THE ART OF BRAND WAR: 
AN APPROACH TO CONCEPTUALISING FLANKER BRANDS

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Abstract
This research seeks to develop a unified concept of flanker brands, and build a research model to empirically evaluate consumer perceptions and attitudes towards flanker brands; specifically in the luxury brand context. Underpinned by Schema Theory, applying the military teachings of Manoeuvre Theory, and incorporating the lessons from Sun Tzu's Art of War; this research aims to dimensionalise flanker brands into Distinct and Latent Flanker Brands. In doing so, this study clarifies how flanker brands are employed in the marketplace, and how consumers react to them.

Introduction
In developing competitive strategies for the marketplace, businesses often turn to military stratagem. There is much to learn from the annals of military warfare, and many parallels that can be drawn to the management and organisation of a business (e.g. Goria, 2012; Kotler & Singh, 1981; Lynn, 1993). However, considering that most marketing research borrow ideas from military doctrine, there are significant liberties taken with the terminology and interpretation of military stratagem. This results in inaccuracies in the interpretation and understanding of the literature, and presents problems for managers and academics alike in developing a consensus on the various marketing warfare strategies. This research focuses on one such issue in branding, and attempts to clarify and unify the concept of flanker brands.

The research objectives therefore, are:
Objective 1: To conceptualise and operationalise flanker brands
Objective 2: To dimensionalise flanker brands into distinct and latent flanker brands
Objective 3: To develop a research model for the empirical testing of the concept of flanker brands
Objective 4: To evaluate consumer attitudes and perceptions of flanker brands in the context of luxury brands
Objective 5: To assess the influence of brand mimicry on consumer perceptions of flanker brands and their success
This paper is structured to first provide a theoretical foundation for understanding flanking in the context of marketing; followed by a proposed conceptualisation of flanker brands; and finally, a perspective on how this conceptualisation can be empirically validated.

**Manoeuvre Theory and Sun Tzu’s Art of War**

Manoeuvre theory, briefly, is a “contemporary” in military warfare strategy, has been employed as far back as 371 B.C. (Kolar & Toporišič, 2007; Lind, 1985). Manoeuvre theory, when employed in warfare, underpins and guides the decisions of the military effort; from the overall strategy down to the tactics employed in individual battles. Unlike traditional attrition-based warfare, manoeuvre theory emphasises mobility and intellect; and is characterised by speed, deception and the element of surprise to deliver striking blows to the enemy with minimal effort (Kolar & Toporišič, 2007; Pech & Durden, 2003). Reviewing Lind’s (1985) theorisation of manoeuvre theory reveals the following key lessons:

1. Concentrate on the enemy and their weakness
2. Disorient the opponent
3. Employ deception and keep enemies blind to your actions
4. Deliver multiple threats to throw enemy off-balance
5. Nimbleness & manoeuvrability in your actions
6. Observe where you are relative to your enemy and adjust your strategy accordingly

Similar lessons can be observed in military tactician Sun Tzu’s words on warfare. Sun Tzu’s Art of War (Giles, 2014) shares man of his wisdoms on the art of manoeuvre. For example, manoeuvre theory suggests concentrating firepower on the enemy’s weaknesses; which is reflected in Sun Tzu’s words: “appear at points which the enemy must hasten to defend; march swiftly to places where you are not expected”. On the point of deception, Sun Tzu states: “O divine art of subtlety and secrecy! Through you we learn to be invisible, through you in audible; and hence we can hold the enemy’s fate in our hands”, and "Let your plans be dark and impenetrable as night, and when you move, fall like a thunderbolt”. Through deception and delivering multiple threats, the enemy can be thrown off balance, and this is reflected in Sun Tzu’s words: “Should the enemy strengthen his van, he will weaken his rear; should he strengthen his rear, he will weaken his right; should he strengthen his right, he will weaken his left. If he sends reinforcements everywhere, he will everywhere be weak”. On Nimbleness and manoeuvrability, Sun Tzu shares the point: “Speed is the essence of war; let
your rapidity be that of the wind, your compactness that of the forest”. Finally, on adjusting strategy in relation to observations of enemy actions, he offers: “Whether to concentrate or divide your troops, must be decided by circumstances”. It is clear then, that Sun Tzu and manoeuvre theory have much in common, and there is much that businesses can learn from the two.

**Flanking Strategy**

In the military context, a flank is the right or left limit of the combat unit relative to the direction of its movement, and is often a weak point, as the unit cannot apply much direct fire to the flanks (*Offense and Defense*, 2012). It is because of this, that flanking as a military strategy is commonly employed in battle, and commanders employ flanking tactics to engage these weak points (See Figure 1). Generally, the act of flanking, refers to the movement of a smaller combat unit around the enemy’s defences to attack its flanks; and in doing so, distract the enemy so that the main forces can carry on the main attack (German, Donahue, & Schnaars, 1991; Lind, 1985; *Offense and Defense*, 2012).

![Figure 1: Flanks of a combat unit](image)

**Flanking Position**

Drawn into the business context, there are two main interpretations of the flanking strategy. Firstly, a *flanking attack* is similar to the military concept of flanking, and is where a firm attacks an uncontested market area, deviating the competitor’s attention away from the main market focus, whilst avoiding direct confrontation with the competitor (Crittenden, 2010; German et al., 1991; Ries & Trout, 1993). An possible example of this, is of how in Absolut vodka priced their products at 50% more than their main competitor Smirnoff, and outflanked Smirnoff to occupy the premium vodka segment of the market (Burns, 2013). A *flanking position* on the other hand, is a defense position that the firm engages by launching products in peripheral or secondary markets to protect potential weak spots in its market position (Crittenden, 2010; Finnie, 1992). One could argue that when Apple launched the iPhone 5C, it was launched as part of a defensive flanking strategy (Johansson & Carlson, 2014; Nguyen, 2013). The iPhone is generally positioned as a premium product, leaving much room for lower-priced competitors to compete for a share of the customers’ wallet. Emerging markets such as China and India are dominated by brands which offer a similar value proposition as the iPhone, but at a much lower price (Johansson & Carlson, 2014; Ribeiro, 2015). Thus the
iPhone 5C could be considered as a means of defending its market share against these low-priced competitors.

We next discuss the outcome of a flanking strategy in the context of branding – flanker brands; and examine the various perspectives and conceptualisations of flanker brands.

**Flanker Brands**

The notion of flanker brands have long been discussed in marketing literature with first mention dating as far back as 1981 in Tauber's (1981). There is mention of flanker brands in much of the literature surrounding brand strategy (See Table 1); yet it seems that almost none of the literatures make a clear attempt to conceptualise flanker brands.

<table>
<thead>
<tr>
<th>Author/Year</th>
<th>Definition of flanker brand</th>
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<tbody>
<tr>
<td>(Tauber, 1981)</td>
<td>New brands introduced into a product category where “the firm already has a market position”</td>
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<tr>
<td>(Riezebos, 2003)</td>
<td>Flanker brands have the same price-profit ratio as the parent brand, but cater to different needs and desires of consumers than does the parent brand. It is characterised by a high level of perceived performance and a reasonably high level of social meaning. By catering to the specific needs and desires of consumers, flanker brands can make it very difficult for competitors to pursue the market.</td>
</tr>
<tr>
<td>(Aaker, 2004)</td>
<td>A flanker brand is one that a firm may use to protect the parent brand from attacks by competitors with a “value offer or unique position”. “Analogously protect[ing] the [parent] brand from a competitor that is not competing head-on with attributes and benefits the [parent] brand has cultivated”, “undercut[ting] the competitor brand where it is positioned without forcing the [parent] brand to change its focus”</td>
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<tr>
<td>(Carroll, 2005)</td>
<td>Flanker brands are employed where &quot;a major brand protects [its] flank[s] by creating a new brand around the core brand.&quot;</td>
</tr>
<tr>
<td>(Raasch, 2008)</td>
<td>Flanker brands as having the “reputation as the producer of the time-tested original brand that is likely to benefit the new brand”; in essence leveraging the parent brand equity.</td>
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</tbody>
</table>
Flanker brands are brands “designed to combat, and ideally eliminate, low-priced competitors while protecting [a firm’s] premium-price offering”. They are “specifically created to combat a competitor that is threatening to steal market share away from a company’s main brand” (Ritson, 2009a, 2009b).

Flanker brands are a “low-priced version of the flagship product, sold under a different name – that will satisfy the appetites of price-conscious consumers” (Hyatt, 1980; Quelch & Jocz, 2009).

“A new brand launched in the market by a company with an established brand name in the same category” (Kim & Lowrey, 2010).

Flanker brands are “designed to fight a competitor, shielding the flagship brand from the fray”. The flanking strategy reduces the manoeuvrability of the competitor. (Giddens, 2010).

The firm does not wish to use its leading brand to compete, and thus brings out a flanker brand to “battle on possibly less strategic fronts and/or prevent the competition from gaining market entry from a vulnerable position” (Crittenden, 2010).

Based on the aforementioned review of manœuvre theory, Sun Tzu’s Art of War, and the strategy of flanking, it is proposed that a conceptualisation of flanker brands must illustrate similar characteristics. First flanker brands are best developed and deployed without competitors’ awareness(German et al., 1991; Lind, 1985; Pech & Durden, 2003). Second, moving with speed in launching the flanker brand helps the business to maintain this secrecy and acting before competitors have a chance. This leaves competitors caught off-guard, allowing the business the advantage of the upper hand as competitors scramble to deal with the new threat (Bellamy, 1990). The final element of the flanking strategy relates to the use of a small force to attack the enemy’s flanks or defend against the enemy’s flanking attempts. Sun Tzu comments that “If you set a fully equipped army in march in order to snatch the advantage, the chances are that you will be too late” (Giles, 2014). Relating to the idea of speed and mobility, a flanker brand should be a smaller brand to the parent brand, one that is quick and easy to deploy in the marketplace. It is a brand which the parent brand can employ the art of deviation and tactical manoeuvring to attack or defend against its competitors’ movements.
Overall, flanker brands employed in the context of branding, leverage manoeuvre theory, and “take advantage of the enemy’s unpreparedness” – Sun Tzu (Giles, 2014). This is achieved through the identification of key gaps in the competitor’s market strategy, and the covert development and swift deployment of flanker brands in the marketplace (“Travel by unexpected routes and strike him where he has taken no precautions” – Sun Tzu (Giles, 2014)).

Building on manoeuvre theory, and the concept of flanking; and in review of the various concepts of flanker brands over the years, the following conceptual definition of flanker brands is proposed:

*Flanker brands are new brands that are swiftly and covertly positioned in a similar market as the parent brand, for the purpose of out-maneuvering or defending against competitors; without risking the parent brand’s position by competing head-on*

It is also suggested that flanker brands can be separated into two distinct dimensions:

**Latent Flanker Brand:** A new brand is introduced but a link with the parent brand not drawn; a deliberate disassociation of the flanker brand and parent brand helps deviate attention away from the parent brand.

**Distinct Flanker Brand:** A new brand is introduced, but a link is drawn between the parent brand and the new brand, in order for the flanker brand to leverage the positive brand associations consumers have of the parent brand.

This fragmentation in the literature surrounding the use of flanker brands, and the lack of a consensus on the concept of flanker brands presents some distinct research gaps and questions. Further research developing a clear concept and greater understanding of flanker brands, and the appropriate uses of flanker brands would certainly benefit academics and marketing practitioners alike.

**Theoretical Underpinnings**

The experimental aspect of this research is underpinned by schema categorisation theory, and signalling theory. It is further supported by literature on brand mimicry.
A schema is a cognitive structure, a network of associations that organises and guides an individual's perception (Bem, 1981; Sujan & Bettman, 1989). Consumers develop a schema or set of expectations about what the usual values on attributes, importance of attributes, and how much variability there is across brands on attributes, and use this to evaluate new stimulus they may encounter (Sujan & Bettman, 1989). Schemas allow people to search for and assimilate received information in a highly selective manner to help the individual impose structure and meaning to the incoming stimuli (Bem, 1981).

The categorisation process relates to a less labour-intensive evaluation method where the consumer relies on prior knowledge organised in cognitive structures (Schema) that guide an individual’s evaluation (Armbruster, 1986; Bem, 1981; Goodstein, 1993). Schema are built over time and through the course of interaction with the brand and its products, and build in varying levels of generality and abstraction (Mandler, 1982). When the consumer is confronted with a stimulus, he will evaluate the stimulus based on his category schema, employing categorical cues such as brand name (Lee & Ganesh, 1999); and as Mandler (1982) explains, this tends to occur automatically and without awareness on the part of the consumer. In the vein of the flanking strategy, it is envisaged that consumers will categorise a specific “brand name” to a particular set of learned information about the parent brand, which could be positive or negative. It can be deduced that a DFB is more likely to leverage the parent brand name as opposed to a LFB where the lack of any association with the parent brand means that there is no facilitation of the categorisation process. How the consumer categorises a DFB and LFB in comparison to the competitor brands is of interest in this research. A flanker brand should be directed at certain competitor brands, and if the consumer is unable to make the appropriate categorisation, then the effectiveness of the flanking strategy is diminished.

The signalling theory has been used in past research to explain consumer-based brand evaluations and consumer brand choice (Erdem & Swait, 1998, 2004). Signalling theory suggests that imperfect and asymmetric information is a given characteristic in the market; and brands can utilize these signals, through manipulation of attributes or brand image, to convey information about their brand characteristics (Erdem & Swait, 1998; Spence, 1974). A brand becomes a signal when it encapsulates and symbolizes a company’s past and current marketing activities and strategies (Erdem & Swait, 1998). A brand can convey information
about its product attributes, such as physical, functional, perceptual and symbolic attributes. This information is conveyed through the brand’s associated marketing activities and strategies, and depends on the design of the brand’s marketing mix and brand elements (Akerlof, 1970; Darby & Karni, 1973; Rao & Monroe, 1989).

Linking back to schema theory, similar products, consumers often have preconceived perceptions of the model brands. Therefore, when a consumer is faced with a DFB, the preconceived judgements of the parent brand will be activated through similarities with the DFB in terms of brand name and/or brand elements; thus connecting and communicating the brand equity of the parent brand. However, because LFBs do not share obvious points of parity with the parent brand, this signaling may not be as overt and apparent to the consumer, thus allowing the LFB’s origins to remain unclear to the consumer. This may be advantageous in situations where the parent brand may be unnecessarily diluted if links are drawn between the flanker brand and parent brand.

Brand mimicry can be defined as "the act or art of copying or close imitation of a brand" (Teah & Phau, 2010). It is usually employed enter and compete in an established industry, or to survive in the market (Teah & Phau, 2010, 2011). Mimic brands generally copy packaging, design, concept and brand name in order to create points of parity with the mimicked brand (Teah & Phau, 2010). Mimicry in the marketplace affects both convenience goods and luxury brands, particularly in the fashion industry, and can be considered to aid in spurring growth and innovation in the industry (Hilton, Choi, & Chen, 2004; Teah & Phau, 2010). Based on the aforementioned discussion on brand mimicry and mimic brands, it is anticipated that flanker brands could serve as an effective means of competing against mimic brands, without having to sacrifice the mimicked brand’s equity and market positioning.

The concept of luxury is highly subjective and relative, and varies across individuals and societies (Heine, 2012; Kemp, 1998; Phau & Prendergast, 2000). Luxury brands are perceived by consumers to be at the highest level of prestige (Vigneron & Johnson, 1999). They carry “perceived conspicuous value, perceived unique value, perceived social value, perceived hedonic value and perceived quality value” (Vigneron & Johnson, 1999). Luxury brands carry the ability to “evoke exclusivity, a well-known brand identity, increase brand awareness and perceived quality and retain customer loyalty” (Phau & Prendergast, 2000). These unique attributes about luxury brands makes them of particular interest to this research.
Given that most literature on flanking brands do not discuss luxury brands, an insight into the effectiveness of flanking and flanking brands in the luxury branding context would prove useful to brand managers in this industry. Already, there is some evidence of flanking taking place among luxury brands in the perfume industry (e.g. Gabbert, 2013; Sheen, 2014; Tara, 2013). Therefore, insights into how consumers view luxury flanking brands, and what type of flanking brand implementation (distinct/latent) would be most effective, would add to the strategy toolbox for the brand manager.

**Methodology**

This research will be conducted in the context of luxury brands, and follow an experimental approach via a 4 (product category), x 2 (luxury brands), x 2 (distinct, latent flanking brands) research design using 8 brands. The expected sample size for each cell is approximately 200, making a total sample size of about 3200. This sample will be obtained through the assistance of Curtin University and appropriate ethics approval will be obtained in order to ensure the ethical conduct of data collection.

The survey instrument will comprise a self-administered questionnaire. The process for selecting the flanking brand names will replicate Phau and Cheong's (2009a, 2009b) research methodology to test fictitious brand names, and employ a process of word association and discussion to identify potential names for the brands. The main study of this research will utilise a mix mode approach with 50% mall intercept and 50% web-based. For the mall-intercept, a pen and paper questionnaire will be administered to subjects Singapore’s main shopping district (e.g. Orchard Road) over a period of 24 weeks. The reason for this is because Singapore is well-known as the regional fashion capital, and Singaporeans are known to be conspicuous consumers and thus show strong awareness and demand for luxury brands (Euromonitor International, 2013). The web-based surveys will be administered to a consumer panel that has been screened for luxury buyers who are aware and knowledgeable of luxury brands, as well as industry databases.

**Significance of Research**

This research contributes to the branding literature in three ways. First, leveraging manoeuvre warfare theory and Sun Tzu’s Art of War, this research extends on the branding literature by building a unified, operational concept the flanking strategy. Second, it clarifies the concept
of flanker brands, and dimensionalises flanker brands into *Latent* and *Distinct* flanker brands, clarifying the characteristics and implementation of each. Finally, this research extends current knowledge on consumer perceptions and attitudes towards Latent/distinct flanker brands, specifically in the context of luxury brands.

The proposed study also contributes methodologically with an empirical research approach to the evaluation of the types of flanker brands from the consumers’ perspective. This will serve as a springboard for academics and practitioners alike to evaluate the effectiveness of different types of flanker brands in different marketing contexts, and tease out the nuances in the application of flanker brands.

This research makes several significant research contributions. First it provides practitioners with a clear concept of the types of flanker brands that can be deployed, and provides insight into the characteristics of each type of flanker brand and their effectiveness in relation to various products categories in the luxury brand industry. Further, the research gives insight into some methods for the effective communication and advertisement of flanker brands. Finally, it examines how flanker brands can be used to combat against mimic brands in the marketplace. The insights that this research provides can help practitioners build a repertoire of flanker branding strategies to compete in the marketplace.

This research is not without its limitations. First, at this stage in the research, the conceptual development of flanking and flanker brands is not yet generalizable across various contexts, and so still needs significant improvement. Next, only luxury certain goods brands are examined in this study. Further studies should consider flanker brands across different product categories and industries (e.g. building and construction) to better generalise the research contributions, and validate the reliability of the flanker brand concept. Finally, this research only considers new brand development of flanker brands, and not flanker brands through acquisition. The research model can be replicated using a similar methodology for flanker brands through acquisition. Similarly, consumer perceptions of manufacturer flanker brand versus individual flanker brand categories should also be compared.
References


