consumer relationship, when the buyer actually comes into direct contact with the brand, it seems reasonable to propose that, in order for the new brand’s awareness to be the same as that of the migrated brand, a period of time is required, established by the number of purchases of the new brand and, in turn, this number depends on the kind of brand migrated, being lower for mass market products and higher for less frequently consumed products.

The effect of packaging
A brand is also a promise to its consumers and this promise is given through brand identifiers. Moreover, a brand is not truly different if its personality is not reflected through these identifiers (Thomas and Murray, 2004; Wheeler, 2006). These brand identifiers can be presented in many different ways, although the most usual and common are the name, logos, symbols, characters, slogans and packaging. Packaging is a source of clear, powerful identification. An example of this is the Coca-Cola glass bottle,
used for decades and clearly differentiating the brand. Color can also lead consumers to think about a specific product or service.

Kaikati (2004) explore the meaning of color in packaging and believe that colors can be used as brand identifiers, such as Hertz yellow and Avis red. Communication experts believe that all brands have a consistent, differentiating packaging language that acts as a sign of trust and confidence for consumers and reaffirms their choice. In other words, packaging is a way of communicating the brand (Croft, 2004).

After analyzing the most relevant brands at a global level, Keller (2000) states that they share a series of attributes that must be considered when building strong brands. A brand is made up of visible elements that reinforce brand awareness in consumers and help to protect brand image. In order to build strong brands, Aaker (1995) recommends keeping a consistent brand identity over time, transmitted via image and symbols that reinforce it. In migration, this can be carried out gradually or immediately, and using two brands in the same package is habitual practice to help consumers identify a certain product category. This practice by manufacturers aims to attract consumers who are loyal to the established brand, as this allows for rapid recognition and greater awareness of the new product (Laforet and Saunders, 2005).

Assuming that an already established brand present on the market provides greater recognition and consumer awareness, and that the packaging as a whole (colors, shape, slogans) forms a part of the brand’s communication and clearly identifies it, then packaging is the most important vehicle to identify a product. Consequently, it should not be changed in the initial phase, not in format, colors or photographs, merely adding the new brand and gradually making the old one disappear.

The effect of investment in communicating new or already existing brands
One fundamental and key element in building and developing a strong brand on the market is the positioning this brand is going to occupy or occupies in the mind of consumers, this being the core around which the rest of the variables revolve and what transmits the brand’s meaning to consumers (Urde, 1999; Hatch, 2005). With positioning, a company expresses
the brand’s values and provides it with attributes and benefits that belong to and identify it. Brand positioning is conveyed through product quality and communication. Communication can be considered as the final point in the process of bringing a brand to consumers, because communication affects how consumers perceive a brand (Rubinstein, 1996). The concept of positioning has been widely studied by Ries and Trout (1989, 1997, 2000), the brand’s greatest value being the variable of differentiation, as documented in a study by Young and Rubicam, carried out in more than 35 countries with 13,000 brands, 450 global brands and 50 measurement variables, grouped into 4 dimensions (differentiation, relevance, appreciation and knowledge). This study’s findings indicate the importance and power of differentiation in building strong brands. If a brand makes a mistake when developing or maintaining its differentials, consumers don’t have or lose solid arguments for choosing it over others. Clear positioning is one of the ten recommendations made by Aaker (1995, 2003) to build a strong brand. A clear value proposition that takes into account both the emotional and functional benefits of the brand provides a clear guide for implementing communication. There must be a direct relationship between a brand’s positioning and its communication to consumers, as brand support needs to be consistent to build and maintain strong brands (Aaker, 1995, 2003).

In short, brand migration starts with the basis of consumers’ knowledge, perception and evaluation of an already existing and established brand and therefore with a brand image and value in the mind of consumers. This image has been gradually established through specific marketing and communication in order to create the brand and position it on the market. Consequently, also in migration, investment must continue in communicating the new destination brand. Here it is important to distinguish between whether the destination brand is new to the market and therefore has no prior image or value in the mind of consumers or, on the other hand, migration is towards an already existing brand. Investment in communication therefore depends on the distance between the brands’ positioning, if both already exist or whether it is a new brand, and at least the same investment must be made in communication as in the initial period for the previous brand.
The effect of product quality and price on brand migration

Dodds and Monroe (1985) stated that information was more influential than price when rating a brand’s perceived quality, claiming that price had a more positive effect when rating a brand’s perceived quality when brand information was present than when it was not. They therefore demonstrated that the brand-price relationship is not only robust but also that perceived quality is influenced to a greater extent when brand information, and therefore its identifiers, are present. The outcome is that consumers’ opinion or rating of an original brand is transferred to the extension, and that the more similar the two products (original and extension), the greater the transfer (Broniarczyk and Alba, 1994). The brand’s influence on its extensions is recognized; an influence that is also observed in different studies carried out on umbrella brands, which reveal that consumers transfer perceived quality between products that use the same brand (Aaker, 1991).

When we talk about quality as one of the dimensions of brand positioning, we are mainly referring to the product. However, the price often reflects a product’s quality and must be included in the dimension of positioning and, as such, reflect a part of the brand’s value for consumers (Urde, 1999). Price is an important attribute in terms of brand association and consumers often relate a product’s price with the brand’s value (Keller, 1993).

A product’s physical characteristics, and therefore its perceived quality and price for consumers, are two variables that define a brand and attributes that build its value. In an already existing brand, these attributes are known and valued by consumers, suggesting that neither product quality nor price should vary in the initial phase of a migration.

Variables to control when monitoring migration longitudinally

One of the activities carried out by mass market companies is to continuously monitor brands (Krysiek, 1998; Keller, 2000; Kumar 2003; Aaker, 2004) in order to develop long-term strategies, as well as to assess whether brands should continue, and to this end both qualitative techniques (for insight into a brand’s emotional attributes) and quantitative data are used.
A brand’s market share is a constant indicator of its performance within its context (Roth, 1995). Other parameters to monitor in evaluating brands are the level of sales, profitability and growth compared with previous years (Aaker, 2004). The current situation in many mass markets, with a larger number of rivals and greater power and presence on the part of retail brands, puts more pressure on price via more advertising. The degree of advertising is therefore an indicator of greater attention to product price. Kruger (2007) showed the relationship between a brand’s market share and the degree of distribution achieved. Not only strong brands achieve the highest levels of distribution; new products are also more successful in the market provided they are present on shelves with the guarantee of a leading manufacturer (Bronnenberg, Dhar and Dubé, 2007).

Consequently, one of the common characteristics of key brands is that they are all continuously monitored to see how they are evolving. It is therefore even more important to control the evolution of these variables when changing the name and thereby track the consumers’ response to this change. Taking these premises into account, we have drawn up the following research proposals based on the fact that, during migration, a monitoring system must be built that checks the following variables: internal sales, profitability, market share of the brand and rival brands, weighted distribution, penetration and degree of advertising and promotion, in order to make corrections in the case of any significant variations.

**Method**

**Participants**

The sample was made up of those people responsible for brand migrations carried out in Spain from 2000 to 2006. The sample was selected via intentional sampling in a population of executive positions in firms with direct responsibility for brands at the time of migration, so that the answers were from people directly involved in a specific migration. A final sample was achieved of 56 directors responsible for migrations who were in charge of 36 of the brand migrations carried out during the period in question. Brand migrations for products that are relatively unknown or of little cir-
culation were ruled out. The total migrations studied accounted for 82% of all migrations carried out during this period.

Instruments
Interviews were carried out via a semi-structured questionnaire produced ex professo using closed, pre-coded questions as well as open questions, taking approximately 20 minutes to complete. It contained a total of 40 questions, of which 35 were closed and 5 open. Respondents were also asked to fill in a Migration Form containing 7 open questions, essentially for further information on the migration context, the reasons why the company decided to take this route and why at that time, as well as the migration’s objectives and appraisal (Vilas, 2008).

Respondents had to rate the importance of awareness in migration, as well as its monitoring and execution, and also the number of purchases required in order to achieve the target. The degree of importance of the packaging was measured, as well as its different components (format, color, photographs, design) and whether these were preserved in migration. Respondents were also asked about how the two brands co-existed. They were asked for data on the need to communicate the migration and the extent of advertising noise required, distinguishing between high and low purchase frequency, as well as whether the destination brand was new or already existed. Questions were also asked on the respondents’ agreement concerning the importance of monitoring the variables given.

Both the evaluation questions regarding importance (“very important” / “not at all important”) and those regarding the extent of agreement (“completely agree” / “completely disagree”) were implemented using a six-point scale to unify response criteria and avoid intermediate answers.

Findings
On the question of brand awareness and purchases, 78.5% of respondents stated that it’s “quite or very important” and only 1.8% stated that it is “not very important” (mean = 5.04). With regard to the number of purchases required to ensure that brand awareness for the new brand is the same as that of the migrated brand, 60.7% set a rate of between 1 and 6
purchases, 21.5% between 7 and 12 purchases and the remaining 17.9% between 13 and 15 purchases, so that the mean rating for the number is between 4 and 9 purchases.

We can infer a positive association between awareness of the destination brand and its number of purchases, since the higher the number of purchases considered necessary for the destination brand awareness to match the migrated brand awareness, the greater the importance placed on monitoring awareness (92.0% of the respondents who felt that more than 10 purchases are required for the awareness of both brands to be matched rated the monitoring of awareness as “very or quite important”), while only 64.7% of respondents felt that between 1 and 3 purchases would be enough.

Complementary, the number of purchases considered necessary for the destination brand to achieve the same awareness as the migrated brand was identified with the mean rating of respondents who, feeling that awareness was among the top three objectives, placed the number at between 7 and 9 purchases, while those respondents who felt that awareness was among the bottom three objectives set this figure at between 4 and 6 purchases. Moreover, the greater the importance placed on monitoring awareness of the new brand, the larger the number of purchases believed necessary (the mean rating of respondents who felt that monitoring awareness was “of maximum importance or very important” was 2.6, so that the mean number of purchases was closer to between 7 and 8). The higher the number of purchases, the more concentrated at high levels was the importance of monitoring awareness, so that we can assume that the number of purchases required would approximate 7.

The packaging, as a vehicle for brand identification, was considered to be the most important element and was rated the most highly. Of the 56 respondents, 52 (92.8%) stated that packaging is “of maximum importance or very important”, with the highest mean degree of importance (5.66). This percentage increased to 100% among those who felt that the number of purchases lies between 4 and 6 and between 7 and 9. Moreover, packaging was considered to be more relevant in those cases where a number of between 4 and 6 purchases was considered necessary to achieve the
same awareness for the destination brand as the migrated brand. Of those respondents who rated packaging as “of maximum importance or very important”, 26.9% believed the required number of purchases to be between 1 and 3, 32.7% between 4 and 6, and 17.3% between 7 and 9.

With regard to the packaging elements, those rated most highly were colors and format. 73.2% of respondents confirmed that the packaging colors of the destination brand should not be changed in a migration from those in the migrated brand’s packaging (mean = 5.07). Moreover, the greater the importance placed on packaging in a migration, the greater the agreement that the colors should not be changed: 82.9% of those who rated packaging of maximum importance stated that they “agreed completely or a lot” that the packaging colors of the new brand should not be changed from those of the migrated brand. With regard to preserving the format of the packaging for the new brand compared with the migrated brand, 67.8% of respondents stated that the format should not be changed (mean = 5.0), with a higher degree of agreement among those who rated the packaging as of maximum importance (73.2%). The third element of packaging analyzed was the product photographs, with a degree of agreement of 62.5%, while 73.2% of respondents who stated that packaging was of maximum importance (6) in a migration said they “agreed completely or a lot” with the statement that the photographs for the new brand’s packaging should not be changed. Some of the cases analyzed used a certain name or sub-brand together with the brand. Preserving this sub-brand was also important and necessary and achieved a high degree of agreement, as 76.9% of respondents stated that, if preserved, it would considerably help the destination brand to be identified and related with the migrated brand.

Regarding investment in communication, depending on whether the destination brand was new or already existed, 58.2% of respondents “agreed completely or a lot” that communicating the brand change is vital in identifying the destination brand and relating it with the migrated brand, while 20% disagreed with this statement, as they felt that it is important but not vital, because there are other ways to relate both brands. Regarding the most suitable time to communicate the destination brand,
63.6% of respondents felt that communication for the destination brand should be carried out within the period of the 3 first purchases, and 23.2% within the period of 4 to 6 acts.

Regarding advertising noise, in migrations of brands with a high purchase frequency (three times a quarter, i.e. twelve times a year), 80.0% “completely agreed or agreed a lot” that intensive communication helps migration, i.e. that there should be a lot of advertising noise within the initial period of the migration. The remaining 20% of respondents took a middle position in this regard, while no respondent chose the answer “completely disagree or disagree a lot” for this statement. Mean agreement was 5.15, a very high degree of agreement. On the other hand, in migrations of brands with a low purchase frequency (three times a year), only 32.7% “completely agreed or agreed a lot” that advertising noise does not need to be greater than it was prior to the migration, while 51.0% of respondents took a middle position in this regard and 16.3% “completely disagreed or disagreed a lot” with this statement (mean = 3).

Respondents were also asked their opinion regarding the advertising spend for the destination brand, depending on whether it had existed on the market prior to the migration, taking into account the studies by Keller and Aaker (1992) on brand extensions and how consumers use their prior brand knowledge when evaluating brand extensions. These authors claim that how these brand extensions are rated depends on the kind of information that comes to mind concerning the main brand within the context of the extension, and whether this information is rated positively or negatively compared with the competition. In other words, the consumers’ attitude towards or rating of the brand is transferred to the extension. Taking this into account, the findings of this research have confirmed that this is also the case in brand migration. If the migration is of an existing brand to a totally new brand on the market, therefore without references in terms of image or positioning, 95.4% “agreed completely or agreed a lot” that advertising noise should at least be the same at that for the migrated brand. Only 4.5% “disagreed a lot” with this statement (mean = 5.68). However, when migration is towards a brand that is already on the market and therefore has references in terms of image and positioning, 55.9% “completely
agree or agree a lot” that the advertising noise for the destination brand depends on the difference in image and positioning for consumers between both brands (destination and migrated). 32.4% of respondents took a middle position in this regard and 11.8% “disagreed a lot” with this statement. Over the years, the migrated brand has gradually built up its value and has positioned itself with a specific meaning that adds value to the product being offered. If the destination brand is already present on the market and therefore has a clear individual position, the migration must take into account the distance between both brands in terms of image and positioning for consumers, and investment in communication for the destination brand should be directly in line with this distance: i.e. the greater the distance between both brands and therefore the distance between the value and qualitative meaning of the brand for consumers, then the higher the investment should be in communication to ensure that the values of the migrated brand are incorporated into the destination brand.

With regard to whether maintaining the product’s price helps migration, 75.0% of respondents stated that they “completely agree or agree a lot” and only 3.6% stated that they “disagree a lot” (mean = 5.09). Concerning whether preserving the product’s characteristics, without modifying either organoleptic quality or texture or color, helps migration, 72.2% of respondents “completely agree or agree a lot” and only 1.8% chose “disagree a lot” (mean = 5.39).

As the aim is to analyze whether preserving the price and organoleptic quality in the brand migrating towards the destination brand plays a part in a migration’s success, the answers in this case were cross-referenced depending on whether these migrations were considered successful by the people in charge of the process. The percentage of respondents who said they “completely agree or agree a lot” with the statement that preserving the price helps migration was higher among those who felt that the migration was not a success (90.0%) than among those who felt that it was (69.7%). The degree of agreement for this statement was higher when the migration was rated as not successful (mean = 5.60) than when it was rated as successful (mean = 4.85). This was also the situation when rating the preservation of product quality and characteristics, although in this case
there was no clear difference between successful and unsuccessful migrations. 63.6% of the respondents who claimed that migration was successful stated that they “completely agree” in that preserving the product characteristics helps migration. This percentage was 80% for those claiming the migration was not a success. The degree of agreement was higher when migration was seen to be unsuccessful (5.50) than successful (5.27). Consequently, in spite of the fact that there is a high degree of agreement among respondents concerning the usefulness of preserving the price and product characteristics, this does not seem to ensure successful migration.

To analyze the role of the variables to be monitored throughout a migration, both the importance of monitoring each of the variables detected as well as the actual monitoring carried out in the migrations under study were compared. A separate analysis was also carried out of those cases considered successful from those considered unsuccessful, in order to detect any differences.

Regarding the level of importance of monitoring internal sales, 94.6% of respondents said they “completely agree or agree a lot” and only 1.8% stated that they “disagree a lot” (mean = 5.65). On the other hand, all respondents (100%) answering this question confirmed that they had monitored internal sales for the new brand during a specific period of time in the migration, and there were practically no differences between the rating for this point among those with successful migrations and those without success (mean = 5.70 in both cases).

Concerning the importance of monitoring market share, 96.5% of respondents stated they “completely agree or agree a lot” that close monitoring of market share is important for all contenders, and 3.6% of respondents held a middle position in this regard (mean = 5.75). Also in this case, practically all respondents (96.4%) confirmed that they had monitored market share during a specific time in the migration, without any significant differences between the successful (mean = 5.73) and unsuccessful (mean = 5.80) cases.

In the case of weighted distribution, 91.0% of respondents stated they “completely agree or agree a lot” in the importance of monitoring the weighted distribution achieved with the destination brand and of checking
this against the base figure for the migrated brand (mean = 5.59), and 90.9% of respondents stated that they had monitored the weighted distribution for a specific time in the migration. In this case, the degree of agreement among all respondents is also very high and similar to the figure obtained with the variables of market share and internal sales. There is practically no difference between the rating for this point among those with successful migrations (mean = 5.78) and unsuccessful migrations (mean = 5.70).

With regard to penetration, 85.7% of respondents stated they “completely agree or agree a lot” with the importance of monitoring this variable and comparing it with the figure before migration for the migrated brand, thereby ensuring, as far as possible, that no consumers had been lost with the migration. 87.3% stated that they had monitored penetration. 12.5% of respondents held a middle position in this regard, while 1.8% stated they “disagree a lot” with this statement (mean = 5.50). In this case there was spread among the importance of monitoring the penetration of the destination brand in successful cases, which did not occur in partially successful or unsuccessful migrations.

With regard to the level of promotional activity, 83.9% of respondents stated they “completely agree or agree a lot” that this is an important variable to monitor, both for the destination brand and for its direct rivals (including retail brands) (mean = 5.29). 89.1% of respondents confirmed they had monitored the level of promotional activity for a specific time in the migration. In this case there were no significant differences between successful and unsuccessful migrations.

The rest of the variables showed lower levels of importance although these were significant, with no differences between successful and unsuccessful migrations except in the case of monitoring profitability, in which the conclusions were not definitive and the findings did not show any clear definition. Only 46.4% of respondents stated they “completely agree or agree a lot” with regard to the importance of controlling this variable, compared with the high percentages found for the rest of the variables (over 80%). Among those cases of “no success”, the percentage of maximum importance for monitoring profitability was 50.0% compared with
12.1% of the cases of “success”. In other words, the cases of “no success” took profitability much more into account than the cases of “success”. Table 1 summarizes the key data in this section.

Table 1. Observed distribution and descriptive statistics on the variables considered relevant in the long-term monitoring of brand migration

<table>
<thead>
<tr>
<th>Control variables</th>
<th>Degree of importance</th>
<th>Monitoring carried out</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% 5+6</td>
<td>% 1+2</td>
</tr>
<tr>
<td>Market share</td>
<td>96.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Internal sales</td>
<td>94.6</td>
<td>1.8</td>
</tr>
<tr>
<td>Weighted distribution</td>
<td>91.0</td>
<td>0.0</td>
</tr>
<tr>
<td>New brand penetration</td>
<td>85.7</td>
<td>1.8</td>
</tr>
<tr>
<td>Degree of promotional activity</td>
<td>83.9</td>
<td>3.6</td>
</tr>
<tr>
<td>Rival advertising</td>
<td>75.0</td>
<td>5.4</td>
</tr>
<tr>
<td>Rival launches</td>
<td>62.5</td>
<td>3.6</td>
</tr>
<tr>
<td>Trends in retail brands</td>
<td>53.6</td>
<td>12.5</td>
</tr>
<tr>
<td>Profitability</td>
<td>46.4</td>
<td>8.9</td>
</tr>
</tbody>
</table>

Finally, the reasons for the migration and the objectives set for this process were analyzed. In all cases it was noted that the reason for migration did not come from consumer needs but from purely business reasons. 76.5% of respondents rated production synergies among the most important objectives for migration, an objective that was satisfactorily achieved in 59.3% of the cases. Commercial synergies were the second most highly rated objective in terms of importance, although in this case there was more spread in the rating. 40.4% of valid surveys (17 out of 42) placed commercial synergies among the top two objectives but also 30.9% of these rated it among the bottom two. Reaffirming the importance given in the migrations analyzed, 68.6% of respondents believed that this objective was fully achieved, while 11.4% thought the opposite. The fact that production and commercial synergies were rated as factors of greater importance in the migrations analyzed is coherent with the real reasons for these
migrations. The internationalization of brands by using brands present in other markets in local markets (globalization), as well as brand simplification and unification at a local level, which have been the fundamental reasons for most of the migrations analyzed in this research, lead to improved synergies both in producing and marketing brands.

32.7% of respondents rated profitability among the top two objectives, achieved in 66.0% of the cases. This reflects the success or failure of the reasons for migration whose prime objective is to achieve production and commercial synergies.

In fourth place with regard to the importance of objectives is the awareness of the destination brand. 74.1% of respondents rating this variable placed it among the top four objectives. This objective is not easy to achieve and had the lowest effectiveness achieved rate (38.5%), indicating the difficulty in building brand awareness, both in new and already existing brands.

Aspects related to brand migration processes defined through more quantitative measures, such as internal sales or market share, were not rated with the same intensity as the rest analyzed here, as these are directly linked to achieving the objective of the migration and therefore not so closely related to monitoring the migration process, which is the focus of this section.

**Conclusions**

After analyzing the research findings, it seems obvious that a minimum period of time is required, related to 7 purchases, for the awareness of a new brand to be equal to that of the migrated brand. We can state that, in a migration, there is a direct or positive relationship between the awareness of the destination brand and the number of purchases for this brand. The greater the number of purchases considered necessary to match awareness in the destination and migrated brand, the greater the importance placed on monitoring awareness.

The findings from this study have two important implications. Firstly, they confirm that packaging is the most important vehicle for product identification so that, in the initial phase of the first 5 purchases, the packaging format, colors or photographs should not be changed. Secondly, the
importance of preserving the name or sub-brand, in those cases where the brand migrating has one, in order to accompany the change. The findings confirm that packaging is the main factor for identifying change and that, to a large extent, it guides consumers from the migrated brand towards the destination brand. It is also confirmed that the visible elements of a brand, in addition to protecting it, also reinforce its consumer awareness, so that preserving these elements helps to identify the new brand and relate it with the migrated brand, thereby ushering consumers towards the new brand.

According to our findings, we can state that, in a migration, investment in communication for the destination brand depends on whether it is new on the market or whether the migration is towards a brand that already exists and therefore has a specific image and positioning in the mind of consumers. The strategy to be followed and the support to be provided is different in each case, as in one a new brand must be built and developed, transmitting the values from the migrated brand to the destination brand and, in the other, migration is towards a brand that already has a meaning and value on the market and, consequently, the migration must take into account any differences in values between the two brands and how one can evolve towards the other. In brand migration, communication for the destination brand plays an important part in guiding consumers towards the new brand and must be carried out as soon as the destination brand is sufficiently distributed in the market and at least for a period covering the first 6 purchases.

It can be deduced that both the price and quality of a product, as characteristic attributes of a brand and variables in the marketing mix that define it and build its value, are factors whose preservation and lack of variation are assumed and believed necessary in a migration, as they relate the destination brand with the migrated brand. However, doing so does not guarantee a successful migration; preserving product quality and price in a migration, as attributes that characterize a brand, is a necessary but not sufficient condition to ensure a migration's success.

It can also be stated that, in order to duly monitor a migration, it is important and necessary to construct a scorecard to control these variables, so that corrective action may be taken should there be any significant variations to the objective, with a high percentage of respondents
(91.0%) who “completely agree or agree a lot” with the need to have a scorecard to verify how these parameters evolve consistently and while the migration lasts. Those variables considered most important are those monitored most closely in the migrations carried out: Market Share (96.5%), Internal Sales (94.7%), Weighted Distribution (91.0%), Destination Brand Penetration (85.7%) and Degree of Promotional Activity (83.9%), so that we may surmise that these variables are key to duly monitoring migration in all cases, whether such migrations are considered to be successful or not.

With regard to profitability, this variable is rated as less important and is actually less monitored. On the other hand, there is a clear difference of opinion among respondents who consider their own cases of migration to have been successful or unsuccessful, the latter rating its importance and monitoring higher. One of the possible reasons for this result is that, in those cases where there is a greater focus on profitability and the prior objectives for profitability have not been achieved, this means that the migration is considered to be unsuccessful, sacrificing the rest of the possible benefits of the migration.

In the last twenty years, with the growth of consumption in Western countries, brands have become the most important asset for mass market firms. The aim of carrying out research from a firm’s perspective, within the context of brand reorganization, has been not only to verify, from a business point of view, how the key factors to success are interpreted by consumers that have experienced a migration but also to discover the business objectives of migrations within companies and how the applied marketing mix variables are managed. This research provides an overall view of brand migrations in Spain in the last 10 years and helps us to identify parameters in the variables to be monitored in a migration and how they interrelate. The findings here coincide with those provided by various studies in non-Spanish contexts (Villemus, 1996; Kumar, 2003; Aaker, 2004; Kaikati, 2004) and also coincide in the fact that the objective of all migrations is to direct consumers of the migrated brand towards the destination brand and to ensure that the latter naturally incorporates the values of the migrated brand in its image; a delicate issue, given the importance of emotions in the bond between consumer and brand. It should also be noted
that the main causes of migration lie both in brand internationalization and also simplification at a local level. The profitability of the business, therefore, does not appear as a sole reason for migration but is accompanied by these two other reasons.

Although this research provides empirical evidence on the variables to be monitored, there remains the sole exception of the real role played by profitability in migration. This research has not investigated this point or its possible repercussions or influence on how migration subsequently takes place. Although profitability alone cannot be the real reason behind migration, expectations regarding this variable are too significant, overrating the importance of achieving this objective, as well as underrating the purpose per se of the migration. This is a variable that should be studied further in the future in order to reach a clear conclusion for this point, and the questions asked would be as follows: What is profitability’s real role in a migration?; What are the expectations?; Why isn’t monitoring profitability considered relevant in successful migrations?; What is the reason behind the importance of profitability in unsuccessful cases? These various lines of research should therefore be followed to provide data and empirical evidence in an exhaustive and rigorous study of the processes of brand migration. Finally, we must point out some limitations connected with this research. First of all, the sample is very small and, as a consequence, with poor ecological validity. But, it is very close to the population size and, with higher interval validity. In the same line, the measure instrument was an “ad-hoc” procedure and, obviously, without standardization results. In the next studies we need to improve the sampling procedure and, also, the standardized instrument to collect the data.

Bibliography


