

# THE BRAND EXTENSION DECISION OF CORPORATE STARTUPS

Designing a decision method for the brand extension decision of the B2C corporate startups within Rabobank

WHAT

## InnoHub & Moonshots

Rabobank has its own corporate accelerator, called InnoHub. Within InnoHub there are several corporate startups, which are teams of employees acting as a startup. These corporate startups are called Moonshots and this research focuses specifically on the brand extension decision of the B2C Moonshots.

## The Brand Extension Decision

When the Moonshots start selling their product or service during the market phase, they need a brand. However, besides developing a new brand, the Moonshots can also brand their product or service under the Rabobank brand. The decision between these two brand options, is called the brand extension decision.

## Focus on B2C Moonshots

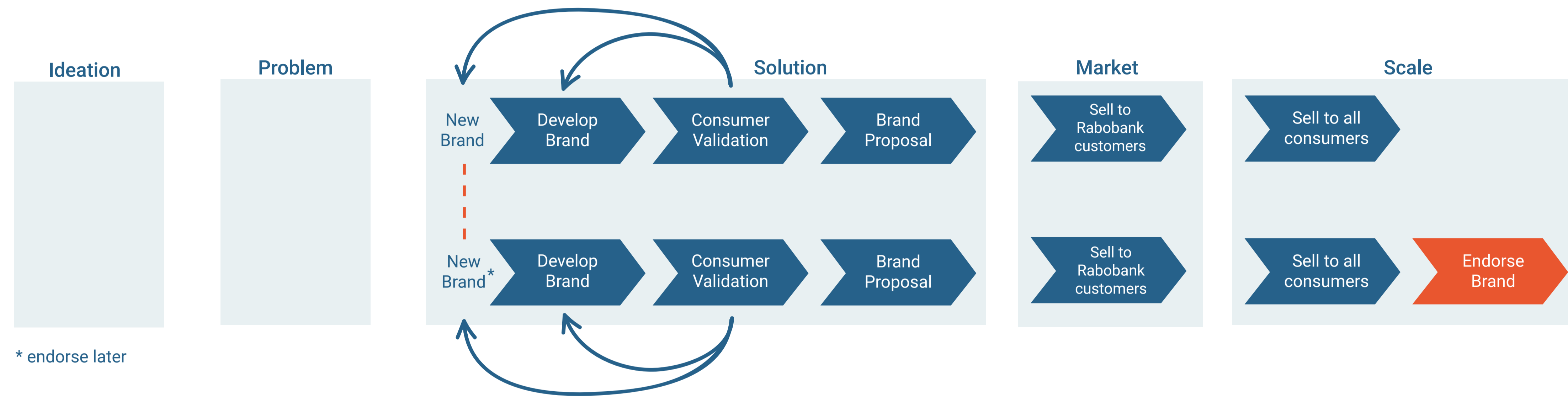
Note that the decision is even more interesting for the B2C Moonshots as the perception of consumers towards established banks is changing, these days. Consequently, this change in perception can also influence the brand extension decision and its effect on the new product success of the B2C Moonshots. This leads to the following research question:

When is it better for the **new product success** of a **B2C Moonshot** to brand their product or service under the **Rabobank brand** or under a new brand, based on **the perception of consumers** towards the Rabobank brand?

## The Two Decision Outcomes

Based on qualitative research among innovative consumers and stakeholders within Rabobank, it was decided that the brand extension decision can lead to two outcomes. The Moonshots will always set up a new brand. However, the decision that still remains, is whether the brand will be endorsed by Rabobank. This endorsement will take place when the B2C Moonshot fits the Rabobank brand in the eyes of consumers. In other words, a Moonshot should have a brand image fit with the Rabobank brand.

WHEN



\* endorse later

## The Decision & Moment of Endorsement

The B2C Moonshots should make the brand extension decision at the start of the solution phase. This because it allows them to design their brand in such a way that it has a brand image fit with the Rabobank brand from the get go. This makes the overall process more efficient. It is important that the Moonshots validate the outcome of the brand extension decision among their potential customers. Therefore, the process after the decision is iterative; the results of the validation sessions may indicate that the Moonshot should revise the design of their brand or the brand extension decision as a whole.

If a B2C Moonshot has a brand image fit with the Rabobank brand, Rabobank endorses the brand during the scale phase. This because existing research indicates that the new product success of a B2C Moonshot depends on whether innovative consumers will accept the product or service. Moreover, the results of this research proved that innovative consumers are likely to accept a new product or service when the brand is endorsed by Rabobank. Therefore, Rabobank can endorse the brand after the Moonshot has acquired a significant part of the market. The brand endorsement also has the additional benefit that less innovative consumers are more likely to follow in accepting the product or service, as they associate the established bank with trust and convenience.

HOW

**BRAND DEVELOPMENT CANVAS**

**BRAND POSITIONING**  
 Dit ondernemingsconceptie om te laten positionering te komen. Tip: schrijf het eerst uit op een whiteboard of m.b.v. post-it, zodat je nog makkelijk aanpassingen kan maken.

Voor ..... (doelmarkt) ..... is een ..... die ..... (doelmarkt) ..... die  
 Anders dan ..... (andere alternatieven) ..... is ons product ..... (andere alternatieven) .....

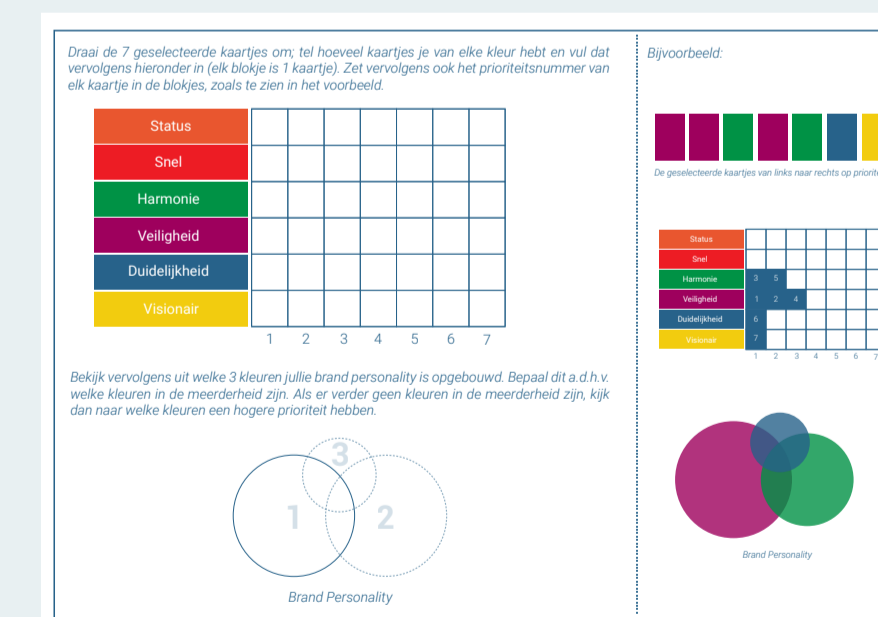
**BRAND PERSONALITY**  
 Kies 7 kaarten die voor iedereen staan die je wilt uitstralen naar potentiële gebruikers.  
 Prioriteit de 7 kaarten vervolgens op schijf te zetten.

1. \_\_\_\_\_ 4. \_\_\_\_\_  
 2. \_\_\_\_\_ 5. \_\_\_\_\_  
 3. \_\_\_\_\_ 6. \_\_\_\_\_  
 7. \_\_\_\_\_

## The Brand Development Workshop

The final design of the brand extension decision method consists, among others, of the Brand Development Workshop. This workshop should guide the B2C Moonshots in making the brand extension decision. The workshop is facilitated by the Brand Coach. This role was added to the existing roles within InnoHub in order to have one person within InnoHub, who is aware of Rabobank's brand strategy.

During the workshop the Moonshots can make use of the Brand Development Canvas and 36 Brand Personality Cards. The first part of the canvas consists of developing a brand positioning and a brand personality. Note that most team members within a Moonshot team have null experience in developing a brand. Therefore, the canvas contains an incomplete positioning statement, which makes it easier for the team to develop a brand positioning. Moreover, the teams can develop a brand personality by choosing seven cards out of 36 Brand Personality Cards. Consequently, the team has to prioritize the seven cards.



The goal of the second part of the Brand Development Canvas is to translate a Moonshot's brand personality into colors. What the Moonshots do not know, is that each Brand Personality Card has a specific color on the back. So, when a Moonshot turns over the selected cards, seven colors appear. These colors are based on an existing framework, called the Venture Metrix, which the Moonshots already use in the existing process.

The Moonshot fills in how many cards they have of each color and the corresponding priority number. Consequently, the team visualizes their brand personality, based on which color is in majority. If there is no color in majority (anymore), the brand personality is visualized based on the priority of the (remaining) cards and the corresponding colors. Finally, together with the Brand Coach, the team compares the colors of their brand personality with the colors of Rabobank's brand image and identity, which indicates whether their is a (brand image) fit.

Joséphine A. M. Scholtes  
 The Brand Extension Decision of Corporate Startups  
 31 - 01 - 2019  
 MSc. Strategic Product Design

**Committee** D. N. Nas  
 R. R. R. van der Vorst  
 L. van der Geest  
**Company** Rabobank Group

