

THE BRAND EXTENSION DECISION OF CORPORATE STARTUPS

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

Thesis report - 2019
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TU Delft


Rabobank

The Brand Extension Decision of Corporate Startups

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

Master thesis
Delft, January 2019

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PREFACE

This report is the final deliverable of my graduation project and is in collaboration with Rabobank, an established bank in The Netherlands. The thesis explores the brand extension decision for the B2C corporate startups within Rabobank. All in all, I would like to thank several people for their support during this project.

Thank you Lukas for your continuous support. Not only did you introduce me to InnoHub, but you were also very involved in making the project to a success.

I would like to thank Deborah and Roland for their attention to detail. You helped me in achieving my potential and taught me a lot about brand extension and innovation within large corporates. Also, thank you Deborah for bringing me in contact with Rabobank at the first place.

Many thanks to my colleagues at InnoHub. You have been a great team to work with. Also, a special thanks to the Moonshots who allowed me to take a critical look at their progress.

Thank you family and friends for supporting me throughout the project. Frédérique, Jan, Rainier, Annemijn, Suzanne, Olivier and Meike thank you for listening to my ideas the past five months.

Josefien

EXECUTIVE SUMMARY

THE ASSIGNMENT

The assignment of this project was to develop a decision method for the brand extension decision of the B2C corporate startups within Rabobank. These corporate startups are known as Moonshots. The brand extension decision is defined as the decision the Moonshots have to make in branding their proposition under the Rabobank brand or under a new brand. Literature research, qualitative research and a comparative analysis lead to the following design criteria for the decision method.

The Brand Extension Decision Method should include:

- The disruptive role of the Moonshots within Innohub 2.0
- The existing Moonshot process
- Earlier involvement of stakeholders in the Moonshot process
- The Moonshots that join the Rabobank brand, should contribute to the new brand identity of the bank
- The symbolic and functional brand image associations of innovative consumers towards Rabobank
- The perception of innovative consumers towards established banks in general

These design criteria lead to the final design of the Brand Extension Decision Method for the B2C Moonshots.

FINAL RESULT

The final design of the method consists of a process blueprint, a decision process blueprint and a Brand Development Workshop. The blueprints are for the Strategy team and coaches in order to implement the brand extension decision within the existing Moonshot process.

In addition, the Brand Development Workshop is a workshop for the Moonshots. This workshop is facilitated by a Brand Coach, who guides the Moonshots in making the brand extension decision. During the workshop, the Moonshots can make use of two tools: a Brand Development Canvas and a deck of 36 Brand Personality Cards. All in all, these tools help the Moonshots in creating a brand personality. By comparing this brand personality to the brand image and brand identity of Rabobank, the Moonshots can measure a fit and make the brand extension decision.

REPORT STRUCTURE

The process of this design research is based on the Double Diamond model, visualized in figure 1. The diamond shape represents the creative process of gathering insights (diverging) and translating these insights into one idea (converging). However, this model consists of two diamonds, which indicates that the creative process of divergence and convergence happens twice. This in order to confirm the problem definition and consequently create the solution (Design Council, 2005). The two diamonds are divided into four distinct phases: discover, define, develop and deliver. Design methods, such as generative sessions, stakeholder maps and personas move the project through the four phases.

The Double Diamond model starts with an introduction of the problem. Consequently, a phase of discovery begins. In other words, the designer analyses the context and gathers new insights. Note that the designer

has an open attitude during this phase; anything is possible. After the Discover phase, the insights are converged in order to define the design brief framing the fundamental design challenge.

The design brief forms the starting point for the Develop phase. During this phase solutions are created, prototyped, tested and iterated. By iterating continuously, the designer is able to improve and refine the ideas. At the end, during the Deliver phase, the ideas are translated into one final design.

To conclude, the process of this design research is based on the Double Diamond model. The structure of this report is also based on this model in order to communicate the overall process clearly.

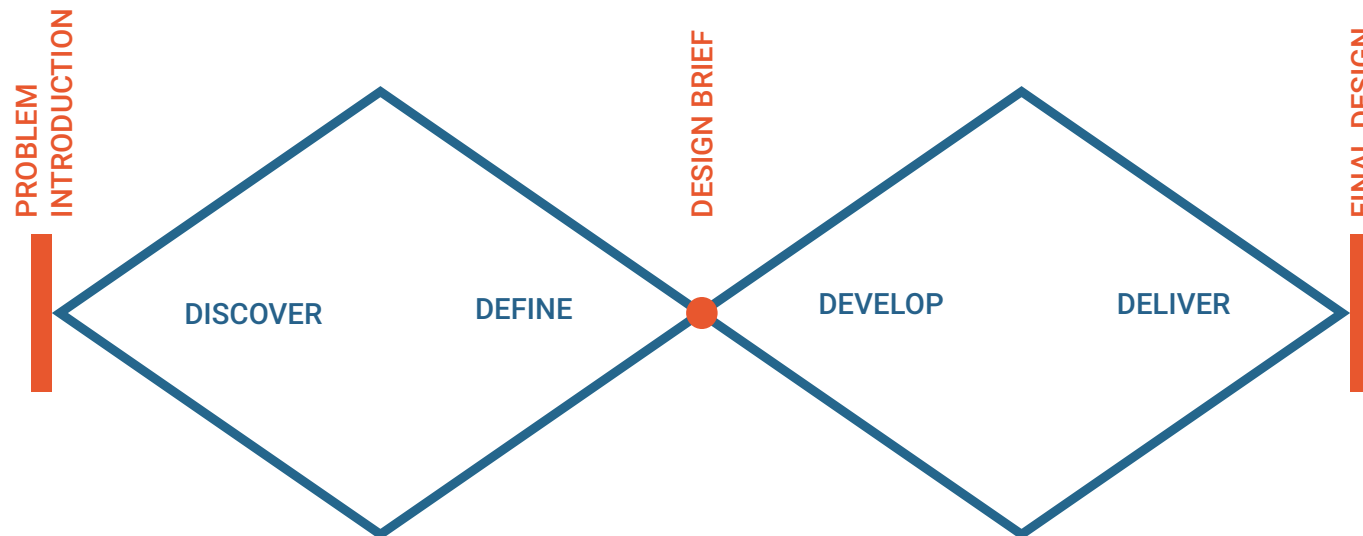


Figure 1: The Double Diamond Model

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GLOSSARY

Brand extension

the use of an established brand name for entering a completely new product class

Brand extension decision

the decision to brand a new product or service under the Rabobank brand or under a new brand

Brand identity

how a company presents itself to, and wants to be perceived, by its customers

Brand image

how a company is perceived by its customers in reality

Brand image fit

the degree to which an extension fits the brand image of an established brand

Brand personality

a set of human characteristics associated with a brand

Corporate startups

teams of employees acting as startups within the corporate organization

Iteration

the repetition of a process

1.0 PROBLEM INTRODUCTION

Many corporates, including Rabobank, are making use of open innovation by integrating corporate startups within their organization. Within Rabobank, these corporate startups, known as Moonshots, consist of employees who have an innovative idea. The Moonshots are placed within Innohub, which is the corporate accelerator of Rabobank.

The process the Moonshots currently go through is based on the theory of The Corporate Startup. That is, the teams go through iterative cycles in order to create, test and scale their proposition. Whereas the process guides

the Moonshots in developing their proposition, it does not guide the teams in creating a brand. With this lack in brand process, the Moonshots are also facing another problem. Unlike regular startups, the Moonshots can also brand their proposition under the Rabobank brand. However, the question is: when is it better for the new product success of the Moonshot to brand the proposition under the Rabobank brand and thus to become a brand extension? This brand extension decision will be the focus of this research project.

1.1 THE CORPORATE STARTUP

These days, the required knowledge for innovation increasingly resides outside the boundaries of a corporation (Chesbrough, 2003; von Hippel, 2005; Kohler, 2016). Therefore, it has become a popular strategy among established companies to implement startups within their organization. This chapter discusses this strategy and the theory it resides from.

CORPORATE ACCELERATORS & STARTUPS

Startups are a valuable source of innovation as they make use of emerging technologies and reinvent business models (Dushnitsky and Lenox, 2005; Kohler, 2016). One way of implementing entrepreneurship within a bigger corporation is by having corporate startups. A corporate startup is a team of employees working on one idea. These teams are called corporate startups, because they act as a startup within the organization of the corporate. Consequently, these corporate startups make it possible for the corporate to manage innovation while executing on the core business.

Within the organization, corporate startups are placed in a corporate accelerator where they receive funding and coaching for developing their idea. In return, the established company receives support in their search for innovation. Therefore, effective corporate startups “combine the best of two worlds: the scale and scope of large, established corporations and the entrepreneurial spirit of small startup firms” (Kohler, 2016). Moreover, the corporate startups are beneficial for established companies in order to access new markets and capabilities at lower capital and in less time than their internal R&D department can.

ECOSYSTEM PRINCIPLES

Corporate startups aim to create new products and services that deliver customer value, supported by a sustainable and profitable business model (Viki et al., 2017). However, the teams can only create long-term

sustainable innovations when there is a supportive ecosystem (Viki et al., 2017). This ecosystem should consist of five principles, which are visualized in figure 2.



Figure 2: The Corporate Startup Ecosystem

First of all, it is important that the corporate startups are aligned with the overall strategic goals of the company. Therefore, the company should create an innovation thesis which outlines their view on the future and the strategic goals for innovation. This thesis forms the framework for determining which innovation projects will or will not be considered for the accelerator. In order to achieve the strategic goals, the company sets up an innovation portfolio. This portfolio consists of products and services that reflect the overall strategy and innovation thesis.

Consequently, the innovation framework manages the accelerator process and provides an unifying language for the business. In general, the framework consists of three phases: creating ideas, testing ideas and scaling ideas. Every corporate startup goes through these phases in an iterative manner, which is visualized in figure 3.

During an innovative process it is complicated to use traditional accounting methods. Therefore, the company should invest incrementally, based on the innovation stage of the products.

Moreover, the company should also base the product development on the innovation stage of the product. This means that the corporate startups should validate the attractiveness of the product and the potential profitability of the business model among potential customers throughout the product development process.

All together, a corporate accelerator with corporate startups is becoming a popular strategy for open innovation. However, in this chapter only the fundamentals of corporate startups were discussed.. Therefore, in the next chapter the corporate accelerator of Rabobank will be discussed, also known as InnoHub, with its corporate startups, called the Moonshots.

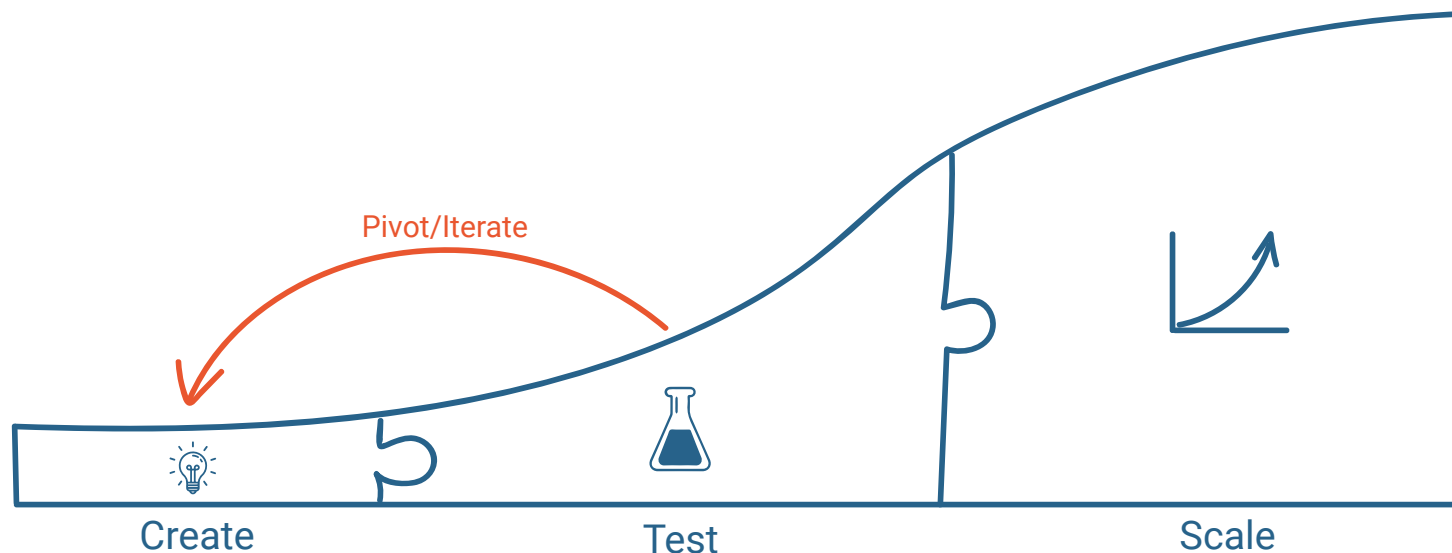


Figure 3: The fundamentals of an innovation framework

1.2 RABOBANK

This research project focuses on Rabobank; more specifically their corporate startups. As these corporate startups, also known as Moonshots, are part of a bigger corporation, it is first important to understand the organization as a whole. Therefore, this chapter will discuss Rabobank as a company in more detail.

ORGANIZATION

The Rabobank Group was founded in 1972 after a merge of 'Raiffeisen Bank' and 'Boerenleenbank', hence the name Rabobank (Mooij, 2018). Their descent from 'Boerenleenbank' is still visible today in their international focus on the food and agriculture sector (F&A). The bank is, with its subsidiaries, present in 40 countries. With over more than 43,000 employees worldwide, Rabobank is a large organization with a clear company structure. Their main office is located in Utrecht with several local offices spread throughout the Netherlands.

The organization of Rabobank consists of the five departments of the Chairman, CFO, CRO, CIO/COO and CHRO, and four additional departments which are also known as the business lines. These four business lines, visualized in figure 4, form the foundation of the Rabobank organization. 'Retail' is the first business line and focuses on consumers.

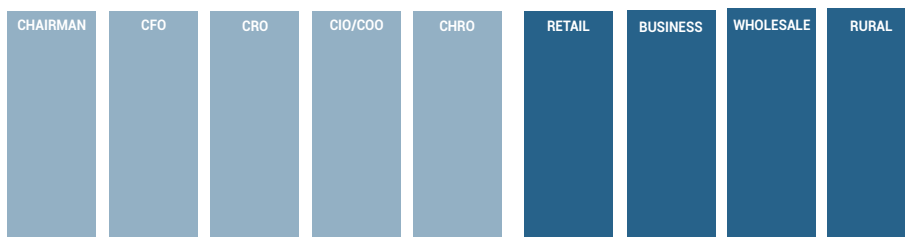


Figure 4: The organization of Rabobank with the four business lines

The second business line is 'business' and focuses on small and medium-sized enterprises. The third business line is 'wholesale' and focuses on the bigger corporates, such as Philips and Achmea. Finally, 'rural' is the last business line which focuses on companies within the F&A sector.

In addition, there is the Digital Transformation Office, also known as DTO, which is responsible for innovation within Rabobank. The department arised two years ago and is managed by the Digital Transformation Officer. As can be seen in figure 5, DTO runs horizontally through the four business lines. This horizontal placement is important in order for the department to work closely with the business lines and stimulate innovation throughout the organization. The collaboration between DTO and the business lines is managed by the innovation leads. These leads are responsible for innovation within their business line. Besides these innovation leads there is also a general board responsible for all innovation within Rabobank. This board is called the Innoboard and consists of the four innovation leads, the Digital Transformation Officer, the head of RFV and the head of InnoHub, as visualized in figure 5.

The Moonshots are placed within DTO and more specifically within the subdepartment InnoHub. In addition, InnoHub also consists of the Innovaid team, who are responsible for creating a more innovative culture within Rabobank. Besides Innohub, there are five other subdepartments: Digital hub, Digital channels & CX, Technology & Client data, Data, AI & Analytics and RFV. However, these other subdepartments are irrelevant for now as this research focuses on the Moonshots, which are placed within InnoHub.

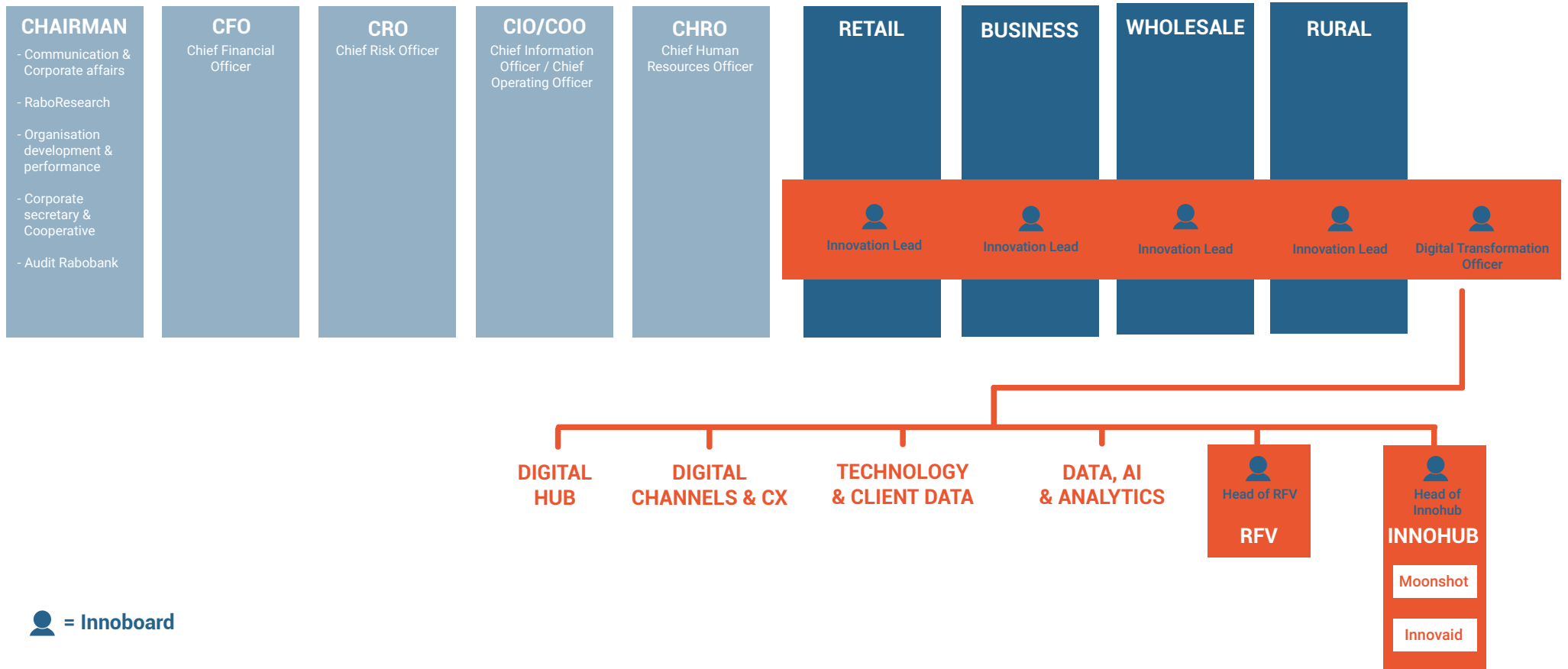


Figure 5: Organogram of Rabobank, including a visualization of the people who are part of the Innoboard

INNOVATION STRATEGY

The activities of DTO and its subdepartments are based on McKinsey's Three Horizons of Growth, visualized in figure 6.

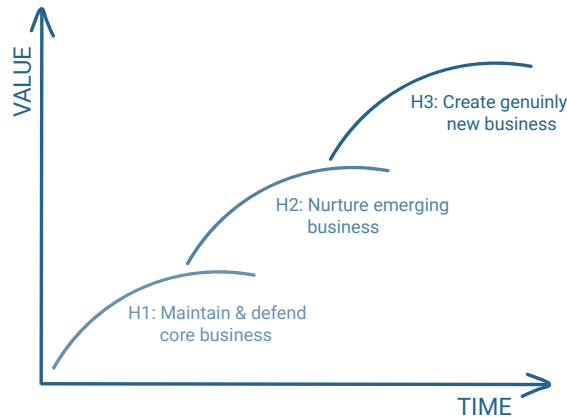


Figure 6: McKinsey's Three Horizons of Growth

The first horizon represents the incremental change; thus improving the current way of working (Sharpe et al, 2016). The third horizon represents discovering and exploiting new opportunities, which can be long term successors. The second horizon represents the domain of transitional activities and innovation, which employees are discovering due to the changing landscape between the first and the third horizon. InnoHub focuses on horizon 2 and 3. In other words, InnoHub accelerates continuous and disruptive innovation. The Moonshots are used specifically for disruptive innovation. According to the manager of Innohub, Siddi Wouters, propositions are disruptive when they are unknown territories for the bank. Note that these unknown territories are not only based on new technology, but also on new types of business models.

BRAND IDENTITY

One year ago, Rabobank decided to transform its national and international strategy. As can be seen in figure 7, nationally Rabobank wants to position itself as 'The bank for the Netherlands' and internationally as 'The bank for Food' (Corporate presentatie, 2018). These two positioning statements are communicated through a new mission: Growing a Better World Together. 'Growing' stands for sustainable growth, development and progress. This means helping customers in making the transition to a better world. The 'better world' is the society in which we live. And finally doing it 'together' means that Rabobank, as a cooperative bank, believes in the power of coalitions.

Several additional information about the brand identity was excluded from the report, due to confidentiality.

Growing a Better World Together



Figure 7: A visual summary of Rabobank's new brand identity

1.3 PROBLEM DEFINITION

The previous chapters described the context of this research project. As mentioned before, this project focuses on a problem encountered by the Moonshots. This problem being that the Moonshots are currently not aware of whether they should brand their proposition under the Rabobank brand or under a new brand. This problem can be defined as a brand extension decision. Moreover, it is not clear what influence the brand extension decision has on the new product success of the Moonshots. It is important for the Moonshots to be aware of this influence as the perception of consumers towards established banks is changing.

When looking at the process the Moonshots go through, it becomes clear that there is a lot of emphasis on customer validation. However, a new product or service is nothing without a brand. Therefore, it is important that the Moonshots pay attention to how they brand their proposition as well. But the question is: how should the Moonshots brand their proposition? Because, unlike regular startups, the Moonshots can also brand their product or service under the established brand name of Rabobank. This phenomenon is also known as a brand extension; the Moonshots thus deal with a brand extension decision.

On the one hand, the Moonshots may benefit from the Rabobank brand as it is a strong brand with a long heritage. However, the brand of established banks is under pressure these days. Fintechs and tech companies are disrupting the payment industry with innovative, customer-centric products and services. Consequently, the perception of consumers towards established banks is changing.

This change in perception is, among others, proven by the consultancy firm Bain & Company (2018). A study among 152.000 consumers proved that 54% of the consumers worldwide would rather entrust their money to a tech company than to a bank (Boer, 2018). This result is based

on a calculation of the Net Promoter Score (NPS), which is acquired by asking whether you would recommend the company to a friend or colleague. The NPS scores, visualized in figure 8, indicate that there is a big difference in customer loyalty between banks and tech companies. Luckily Rabobank has a relatively high NPS score compared to the other established banks, but still it is far less than the NPS scores of tech companies.

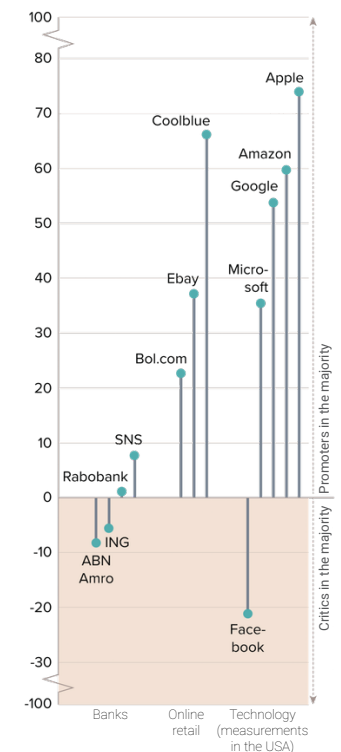


Figure 8: The NPS score of banks, online retail and tech companies, researched by Bain & Company

The change in consumer perception may also have consequences for the new product success of the Moonshots with a B2C proposition. It is thus important for the B2C Moonshots to know how consumers presently perceive Rabobank and established banks in general. This leads to the following research question:

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

The answer to this question will result in designing a brand extension decision method for the B2C Moonshots.

Besides knowing how to make the brand extension decision, it is also interesting to know when in the existing process the Moonshots should start thinking about the decision. In the current process the Moonshots are not guided in branding their proposition at all. Therefore, this research will also analyse the organizational factors influencing the decision. Based on these factors, the brand extension decision is integrated into the existing Moonshot process.

1.4 CONCLUSION

Rabobank is a large corporation with an extensive heritage. However, more recently, the company has been going through a transition. First of all, the bank revised its brand identity. By 'Growing a Better World Together' they do not only want to be 'The Bank of the Netherlands', but also internationally 'The bank for Food'.

Second, the bank also reorganized its innovation activities, which lead to the emergence of the DTO department. This department, consists of several subdepartments. One of these subdepartments is the corporate accelerator of Rabobank, known as Innohub, which is responsible for disruptive innovation within Rabobank. In the accelerator there are corporate startups, called Moonshots. Note that these Moonshots are not actual startups, but teams of Rabobank employees acting as startups.

Currently, the Moonshots encounter a problem. The perception of consumers towards established banks is changing and not always in a positive way. But, whereas the Moonshots can decide to brand their Moonshot under the Rabobank brand, they do not know when it is beneficial for their new product success to brand the new product or service under the Rabobank brand or under a new brand.

Therefore, this research will look into the following research question: when is it better for the new product success of a B2C Moonshot to brand their proposition under the Rabobank brand and when is it better to brand it under a new brand, based on the perception of consumers towards the Rabobank brand.

From now on, the decision between the Rabobank brand and a new brand is defined as the brand extension decision. Consequently, this research will result in a method, which guides the Moonshots in how and when they should make the brand extension decision. The next chapter will look more into the factors influencing the brand extension decision.

2.0 DISCOVER

After defining the problem, this chapter will discover which factors influence the brand extension decision.

First, the existing literature in the field of brand extension is analyzed. This analysis reveals that, for a brand extension, innovative consumers are the key to new product success as they are the first consumers to accept an extension. Specifically these innovative consumers find brand image fit important when evaluating a brand extension. Therefore, several innovative consumers were qualitatively interviewed in order to gain more insight into their brand image of Rabobank.

The second set of qualitative interviews was held with stakeholders within the Rabobank organization in order to learn more about the organizational factors influencing the brand extension decision.

Finally, the results of these qualitative studies indicate what factors should be taken into account when designing the decision method.

2.1 LITERATURE RESEARCH

It is important to understand the field of brand extension before researching the brand extension decision of Rabobank. Therefore, this chapter discusses the existing literature in brand extension success which has become a popular research topic over the years. Whereas the traditional perspective on brand extension success used to be taken for granted, researchers are currently rejecting some of the traditional views. This chapter will present both the traditional perspective and the more modern perspective on brand extension. An overview of the analysed brand extension literature, before and after 2000, can be found in appendix 1.

A brand extension is known as the use of an established brand name for entering a completely new product class is known as a brand extension (Aaker and Keller, 1990). Note that a brand extension is not similar to a product line extension, which is the use of an established brand name for entering a new market segment within its product product class, e.g. Diet Coke.

Over the years, brand extension has become a popular strategy to reduce risk of new product failure and exploit brand equity (Bhat and Reddy, 2001; He and Li, 2010). As a consequence, a substantial amount of research in brand extension arised. Keller and Aaker (1990) were the first to research consumer behavior towards brand extensions. They concluded that a positive evaluation of a brand extension depends on (1) the perceived quality of the product and the parent brand, (2) the perceived complicity in producing the extension product and (3) the perceived fit between the parent brand and the extension product. Further research has even proven that the latter is the most important driver for brand extension success (Völckner and Sattler, 2006). Note that the success rate of a brand extension is based on the amount of consumers accepting the new product or service under the parent brand.

A managerial implication of perceived fit being the most important

driver for brand extension success, is that brands should not extend to perceptually distant categories (Klink and Smith, 2001). However, in reality there are a lot of successful extensions which are not perceptually close to the parent brand. For example, Bic extended their brand succesfully from disposable pens to disposable lighters and the record company Virgin became successful in the airline industry. According to Broniarczyk and Alba (1994), Virgin and Bic were able to successfully extend their brand to dissimilar categories by basing the perceived fit on the core brand associations instead of basing it on product similarity.

BRAND IMAGE FIT

Based on the findings of Broniarczyk and Alba, perceived fit and its effect on brand extension success became a popular research topic. For instance, several authors stated that perceived fit should be distuingished into category fit, the similarity between the new product category and the existing products of the parent brand, and brand image fit, the degree to which the extension shares global brand concept feelings and associations (Bhat and Reddy, 2001; Grime et al., 2002; Czellar, 2003). The latter, brand image fit, is proven to be more important for brand extension success than category fit (Salinas and Pérez, 2009). This conclusion is related to consumer innovativeness, a concept that represents

consumer proneness to buy new products (Roehrich, 2004). Consumer innovativeness is an important factor for consumer acceptance, because innovative consumers are the first to buy an extension (Hem et al., 2001; Klink and Smith, 2001; Salinas and Pérez, 2009). So, if innovative consumers do not accept the extension, less innovative consumers will neither. This because less innovative consumers buy a new product or service based on the evaluations of more innovative consumers who already bought the new product or service. Innovative consumers thus influence the new product success of an extension indirectly through consumer acceptance. Therefore, it is important to understand how innovative consumers evaluate a brand extension in order to accept it.

When innovative consumers evaluate a brand extension, they put more stress on brand image fit and do not consider category fit (Salinas and Pérez, 2009). In other words, innovative consumers will not object to buying an extension that largely differs from the current product portfolio, but they will demand higher coherence with the brand image. It can thus be said that an extension should fit the brand image associations of innovative consumers in order to be accepted by all consumers and become a new product success. Note that this is similar to what Broniarczyk and Alba (1994) stated about basing perceived fit on the core brand associations (brand image) instead of the product similarity (category).

He and Li (2010) confirm the importance of brand image fit by stating that it is crucial in the case of an upward brand extension. An upward extension is defined as “extending an existing brand to a product whose technological dimension is generally seen as more advanced” (He and Li, 2010). If the upward brand extension is not perceived to fit the parent brand image, brand loyalty could have a negative effect. This negative effect on brand loyalty should not be underestimated as the capability to retain customers is a critical issue for the continued success of a firm (Dekimpe et al, 1997).

SUMMARY

The main findings of the literature research are visually summarized in figure 10. All in all, traditional literature states that perceived fit is the most important determinant for brand extension success. In other words, an extension product should fit the parent brand in order to be accepted by consumers. However, modern literature argues that perceived fit should be distinguished into category fit and brand image fit.

According to Salinas and Pérez (2009) brand image fit is specifically important for consumer acceptance and thus brand extension success. This because innovative consumers, who are the first to buy an extension, put more stress on brand image fit than category fit, when evaluating an extension. So, when innovative consumers perceive that the extension does not fit the brand image, they will not accept the extension. As a consequence, less innovative consumers will neither accept the extension which prevents the extension to become a new product success. All together, innovative consumers influence consumer acceptance , which affects the new product success of the extension in the end.

Therefore, firms should take the brand image associations of innovative consumers into account when extending their brand. Especially when the technological dimension of the extension is more advanced. If the upward extension does not fit the brand image, it could have a negative effect on brand loyalty.

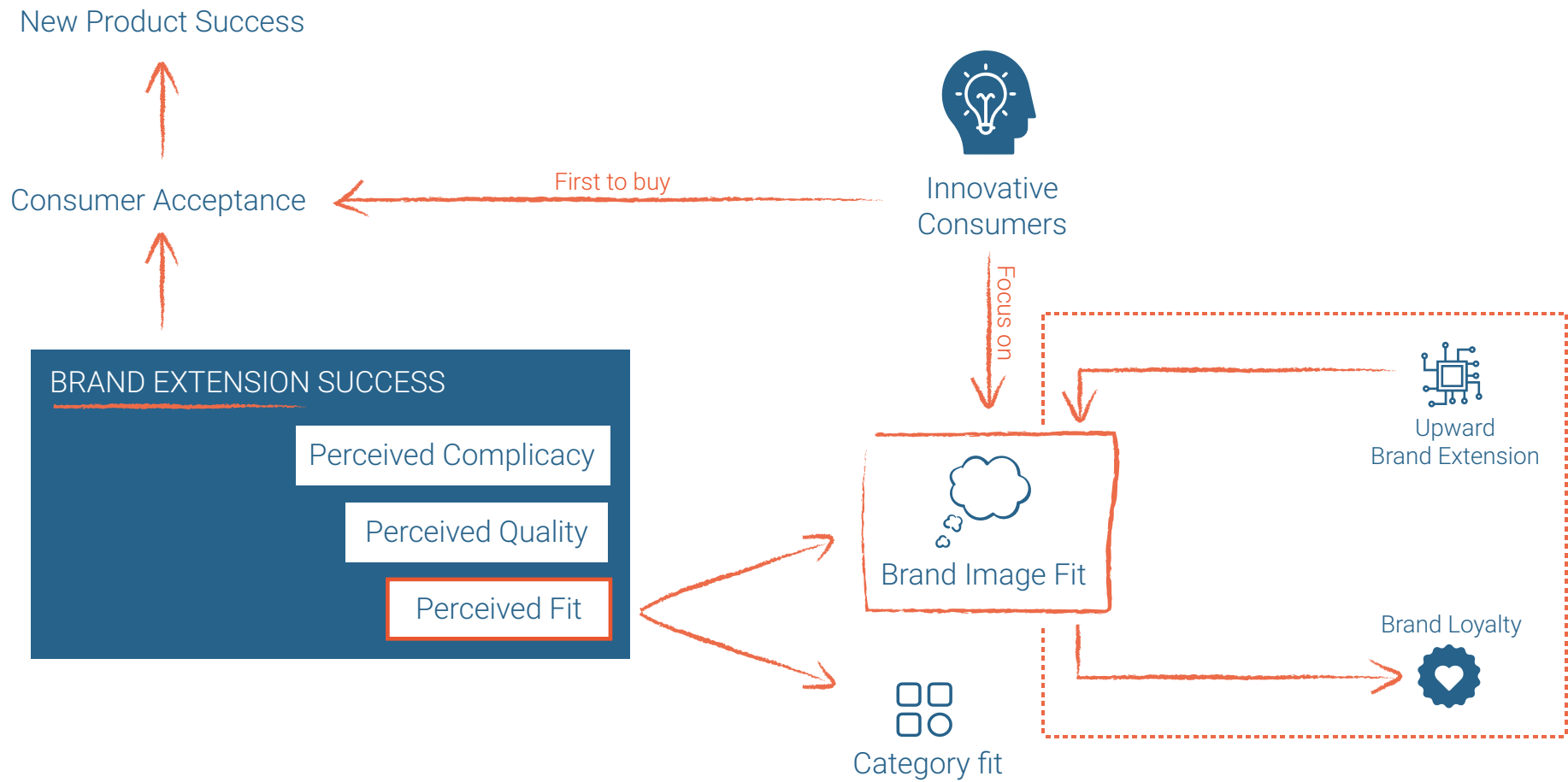


Figure 10: A visual summary of the findings in existing brand extension literature

2.2 RESEARCH

AMONG INNOVATIVE CONSUMERS

Existing literature reveals that the brand image associations of innovative consumers are important determinants of an extension's new product success. Therefore, a qualitative study among innovative consumers was done in order to gain more insight in how they perceive Rabobank. This chapter discusses the method and results of the qualitative study among innovative consumers.

CONSUMER INNOVATIVENESS

As mentioned before, Salinas and Perez (2009), proved that innovative consumers put more stress on brand image fit than category fit. However, in order to research which brand image associations innovative consumers have, we first have to know when a consumer is innovative. The scale of consumer innovativeness, used by Salinas and Perez, includes two items proposed by Roehrich (1995). These items are hedonist innovativeness, tied to a need for stimulation, and social innovativeness, tied to a need for uniqueness (Roehrich, 1995; Roehrich, 2004). Both items are answered by three 7-point Likert questions, which are displayed in table 1.

According to Roehrich (2004) the neutral point of the scale, where people neither agree nor disagree, indicates which consumers are innovative and which ones are not. In other words, the consumers who score above 4 on the Likert scale, are innovative. However, it should be questioned whether this also applies to the Dutch consumers. Therefore, the survey will first be tested among a sample of Dutch consumers in order to retrieve a mean value for hedonist and social innovativeness. Note that it is decided to focus on the mean and not the median values. This because median values do not take outliers into account (Manikandan, 2011).

Consequently, the innovative consumers who are interviewed, should have a mean value which is higher than the mean innovativeness among Dutch consumers.

RESULTS TEST 1: CONSUMER INNOVATIVENESS		
Consumer Innovativeness	Hedonist	1. I am more interested in buying new than known products. 2. I like to buy new and different products 3. New products excite me
	Social	5. I am usually among the first to try new products 6. I try new products before my friends and neighbors 7. I know more than others on latest new products

Table 1: Measuring consumer innovativeness (Salinas and Perez, 2009; Roehrich, 1995)

The mean level of consumer innovativeness was measured with an online survey among 100 Dutch consumers. These consumers were highly educated men and females ranging in age from 18 to 68 years old. The results of this consumer innovativeness test can be found in appendix 2.

Table 2 reveals the mean values of the results. Based on these results, it can be said that Dutch consumers are innovative when they have a mean value above 4,180 for hedonist innovativeness and a mean value above 3,397 for social innovativeness.

The interviewees for the qualitative interviews were selected based on their level of innovativeness. In other words, only consumers with a mean value above 4,810 (hedonist) and 3,397 (social) were qualitatively interviewed.

RESULTS TEST 1: CONSUMER INNOVATIVENESS			
			Mean
Consumer Innovativeness	Hedonist	1. I am more interested in buying new than known products.	4,130
		2. I like to buy new and different products	4,920
		3. New products excite me	5,380
	Social	5. I am usually among the first to try new products	3,220
		6. I try new products before my friends and neighbors	3,390
		7. I know more than others on latest new products	3,580
			3,397

Table 2: Results of measuring the level of consumer innovativeness among Dutch consumers

QUALITATIVE RESEARCH METHOD

As can be seen in figure 11, interviews are the best method for researching what people say and think (Sanders and Stappers, 2012). However, how consumers perceive the brand image of Rabobank is more towards what they know and how they feel. In other words, expressing a brand image is latent and not explicit knowledge. Therefore, the research with innovative consumers consists of both a qualitative interview and a generative session. Moreover, the interview is done in Dutch as this makes it easier for the Dutch interviewees to express their latent knowledge.

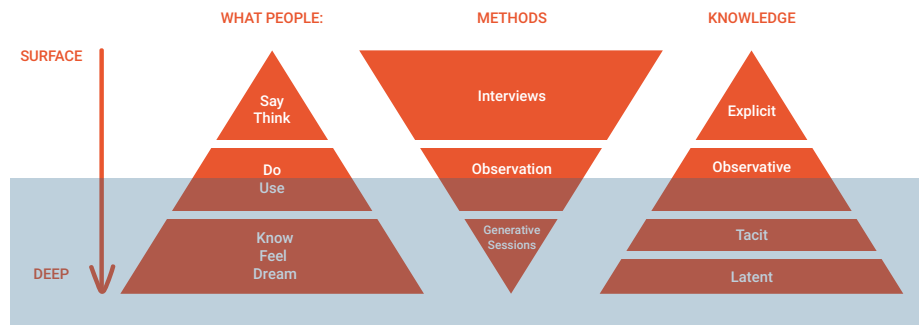


Figure 11: Methods that study what people say, do and make, help access different levels of knowledge

Interview Guide

The qualitative interview questions are based on an interview guide which can be found in appendix 3. An interview guide lists the subject areas that are to be explored in the course of an interview (Patton, 2002). This means that the interviewer remains free to word questions spontaneously and to establish a conversational style. But the focus of the questions remains on a particular subject that has been predetermined. It is important that the interviewer remains within the particular subject area to prevent biasing the interviewee.

The sequence of interview questions is based on 'the path of expression', which is visualized in figure 12. The first questions focus on the present, then on the past and finally on the future. This enables an interviewee to connect to what is meaningful from their past and present experiences, using that as a springboard for ideation about the future (Sanders and Stappers, 2012). Especially, these 'dreams' are interesting because InnoHub as a department is quite new, which means that there are still a lot of possibilities to dream about. Moreover, the 'dreams' give insight in what the stakeholders find important.

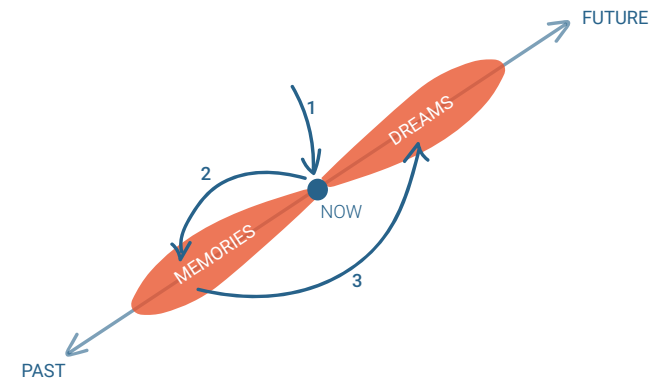


Figure 12: How an interviewee is guided through the path of expression

Generative Session

Besides, the qualitative interviews with consumers, a generative session is done in order to retrieve the perceived brand image. After a pilot, which can be found in appendix 4, it was decided to make use of a set of words and two sets of photographs to retrieve the brand image. These can be found in appendix 5. The words consist of different personalities to make it easier for the consumers to express the emotional associations they have with the Rabobank brand.

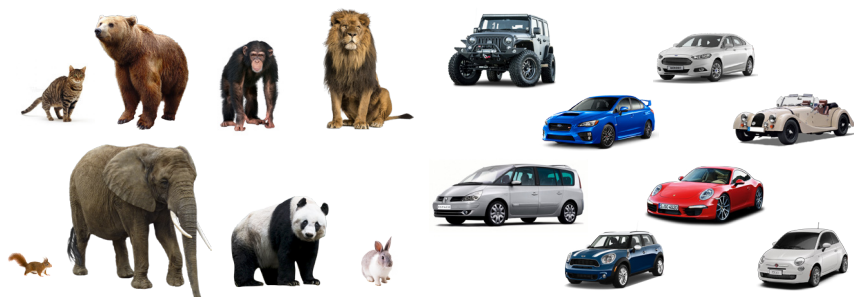


Figure 13: Different types of personalities, cars and animals to express the brand image

The pictures consist of a set of animal pictures and a set of car pictures as can be seen in figure 13. The choice for animals and cars is not arbitrary. Research has shown that pictures of animals work well for expressing brand image, due to their long history of popularity in advertisements (Hussey and Duncombe, 1999). In addition, the pictures of cars work well, due to the fact that consumers tend to identify strongly with cars and purchase models that are in line with their own self-image (Foxall and Goldsmith, 1994; Grubb and Hupp, 1968; Hussey and Duncombe, 1999). Hussey and Duncombe (1999) selected the specific cars and animals in figure 13 based on several criteria. The first criteria is neutrality and thus avoiding things such as sex or age, which could bias the respondent. The second criteria is that the photographs need to be different from one another in at least one element. The last criteria focuses on the fact that each set of photographs should cover all extremes. So, the cars are, for example, from each end of the market and the animals vary from wild animals to domestic pets.

RESULTS

A list of the interviewees and their corresponding level of innovativeness can be found in appendix 6. In total, 12 innovative consumers, of which six males and six females, were qualitatively interviewed. Moreover, the average age of the group is 32. Furthermore, three interviewees are a

customer at Rabobank, five are a customer at ABN Amro, three are a customer at ING and one interviewee has two bank accounts: one at Rabobank and one at Triodos. This variance in bank accounts improves the quality of the results as it gives a holistic perspective on how Dutch innovative consumers perceive Rabobank.

The results of the qualitative research among innovative consumers give an insight into the perceived brand image of Rabobank. The transcriptions of the qualitative interviews are gathered in appendix 7. The method used for analysing the data is called grounded theory. This involves the generation of analytic categories and their dimensions; and the identification of relationships between them (Charmaz, 2006; Glaser and Strauss, 1967; Strauss and Corbin, 1998). The grounded theory analysis of these transcriptions was done in Atlas.ti and can be found in appendix 8.

Brand image

Before discussing the results, it is important to understand what a brand image is. A brand image can be seen as a socially influenced subjective representation of a brand (Coulter and Zaltman, 1994; Zaltman and Coulter, 1995; Cian, 2011). Subsequently, consumers perceive a specific brand image based on symbolic associations, the symbolic meanings of a product or service, and functional associations, the attributes and functional consequences of a product or service (Padgett and Allen, 1997). Appendix 9 contains an overview of all associations, including how many interviewees mentioned that specific association. Note that this study was qualitative and that these associations were not predetermined. There are thus several associations which were, by chance, mentioned by multiple interviewees.

The results of the qualitative interviews and generative sessions revealed that innovative consumers base their brand image of Rabobank mainly on symbolic associations. It is important to understand the meaning of these associations. However, the interviewees used specific Dutch words

to describe how they perceive the Rabobank brand. Therefore, figure 14 also presents the symbolic brand image associations with Dutch words.

The symbolic and functional associations perceived by innovative consumers, are visualized in figure 14. The closer to the middle of the circle, the more often an association is mentioned. The meaning of the associations is described in English in the dictionary on the orange pages that follow. The most important symbolic associations, which were mentioned by 7-12 interviewees, are 'degelijk', 'sociaal', 'gaat zijn eigen koers' and 'niet innovatief'.

"I think Rabobank is quite social as well. Especially because they have all the local offices spread throughout the country." - Innovative consumer 5

"The first word that pops up in my mind when I think of Rabobank is 'degelijk' in a way that they are reliable, just act normal; I am not the slick guy, but just one of you." - Innovative consumer 10

"The bank follows its own path. So, they are actually quite stubborn, but in a positive way." - Innovative consumer 11

In addition, associations, which were mentioned by 4-6 interviewees, are 'oude mensen als klant', 'voorzichtig', 'trouw', 'niet uitgesproken', 'boers', 'bescheiden', 'voor de gewone Nederlander' and 'log'. Finally, several associations, which were mentioned by 2-3 interviewees, are 'vriendelijk', 'hoeven geen #1 te zijn', 'toegankelijk', 'nuchter', 'traditioneel', 'behulpzaam', 'verstandig', 'gewoon', 'stabiel' and 'groot'.



Figure 14: The symbolic associations of Rabobank perceived by innovative consumers

Besides the symbolic associations, innovative consumers also relate several functional associations to the Rabobank brand. These functional associations are, similar to the symbolic associations, visualized in figure 15. Note that, in the eyes of the consumer, the functional associations of Rabobank are mainly related to the banking app and managing the bank account.

“My boyfriend is a customer at ABN Amro and he could transfer money without an identifier, whereas I, as a Rabobank customer, was not able to do so yet.” - Innovative consumer 12

“ING is more digitally advanced, because they have a fingerprint scan with which you can unlock your bank account.” - Innovative consumer 3

“The look and feel of Rabobank’s banking app is old fashioned and less modern compared to the app of other banks.” - Innovative consumer 5

Besides the look and feel of the app, several interviewees perceive Rabobank also as old fashioned due to its service, which includes the local offices. For instance, when you would like to put a bank account in a different name, you have to go to one of the local offices nearby. One interviewee claimed that other banks do not have these local offices integrated into their standard procedures anymore.

Finally, the products and services of Rabobank are perceived as safe and secure. This was a positive association, which was shared by many of the interviewees.

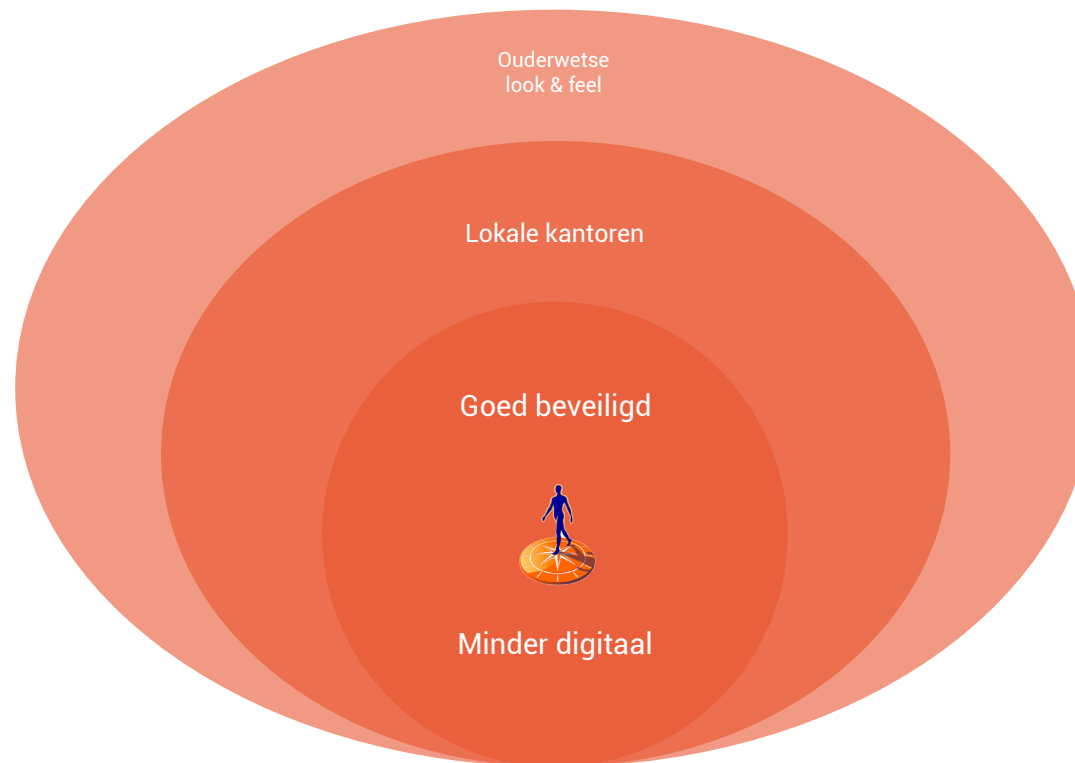


Figure 15: The functional associations of Rabobank perceived by innovative consumers

DICTIONARY OF ASSOCIATIONS

SYMBOLIC ASSOCIATIONS

Degelijk = Rabobank takes as less risk as possible. This association is related to other symbolic associations, such as 'voorzichtig', 'traditioneel', 'nuchter' and 'gewoon'. Several interviewees also mentioned that they relate 'degelijk' to the typical Rabobank customer: an ordinary Dutch citizen who finds security extremely important.

Sociaal = All types of people can become a customer at Rabobank. In addition, consumers relate this association to 'vriendelijk', 'behulpzaam' and 'toegankelijk'. Several interviewees based this association on the sport events Rabobank has sponsored or on their local offices.

Gaat zijn eigen koers = Based on Rabobank's history in agriculture, they are perceived as being down-to-earth. The most important thing to them is to be reliable, provide quality etcetera, and if that makes them slower than their competitors, so be it.

Niet innovatief = Rabobank is not perceived as an innovative bank, which is partially related to the functional associations and to the symbolic association 'degelijk'. Because they do not take much risk and hold on to the traditional way of banking, Rabobank is not perceived as innovative or progressive.

Log = The organization of Rabobank is large which makes them not flexible. This lack in flexibility is related to Rabobank not being innovative as well.

Niet uitgesproken = Rabobank does not have a bold position in the market. Unlike Bunq, Triodos and Knab, Rabobank holds onto the traditional way of banking.

Een bank voor de gewone Nederlander = the bank is for the common civiln. Their products and services are not extraordinary.

Veel oude mensen als klant = Rabobank is with its low-tech products and local offices still trying to be accesible for old people. They are not only targeting young people such as ING.

Voorzichtig = the bank is careful in its activities and does not take risks.

Trouw = the bank remains loyal to their customers which means that their innovations benefit all customers. For example, they will not quickly digitalize all their products, because this is not convenient for older people who are used to the traditional way of banking.

Bescheiden = Unlike ING and ABN Amro, Rabobank is modest about its activities and especially their activities regarding innovation.

Boers = Due to Rabobank's heritage, several consumers still relate Rabobank to farmers and agriculture.

Stabiel = Rabobank is not prone to change. This is also related to the perceived associations 'niet innovatief' en 'voorzichtig'.

Verstandig = Rabobank is perceived as a bank that has experience, knowledge and good judgement

Groot = the bank is a large association which is also related to the association 'log'

Traditioneel = it feels as if Rabobank is still holding on to the traditional way of banking with their local offices spread around the country and their products which are less digitally-advanced.

Niet trendsettend = Rabobank is not perceived as being the first established bank to do something new. Therefore, they are more perceived as a follower than as a leader

Vriendelijk = Rabobank is kind to its customers and are perceived as being open to all people; they do not discriminate.

Hoeven geen #1 te zijn = They are following their own direction and they do not have to be first as long as they are confident in what they do.

Niet vooruitstrevend = Rabobank is not perceived as progressive as their products have an old look and feel and they still hold on to the more traditional way of banking with their local offices,

Toegankelijk = the bank is perceived as being easy to talk to. This is also related to the functional associations about their local offices spread throughout the country.

Behulpzaam = the bank is eager to help when you have a question.

Gewoon = Rabobank is a bank for the ordinary Dutch citizen.

Nuchter = the bank is abstemious and cannot be quickly reared by others. In a way they are thus perceived as confident as well.

FUNCTIONAL ASSOCIATIONS

Goed beveiligd = Reliable products and services which are secure.

Minder digitaal = Rabobank's products and services are perceived as less digital than the products and services of other established banks.

Lokale kantoren = with their local offices spread throughout the country, Rabobank is perceived as an established banks which holds on to the traditional way of banking.

Ouderwetse look & feel = Most interaction between Rabobank and the consumer goes through the app. However, innovative consumers perceive this app as old fashioned, mainly due to the look and feel.

Other insights

Besides insights about Rabobank's brand image, the research also revealed several insights about the perception of innovative consumers on banks in general. All these insights are visualized in figure 16. The results indicated that innovative consumers do not pay a lot of attention to their bank, unless it involves a lot of money as with a mortgage. In addition, when innovative consumers, who are customer at ABN Amro, Rabobank or ING, consider to leave their bank, this is only to switch to a niche bank such as Triodos, Bunq or Knab.

Innovative consumers also have the general expectation that banks should provide trust and convenience. This was also confirmed by the research agency Perspective (2018). In recent research for one of the Moonshots, they proved that consumers find trust and convenience the most important characteristics a bank should have. That a bank should reflect trust does not mean that banks are not allowed to innovate.

On the contrary, innovative consumers expect banks to innovate. However, innovation should not involve too much risk.

Trust is also an important factor for the willingness to buy new products and services within the financial industry. Several interviewees indicated that they prefer buying a new product or service from a bank or from fintechs supported by banks instead of just a random fintech.

Finally, it also became clear that when a new product or service is branded under the name of a bank, it limits the potential customers to the customers of that specific bank. In other words, when a new product or service is branded under the Rabobank brand, consumers who are customer at another bank will assume the product or service is only for Rabobank customers; thus not for their use.

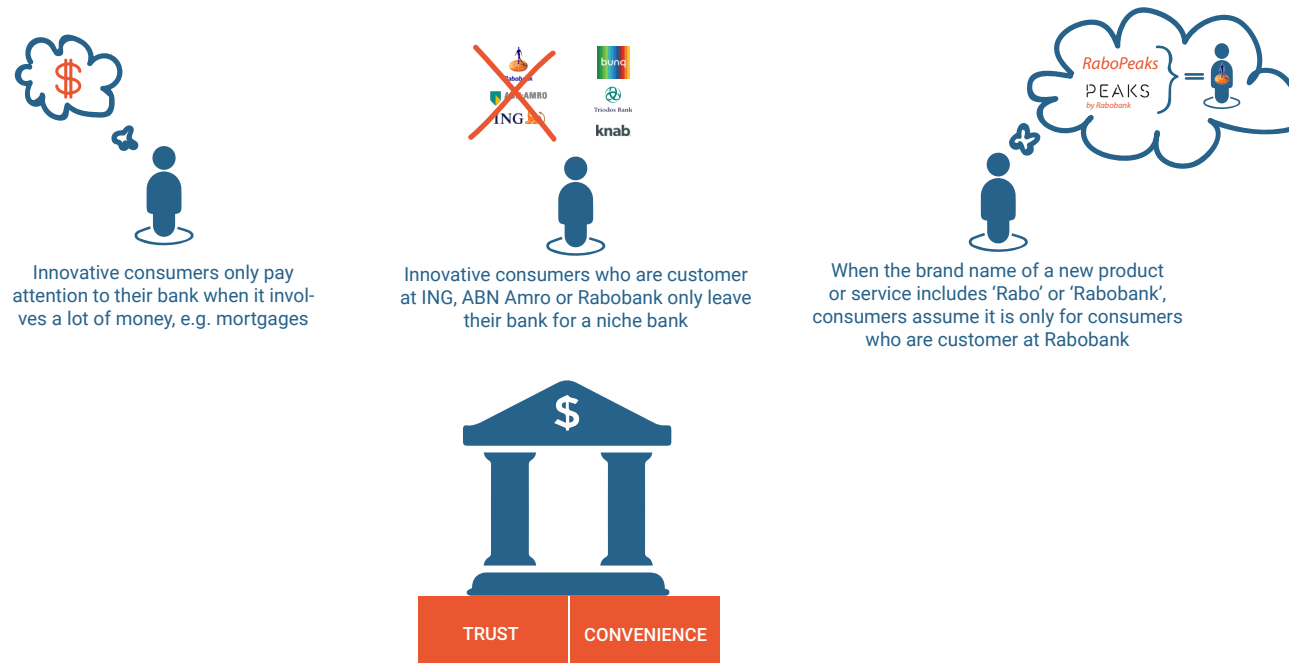


Figure 16: A visualization of how innovative consumers perceive banks in general

2.3 COMPARATIVE ANALYSIS OF RABOBANK'S BRAND IMAGE

The previous chapter revealed how innovative consumers perceive Rabobank. Ofcourse Rabobank, more specifically the department Corporate Communication & Affairs (CCA), has done a lot of brand image research as well. However, in their brand image research they do not distinguish consumers in level of innovativeness. Therefore, it is interesting to compare the findings of CCA's brand image research with the findings of this research in order to see whether the brand image of innovative consumers differs a lot from the brand image of consumers in general, found by Rabobank.

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All in all, it can be said that innovative consumers perceive Rabobank differently than consumers in general. More specifically, innovative consumers do not perceive Rabobank as innovative. In a way, this is not suprising as innovative consumers are relatively more innovative themselves. However, it is a critical difference, which should be taken into account. Especially when looking at the brand extension decision of the Moonshots which make use of a disruptive technology, such as blockchain. Recall that the research of He and Li (2010) indicates that in the case of an upward extension, and thus a more technically advanced product, it is crucial to have a brand image fit. But, if innovative consumers do not perceive Rabobank as innovative nor technologically advanced, it is very likely that they will perceive a brand image fit between Rabobank and a Moonshot making use of a disruptive technology.

Figure 17:

Figure 18: The brand image research of Rabobank resulting in symbolic associations and several negative ones.

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The content of this chapter is confidential information and is excluded from this report.

2.4 RESEARCH

AMONG RABOBANK EMPLOYEES

Besides innovative consumers, the organization of Rabobank plays an important role in the brand extension decision as well. Therefore, observations and qualitative interviews with 15 stakeholders within Rabobank were done in order to gain more insights into the organizational challenges of the brand extension decision. Similar to chapter 2.2, first the research method is discussed and consequently the results.

QUALITATIVE RESEARCH METHOD

In order to answer the brand extension decision, it is important to understand the current process the Moonshots go through. Therefore, observations should gain more insight into the organizational structure of Innohub.

Similar to the method described in chapter 2.2, it is researched what Rabobank employees say and think through qualitative interviews. The interviewees are representatives from the B2C Moonshots, Innohub, DTO and CCA, as visualized in figure 21. The interview questions are based on an interview guide, which can be found in appendix 11. As mentioned before, an interview guide makes it possible for the the interviewer to establish a conversational style during the interview. This conversational style is important for the interviews with Rabobank employees, because it is assumed that the employees, coming from different departments, have very different perspectives on InnoHub. Therefore, an interview guide makes it possible to alter questions or to come up with new questions during the interview (Patton, 2002).

The sequence of the interview questions is, similar to the questions for innovative consumers, based on “the path of expression”, visualized in figure 22. One of the last questions in the interview guide focuses specifically on the ‘dreams’ in the path of expression. This because it clarifies the perspective of each stakeholder on the current Moonshot process and what they would like to see differently.

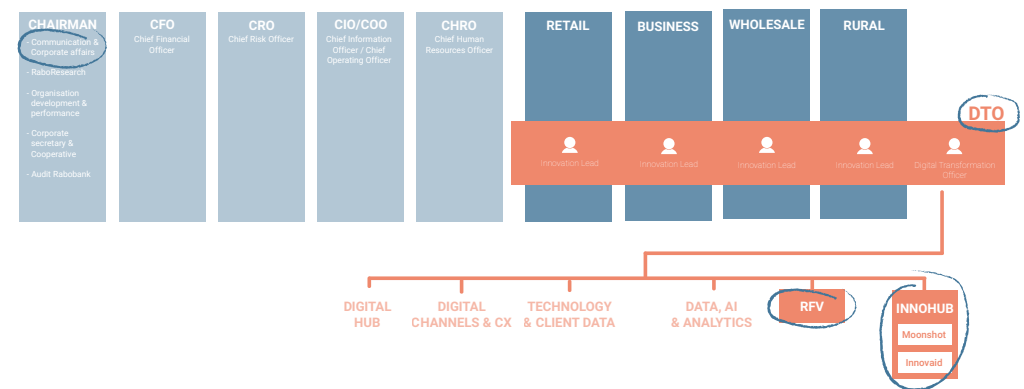


Figure 21: The corresponding departments of the interviewees

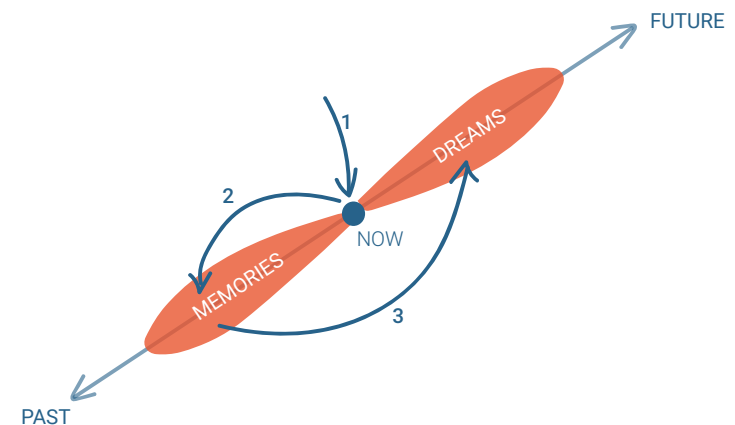


Figure 22: The path of expression used for setting up the interview guide

RESULTS

In total, 17 stakeholders within Rabobank were qualitatively interviewed for this research. A list of the interviewees can be found in appendix 12 and the transcribed interviews in appendix 13. Similar to the interviews with innovative consumers, the interviews with the Rabobank employees are transcribed in order to analyse the qualitative data. In addition, appendix 14 contains an overview of the grounded theory analysis of the interviews with Rabobank employees.

Organizational Structure of Innohub

In order to comprehend the process the Moonshots go through, it is first important to understand the organization of which the Moonshots are part. Note that there is no clear organogram yet of InnoHub's organization as the department is quite new. Therefore, the organogram, visualized in figure 23, was created based on observations and the results of the qualitative interviews.

The InnoHub is lead by Siddi, who is the manager of the department. Subsequently, Luuk and Robert-Paul support Siddi in developing the strategy for InnoHub. Besides the strategists, the head of Moonshot, head of Innovaid and the Blockchain Acceleration Lab Team (BAL Team) report to Siddi as well. The Moonshot Programme is lead by Sjoerd. He is responsible for improving the Moonshot programme based on evaluations of the Moonshot teams. Innovaid is lead by Odessa. This team is responsible for creating a more innovative culture within Rabobank. This is important, because banks cannot reinvent themselves if the organizational culture does not allow it. Therefore, Innovaid facilitates workshops on topics, such as lean startup thinking and growth hacking. The BAL Team is responsible for doing research in blockchain. This in order to discover whether there are any opportunities in blockchain specifically for Rabobank.

The Lean Startup Coaches and Team Coach have multiple roles within the organization of InnoHub. First of all, it is their responsibility to coach the Moonshots and report to Sjoerd and the Innovation Lead of the corresponding business line about the team's progress. The lean startup coach coaches the teams in lean startup thinking by facilitating workshops. During these workshops the Moonshots are, for example, thought how to validate their ideas, how to create a customer journey or how to design a business model. In addition, the team coach facilitates workshops, which teaches the Moonshots more about who they are as a team and how they can improve collaboration within their team. In addition, the coaches facilitate the Innovaid workshops organized by the head of Innovaid. Finally, the coaches also support DTO Strategists Luuk and Robert-Paul in creating the strategy of InnoHub. During the Moonshot process, the coaches also report to the Innovation Lead of the corresponding Moonshot about the Moonshot's progress. More information about their collaboration will follow.

The Moonshots report about their progress to their Lean Startup Coach and their Team Coach. In addition, they regularly meet with the Innovation Lead of their corresponding business line as well in order to discuss their progress. This because the innovation lead has the decision authority, upon agreement of the Innoboard, to "kill" a Moonshot.

Finally, there is also an external company, called Mobiquity, involved in the InnoHub. This company has several employees temporarily supporting the Moonshots in developing a digital prototype. Note that InnoHub often calls this digital prototype a Minimal Viable Product. However, as Mobiquity creates a complete application, which is tested among users throughout the development process, it is more similar to a prototype than to a MVP.

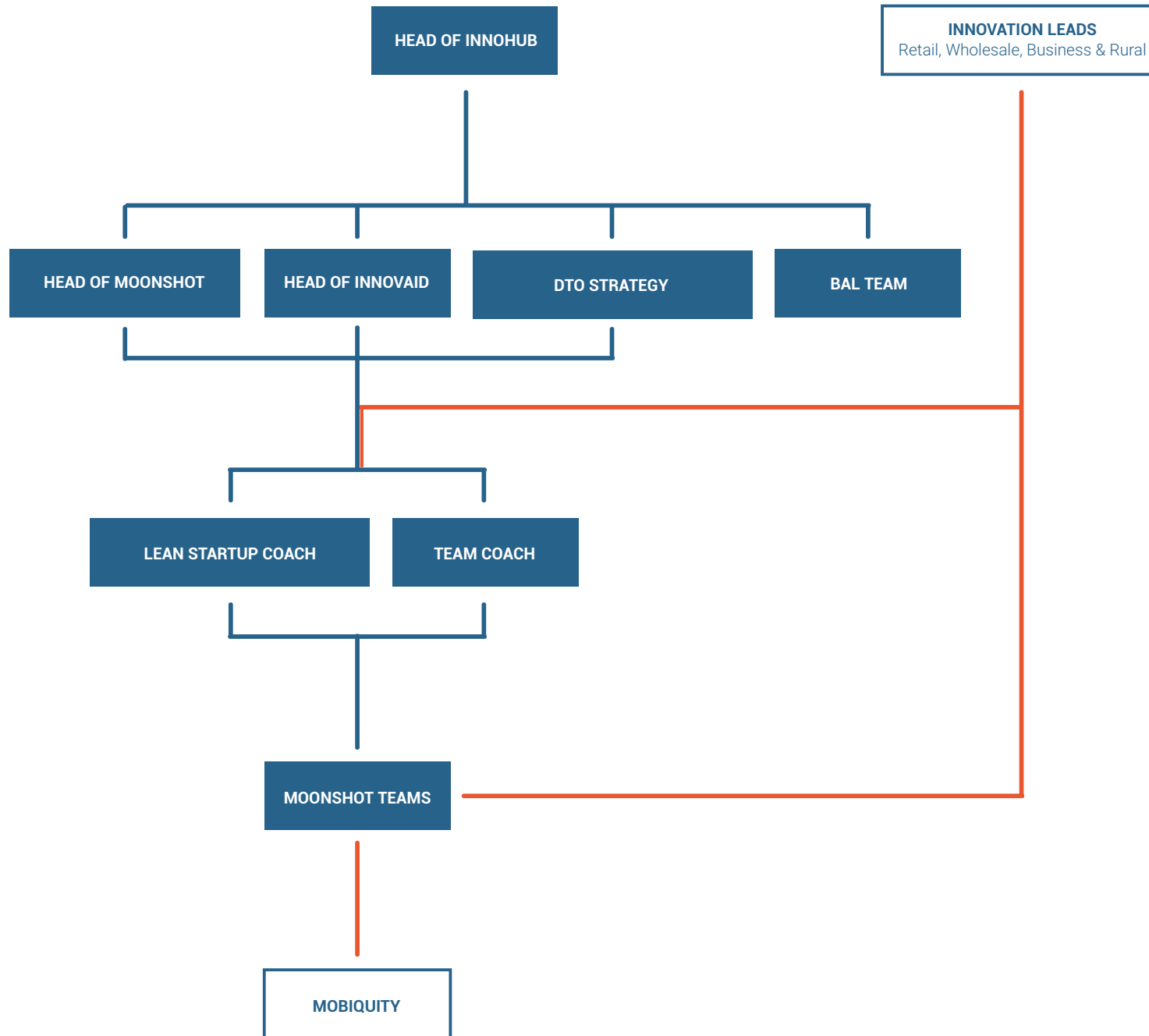


Figure 23: An organogram of Innohub, including the innovation leads of the business lines and Mobiquity who are involved in the activities of the Moonshots as well

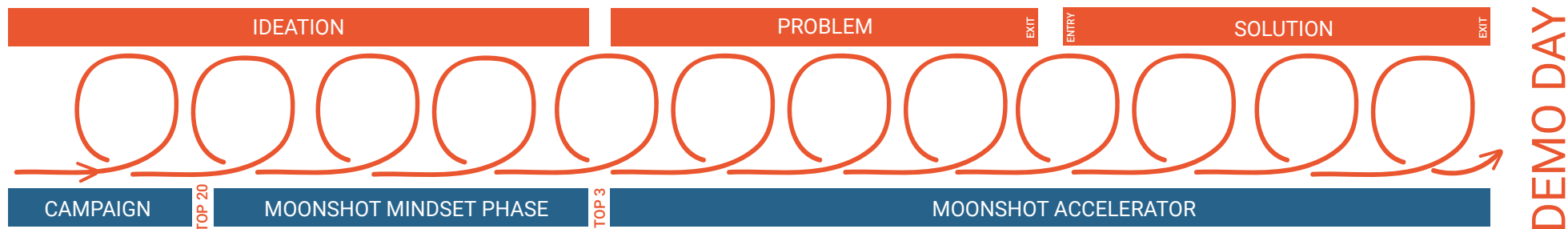


Figure 24: The process of the Moonshot programme

The Moonshot Programme

Rabobank started with the Moonshot Programme in 2015, which was the first initiative for a corporate accelerator within Rabobank. Until now, there have been six Moonshot campaigns and three Moonshots already entered the market successfully.

Campaign & Moonshot Mindset Phase

The process of the Moonshot Programme is visualized in figure 24. The entire Moonshot process, from ideation to solution, is an iterative process, just like the innovation framework in figure 3. This means that the teams are constantly validating their ideas. As mentioned before, the teams are coached by a Lean Startup Coach and a Team Coach throughout the process.

The programme starts with a campaign in which all Rabobank employees, nationally and internationally, are asked to send in innovative ideas within a specific theme, for example 'Tech Your Bank'. In the future, the theme of the Moonshot campaign should be based on the innovation thesis of each business line. However currently this is not yet the case.

Consequently, the 20 best ideas are asked to join the Moonshot Mindset Phase. This phase consists of four Mondays in which the teams learn more about lean startup thinking and get the opportunity to ideate further

on their idea. Moreover, if the idea is, for example, send in by one person, he or she also has to set up a team during the Moonshot Mindset Phase. A Moonshot team often consists of 4 people. Their backgrounds can differ as long as they are all passionate about their idea. The Moonshot Mindset phase ends with the 20 teams pitching their ideas for a jury. Based on these pitches, the three best ideas are selected to enter the Moonshot Accelerator. In this accelerator the teams can validate their idea and develop it further.

The Moonshot Accelerator

When the teams enter the Moonshot Accelerator, they start with the problem phase. This phase consists of one-week sprints in order to find a problem-worth-solving (Managing our innovation portfolio, 2018). The sprints cover the topics visualised in figure 25.

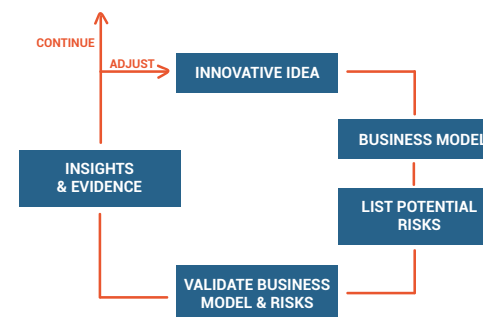


Figure 25: The topics covered by one-week-sprints in the problem phase

After finishing the problem phase, the Moonshot teams enter the solution phase. The goal of this phase is preparing to be marketable. This means that the teams should shorten the production time and put the solution in front of the customers quickly. In other words, they should start building as soon as possible. The teams start the solution phase by testing their solution-fit among potential customers. When the solution-fit is validated, the team starts working on a minimal viable product. As mentioned before, this MVP is often developed by Mobiquity and is, in reality, not a MVP but a digital prototype. When Mobiquity starts, the Lean Startup and Team Coach stop coaching the team on a regular base. This to let the team become more independant.

In order to enter and finish the problem and solution phase, the Moonshot teams have to fulfill several criteria, which are listed on the following page. These criteria exist, because the process makes use of incremental investing, as implied by The Corporate Startup theory described in chapter 1.1. The exit and entry criteria are thus quite strict, because entering a new phase, means a new investment. The Innovation Lead of the corresponding business line determines whether the team fulfilled these criteria. He or she bases this decision on the progress updates given by the Lean Startup and Team Coaches throughout the process.

Demo Day & Investment Proposal

The Moonshot Accelerator is bound to a time frame of three months. After these three months of hard work it is Demo Day. The goal of this day is to communicate the innovative activities to all Rabobank employees and not only to the Innovation Lead. Hence that presenting it to all employees also improves the innovation culture within Rabobank.

The teams present their progress and how they want to proceed in the future. The teams should aim for finishing the problem and solution phase within the time frame of 3 months. However, most teams end up only finishing the problem phase. So, the content of a team's presentation on Demo Day depends on the progress they have made. According to one of the Lean Startup Coaches, this is mainly due to the fact that at the start

the teams know almost nothing about lean startup thinking. Therefore, the Lean Startup Coach has to teach them a lot about these topics before the team can start iterating on their own idea.

After Demo Day the team has two additional weeks to write an investment proposal for the corresponding innovation leads. In the proposal they mention why they would like to continue with the Moonshot Programme and how much money they need for this. Note that a team can also request to revise a previous phase. Based on the investment proposal, the corresponding Innovation Lead decides whether the team is allowed to continue with the Moonshot Programme or whether their proposal is not good enough and they have to leave.

ENTRY AND EXIT CRITERIA

PROBLEM PHASE

Entry

- The team consists of 2-4 dedicated people, who have had a background check
- Based on the Venture Metrix, motivation and learning agility assessment the team has the right soft skills
- The team understands the fundamental lean principles and has the ability to experiment
- The idea is aligned to the strategic goals of Rabobank and the innovation thesis of the corresponding business line
- The initial business model and potential market are attractive
- The idea is legal and ethical

Exit

- The team can clearly articulate who their customers are
- The team has clear and validated customer journeys with identified problems
- The team has a clear value proposition
- The team has validated their potential solution, both qualitatively and quantitatively
- The team has clients ready to pilot
- The team has no complaints from the CLSR about the idea not being legal or ethical

SOLUTION PHASE

Entry

- The idea is still aligned to the strategic goals of Rabobank and the innovation thesis of the corresponding business line
- The team has an investment proposal
- The roadmap of the proposition is analysed by Mobiquity
- The roadmap should include CLSR checks in order to validate that the idea is legal and ethical

Exit

- The team has created a sticky and scalable product
- There is an overview of the first paying customers
- The team is independant and skilled enough
- A detailed innovation accounting overview indicates a promise of growth
- The team has an investment proposal approved by the investment vehicle of Rabobank

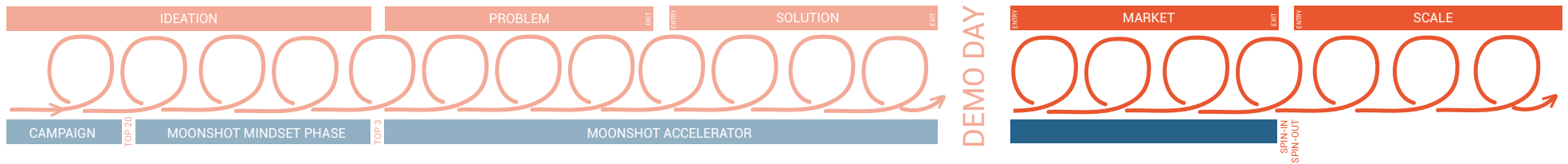


Figure 26: The market and scale phase after the Moonshot process

Market and Scale

When a Moonshot has finished the solution phase and thus leaves the accelerator, they enter the market phase, as visualized in figure 26.

The market phase entails the 1) stickiness of their product (product development), 2) validating channels of growth through implementation and 3) becoming an independent venture/department (Managing our Innovation Portfolio, 2018). For this last factor, Rabobank also looks into the organizational hand-over of the Moonshot project from the InnoHub towards 1) the implementation within one of the business lines (spin-in) or 2) preparing them for adoption by investment vehicles (spin-out). The InnoBoard decides whether the Moonshot becomes a spin-in or spin-out. When a Moonshot becomes a spin-out, RFV invests in the Moonshot, which makes Rabobank main shareholder. This process is visualized in figure 27.

In order to enter and exit the market phase, the Moonshot again has to fulfill several entry and exit criteria, which are listed on the following page.

In reality, the market phase is less structured than indicated by the entry and exit criteria. This is because Rabobank lacks the organizational infrastructure to take in the Moonshots that become a spin-in. As a consequence, many Moonshots aim for a spin-out and Rabobank tends to go along with it. Moreover, Rabobank tends to put a lot of emphasis on traction. However, it is not clear what “enough” traction is; there are no strict guidelines. All together this makes the market phase a long and exhausting process for the Moonshots.

Finally, when finishing the market phase, the Moonshots enter the scale phase. In order to enter this phase, the Moonshots again have to fulfill several entry criteria, which are listed below. When starting this phase, the Moonshot is an independent startup (spin-out) or implemented within the Rabobank organization (spin-in). Rabobank is thus no longer watching them as closely as before. During this phase, the Moonshots have the goal to scale their business in terms of users and revenue.

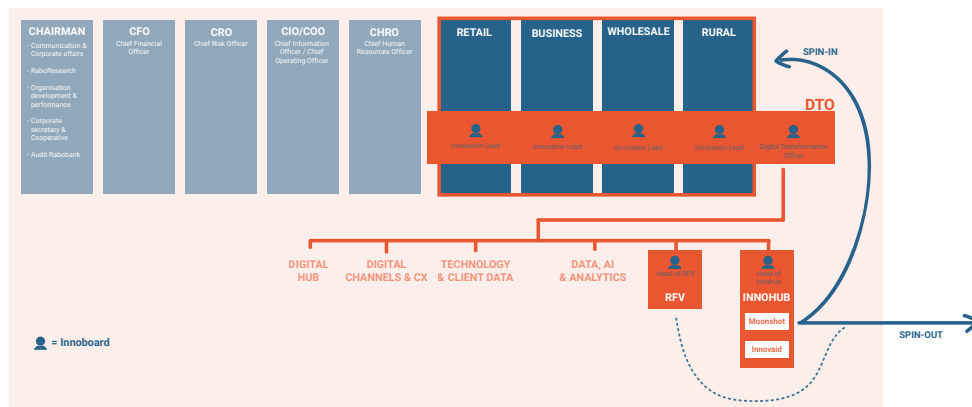


Figure 27: A spin-in into one of the business lines or a spin-out supported by an investment of Rabo Frontier Ventures (RFV)

ENTRY AND EXIT CRITERIA

MARKET PHASE

Entry

- The team has a statement with the expectations the business lead has
- The team has a more detailed investment proposal
- The product is scalable
- The team has an outline of the marketing endeavors they are planning to do
- A roadmap including CLSR checks in order to validate, once more, that the idea is legal and ethical

Exit

- A detailed user overview should validate the stickiness and scalability of the product or service
- There is an overview of all paying customers
- A second detailed innovation accounting overview indicates a promise of growth
- The team has a second investment proposal approved by the investment vehicle of Rabobank

SCALE PHASE

Entry

- The team has an additional statement with the expectations the business lead has
- The team has an additional investment proposal
- There is an analysis of the retention metrics and an objective analysis on the technical quality of the product or service
- The product or service needs to be sales ready
- A roadmap including CLSR checks in order to validate, once more, that the idea is legal and ethical
- Together with the Rabo Sales Force, a sanity check will be facilitated to determine the effectiveness of Rabobank as a distribution partner. Consequently, the proposition will be made 'sales-ready'

Existing Moonshots

The past two years, Rabobank has already organized three Moonshot campaigns. As a result, there are currently several Moonshot teams in the accelerator, in the market phase or even in the scale phase. Figure 28 gives an overview of in which phase each Moonshot is. Several of these Moonshots are B2C propositions and others are B2B propositions. Based on the results of the qualitative interviews, the progress of Surepay, Tellow and Peaks is discussed in order to clarify what the Moonshot process currently looks like.

Surepay

After going through the ideation, problem and solution phase, Surepay entered the market phase. During the market phase, Surepay first implemented their product in the Rabobank app. Their product, among consumers also known as 'IBAN Naamcheck', is a batch check, which verifies whether the account number (IBAN) and creditor/debtor name corresponds to the official registration at the relevant bank. After showing that there were enough Rabobank customers making use of the 'IBAN Naamcheck' (prove of traction), Surepay reached the spin-in/-out decision. Currently, DTO strategists are analysing whether it is better to spin Surepay in or out of the organization of Rabobank.

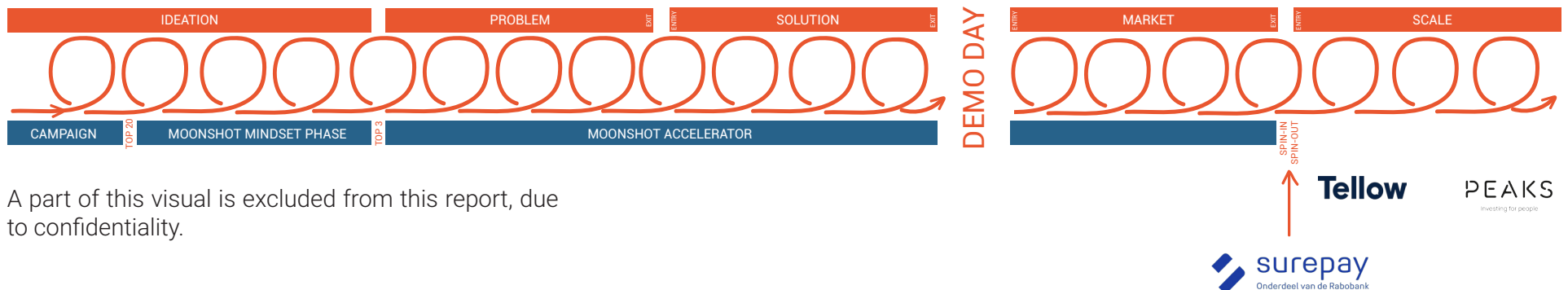
Tellow

Tellow is an accounting tool for freelancers. They were one of the first

Moonshots, which means that they did not receive the same guidance as Rabobit, Moovement and Rabo Sales Intelligence got. As a consequence they have spend multiple years in the market phase. During the market phase, they implemented their proposition among Rabobank customers. Finally, when there was 'enough' prove of traction, it was decided to spin Tellow out of the organization of Rabobank. This decision was based on the fact that Tellow wants to sell their product to other established banks. Consequently, these banks will sell Tellow, as a complete product and not as a whitelabel, to their customers. Tellow has thus become a startup with Rabobank as main shareholder. Currently, Tellow is scaling their business.

Peaks

Peaks was the first corporate startup of Rabobank. Note that the Moonshot programme did not exist yet and they also did not receive much guidance. Peaks has a B2C product which makes it possible for consumers to invest with small amounts of money. Just like Surepay and Tellow, Peaks has also implemented their product by selling it to Rabobank customers during the market phase. Consequently, after proving that there was 'enough' traction, it was decided to spin Peaks out of the organization. This decision was mainly based on the fact that two of the founders were not Rabobank employees. Currently, Peaks is scaling its business by selling it to more consumers throughout the country.



A part of this visual is excluded from this report, due to confidentiality.

Figure 28: The existing Moonshots and how far along they are in the process

InnoHub 2.0

As InnoHub is a new department within Rabobank, the role of the department and its organizational structure is still under development. When placing InnoHub on the scale in figure 29, it is placed in the left corner below (Managing our innovation portfolio, 2018). The way of working is not structured yet or at least not structured enough.

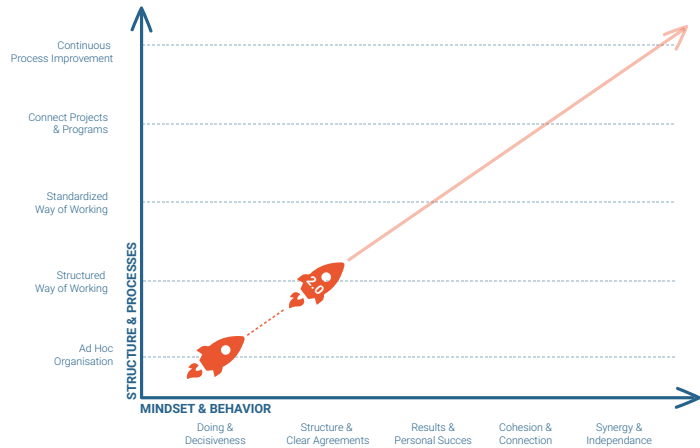


Figure 29: The structure and mindset of Innohub and Innohub 2.0

Therefore, from February 2019 on, Rabobank will start running the InnoHub 2.0, which will have a more structured organization as can be seen in figure 29. For the Moonshot Programme this new organization does not change that much. However, the InnoHub will monitor more strictly that the Moonshots are disruptive propositions. As mentioned before, Rabobank defines propositions as disruptive when they contain a technology or business model, which is unknown to the bank.

Besides the Moonshot Programme, InnoHub will also start accelerating Business Line Innovations.

Business Line Innovation

As mentioned before, Rabobank's organization is based on four business lines. Currently, if there is an innovative idea within one of these business lines, then chances are that it ends on the bookshelf. Therefore, InnoHub 2.0 will start providing an accelerator for Business Line Innovations. When an Innovation Lead notices that a team within the business line has an innovative idea, he or she can forward the team to the InnoHub. In the InnoHub, the team can quickly validate their idea by going through the problem and solution phase similar to the Moonshots. Unlike Moonshots, Business Line Innovations will always return to their business line; do not face the spin-in/-out decision.

Innovation on demand

Besides Business Line Innovations, the Innohub will also start a new acceleration service, called 'Innovation on Demand'. Currently, the Moonshot Programme requires a lot of effort from the Rabobank employees within the Moonshot team. As mentioned before, the employees have to put their current job at Rabobank on hold when joining the Moonshot Programme. Therefore, it is comprehensible that not everyone with an innovative idea wants to or can join the programme.

That is why InnoHub 2.0 will start providing a new type of acceleration, called 'Innovation On Demand'. When Rabobank employees come up with an innovative idea, but cannot or do not want to put their current job on hold, they can hand over their idea to a MVP team within the InnoHub. This is a multi-disciplinary team of designers and software developers, coming from Mobiquity, who will validate the idea. This means that the MVP team will go through a process comparable to the Moonshot Accelerator.

Organisation 2.0

With the new activities, InnoHub 2.0 will also get a new organizational structure. This structure is visualized in figure 30. When comparing it to the current organizational structure in figure 23, it is quite similar. Many roles have different titles, but still consist of the same responsibilities. The new structure is mainly to create more hierarchy. Innovoid becomes Ideate, the Moonshots are distinguished into the new and mature teams and the department Open Innovation is integrated within InnoHub. The newest additions are the MVP Lab, the Lead Trend Labs and the technology experts.

As mentioned before, the MVP teams within the MVP Lab will help the Moonshots in developing an MVP and will validate ideas with the 'Innovation on Demand' service. The Trend Labs will explore new trends which can form opportunities for innovation. Within the Lead Trend Labs, there are technology experts, who focus on exploring opportunities within a specific domain of technology. The existing BAL Team will be integrated into this team of technology experts.

This visual is excluded from this report, due to confidentiality.

Figure 30: The organisational roles within Innohub 2.0, the orange blocks are the newest additions to Innohub

The Process of Rabobit

Rabobit is one of the Moonshots currently in the accelerator phase. Therefore, it is interesting to discuss their progress as it illustrates the process as it is now. Their progress was observed and it became clear that the Moonshot process is in reality not as structured as was initially thought. Moreover, the observations confirmed that it is important for the Moonshots to receive guidance in the brand extension decision. Therefore, the process of Rabobit, specifically the development of the brand, is discussed in order to confirm the relevance of this research.

Hiring an external brand agency

The Rabobit team consists of four Rabobank employees. The idea they are working on is highly confidential as they have not entered the market yet.

During the ideation phase the team came up with the temporary name 'Rabobit'. Consequently, the team already started brainstorming about their brand in the problem phase as they found it important to already start thinking about how consumers would 'see' the product. But as there were no team members who had experience in branding, the team hired the external brand agency QiOnly. Note that the team discussed this with their Lean Startup Coach, but as there are no guidelines for how the teams should brand their proposition, the coach did not clearly say what they could and could not do. One of the Rabobit team members described this phenomenon as the following:

"Many topics are adressed, but we are never guided in what we should actually do." - Representative Rabobit

QiOnly created several drafts of the brand. For instance, one draft consisted of a visual style, which was similar to the style of the Rabobank brand. However, another draft had a visual style, which was opposite to that of the Rabobank brand; it made use of bright colors and had an urban look and feel. In addition, QiOnly, together with the Rabobit team, thought of different brand names including and excluding the Rabobank name.

Note that these designs were not discussed with Rabobank or CCA. After the session with QiOnly, Rabobit did not immediately choose a name or look and feel, because they wanted to await the development of the MVP.

From B2C to B2B

After Rabobit finished the problem phase, they entered the solution phase. At that moment, the Moonshot had a proposition, which would first be sold to consumers, who are a customer at Rabobank. When the product had proven to be a succes, there would be a possibility that the product would be sold to banks as a whitelabel product. At that moment, Rabobit thus had a B2C proposition on the short term and a B2B proposition on the long term.

However, when the Rabobit team was introduced to the team of Mobiquity, the people developing the digital MVP, it became clear that Rabobit had to choose one business model. This because Mobiquity needed to know whether they would have to create a complete app available for consumers or just the back end of the application which had to be compatible with the software of banks. This decision lead to an ongoing discussion between Rabobit and Mobiquity which took them multiple weeks. Finally, they agreed upon creating an app which would be whitelabeled, first by Rabobank and later on by other banks. Note that it is peculiar that an external party, in this case Mobiquity, guided Rabobit in making such an important decision. After confronting the Rabobit team with this insight, one of the team members confirmed that it would be better for future Moonshots to have a concrete business model before starting to talk with Mobiquity. A coach can help in this by forcing the team in making a decision between a B2B or B2C business model earlier on in the process.

Crysp

Consequently, Rabobit approached the people within Rabobank responsible for marketing and communication in order to find out whether they could integrate one of the visual styles they had created with QiOnly into the application when it would be sold to Rabobank customers.

However, it became clear that as long as the product was called 'Rabobit', the application had to meet the visual style of Rabobank. In other words, the visual lay-out of the application is not allowed to deviate from the colors white, blue and orange and the specific fonts. These restrictions made Rabobit realize that as long as their proposition is subbranded and contains the name 'Rabobank', they are not allowed to make decisions on their own. For instance, all the decisions regarding marketing and communication should be discussed with CCA. As a consequence, Rabobit is afraid that constantly asking permission will prevent them from scaling their business. Therefore, the team has the opinion that it is better for them to spin out of the organization. Consequently, Rabobit decided to focus on creating a B2B brand for their product, which did not include the name 'Rabobank'. This new brand is called 'Crysp'.

All together, these decisions indicate that Rabobit relates the organizational decision (spin-in/-out) directly to the decision to have 'Rabobank' in the brand name or not. Note that there is overlap between the factors influencing the organizational decision and the brand decision, but this does not mean that there is a direct relationship between the two.

When the Innovation Lead and Lean Startup Coach were informed about the team's decision to focus on the B2B brand 'Crysp', they had the following response:

"If the Rabobit team changes its business model from B2C to B2B, the team should validate their proposition all over again. This because the customer is no longer the consumer, but a financial institution."

- Lean Startup Coach 3

Conclusion

All in all, Rabobit's process illustrates that the Moonshots should be guided in the brand extension decision in order to make the entire Moonshot process more efficient and to prevent unnecessary costs. One of the conclusions that can be drawn from their process is that the Moonshots should have a draft of their business model, indicating whether the proposition is B2B or B2C, before starting to think about the brand.

Also, it should be more clearly communicated to the Moonshots that the organizational decision of spinning in or out of Rabobank is not directly related to the brand extension decision.

Finally, not only the process of Rabobit, but also interviews with representatives of Peaks and Tellow, reveal that many Moonshots do not like the strict regulations of Rabobank as it makes them, in their opinion, less agile. Note that agility is an important factor for the Moonshots as it makes it possible for them to act as a startup within the corporate organization. Therefore, this factor should be taken into account when designing the brand extension decision method.

Organizational Challenges

The qualitative interviews revealed the different perspectives of all stakeholders within Rabobank. These perspectives are summarized into eight personas, which can be found in appendix 15. The personas helped in gaining more insight into organizational challenges, which are related to the brand extension decision. The four main challenges are listed below.

1. THE ROLE OF INNOHUB WITHIN THE ORGANIZATION OF RABOBANK IS UNCLEAR

The organization of InnoHub looks good on paper, but in reality it is less structured. This lack in structure is mainly due to the fact that InnoHub has no clear vision. In other words, InnoHub does not only lack a branding process for the Moonshots, but also their own brand is not clear. As a consequence, employees from other departments do not know what InnoHub is or does. Moreover, within the InnoHub it is not clear what kind of innovative activities the department should do. As mentioned before, the department bases its innovation activities on horizon 2 and 3 of the Three Horizons Model of McKinsey. However, as the definitions of the horizons are open to interpretation, it is not clear how the horizons should be translated into specific activities.

The Moonshot teams are affected by the department's lack of clarity due to not receiving the organizational support from Rabobank throughout the Moonshot process. E.g. one of the Moonshots validated their proposition among young farmers. However, the Innovation Lead was not convinced by the results of their validation, because it was different than their research results among farmers. Therefore, they had the opinion that the Moonshot did not validate their proposition correctly. According to Lean Startup coach Lukas van der Geest, the Moonshots often have to deal with this kind of resistance coming from the business lines. Unfortunately, this resistance makes the brand extension decision very laborious for the Moonshot team as they constantly have to justify what they are doing.

"What Innohub is doing, is unclear. They say that they accelerate innovation, but how they do this...I have no idea!"

- Representative CCA

"In my opinion, we focus on horizon 3 and InnoHub focuses on horizon 2. Although InnoHub initially focused on horizon 3 or claim they still do, this is not the case. Because they do not do anything disruptive."

- Representative RFV

"You know what the problem is with the entire horizon discussion? The definitions are really vague, because what do we mean with disruptive?"

- Lean Startup Coach 3

2. THE MOONSHOT PROCESS IS NOT STRUCTURED ENOUGH

Although the Moonshot process appears to have a clear structure, this is actually not the case. The Lean Startup Coach and Team Coach do not have strict guidelines in how they should coach the Moonshots. Consequently, the coaching the teams receive, depends on which coach they have and his or her expertise.

Moreover, the coaching is focused on lean startup thinking and teamwork, so the Moonshots receive no coaching in how they should brand their proposition. Subsequently, the Moonshots have full responsibility in how they brand their proposition and thus whether it is branded under the Rabobank name or not. This leads to the Moonshots hiring expensive branding agencies or making wrong assumptions about the brand identity of Rabobank.

"...the Moonshot process is not of high quality, it is not organized in a way that the teams understand that they need someone of branding, CCA or an external brand agency. So as a consequence they start following their own path."

- Representative DTO Communication

"We hired an external brand agency ourselves, because we did not have a team member with a branding or marketing background. Also, we were afraid that if we were going to design the brand ourselves, we would still look at it with a Rabobank mindset."

- Representative Tellow

"Many topics are addressed, but we are never guided in what we should actually do."

- Representative Rabobit

"Whereas the Moonshot teams have to fulfill strict criteria, the coaches do not have to fulfill any criteria or deliverables. This makes the process less structured as well."

- Head of Innovaid

3. THE MANAGEMENT OF EXPECTATIONS IS AFFECTED BY A LACK IN BRAND PROCESS

The lack in brand process also influences the management of the expectations the Moonshots have of Rabobank. First of all, many Moonshots confuse the term 'corporate startup' with entrepreneurship instead of intrapreneurship. Moreover, as the Moonshots are not coached in creating a brand, they follow their own path. As a consequence, many teams already start to think about their brand when they have the first meeting with their Team Coach during the problem phase. This is because the team coach asks the Moonshot what they stand for as a team and what they find important. As a consequence, the teams start to see themselves as a startup defining their own company culture. Based on these sessions with the Team Coach, the Moonshot starts creating the brand.

The observations of Rabobit and the interviews with Tellow and Peaks revealed that the Moonshots have full control over creating the brand.

The Moonshot continues with developing the brand until they enter the market phase. This is the first official moment when Rabobank, more specifically the Innoboard, intervenes to discuss the spin-in/-out decision. Whereas the Innovation Lead is supposed to intervene more, this is not happening in reality. This means that the Moonshots go almost independently through the ideation, problem and solution phase and have created the brand without the intervention of Rabobank for a significant amount of time, as visualized in figure 31.

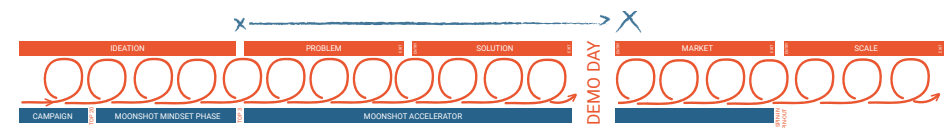


Figure 31: The Moonshots already start thinking about their brand at the start of the problem phase, whereas the Rabobank does not intervene before the market phase

As a consequence, the Moonshots developed a specific mindset. For example, the team may decide that their proposal does not fit the Rabobank brand. As the Lean Startup Coach does not guide them clearly in making this decision, the Moonshot makes the decision on their own. Consequently, the team may base the decision on their own assumptions and may not take the new brand identity and innovation strategy of Rabobank into account. When the team decides to not brand their proposition under the Rabobank brand, there is the risk that they already start thinking towards setting up their own company. However, during the market phase it may become clear that the Moonshot did not make the right brand extension decision in the eyes of Rabobank. As a consequence, the Moonshot feels betrayed as they have spend a lot of time on creating a brand. The implementation of the brand extension decision is thus related to managing the expectations of the Moonshots. Therefore, it is important to involve the stakeholders earlier into the Moonshot process and to prepare the teams earlier in becoming part of Rabobank or not.

"We love an entrepreneurial mindset, because you need that mindset in a small Moonshot team that has to deliver a lot. But you are employed by Rabobank, on behalf of Rabobank, paid by Rabobank and facilitated by Rabobank. The Moonshots sometimes forget this."

- Head of Innovaid

4. THERE IS NO COMMUNICATION BETWEEN INNOHUB AND CCA

Within Rabobank, everyone agrees that the department CCA is responsible for branding. However, when a Moonshot makes decisions regarding branding, CCA is not involved at all. This is also due to the fact that InnoHub does not communicate with CCA. As a consequence, CCA often has the first contact with the Moonshots after the spin-in.-out decision. Consequently, in the case of Peaks and Tellow, there was often miscommunication with CCA, which was frustrating for the spun out Moonshots and their main shareholder RFV.

Therefore, the brand strategists of CCA should be involved in the branding process of the Moonshots in order to make the entire Moonshot process more time- and cost-efficient. This because CCA knows best what the Rabobank brand stands and has to stand for and can prevent the Moonshots from making false assumptions. More involvement of CCA can also prevent expensive mistakes, such as the Moonshots hiring external brand agencies for brand research, which CCA has already done on a larger scale. Finally, it is also in the interest of CCA to have more contact with InnoHub as they want to make the brand more innovative, but cannot do this when all Moonshots are branded under a new brand.

"Rabobank needs to become a more innovative brand, but how can we make the brand more innovative if most Moonshots do not want to be associated with the Rabobank brand?"

- Representative CCA

"Currently, CCA opposes us a lot, not because they do not want to help, but because they do not know how to help. So, more communication between the Moonshots and CCA from the beginning on, would save us all the discussions we currently have with them."

- Representative RFV

2.5 CONCLUSION

To conclude, literature research reveals that innovative consumers are the first to buy an extension consequently influencing consumer acceptance and ultimately new product success. Moreover, it is proven that innovative consumers pay more attention to brand image fit than category fit when evaluating a brand extension. Clearly it is important for a firm, extending their brand, to focus on the brand image associations of innovative consumers. Therefore, the perceived brand image of Rabobank was researched among innovative consumers.

RESEARCH AMONG INNOVATIVE CONSUMERS

The results revealed that innovative consumers perceive several symbolic and functional associations with the Rabobank brand. The most important symbolic associations are 'degelijk', 'sociaal', 'eigen koers varen' and 'niet innovatief'. Subsequently, the functional associations innovative consumers perceive with Rabobank, are 'minder digitaal', 'goed beveiligd', 'lokale kantoren' and 'ouderwetse look and feel'. These functional associations, together with the symbolic associations, form the perceived brand image of Rabobank perceived by innovative consumers.

When comparing this perceived brand image with the brand image found by the department CCA, there are several similarities, but also some differences. The comparative analysis revealed that innovative consumers, in contrast to consumers in general, do not perceive Rabobank as innovative. This difference is not surprising as they are relatively more

innovative themselves. Hence, it is not likely that they will perceive a brand image fit between the Rabobank brand and a highly innovative Moonshot as the Rabobank brand is not perceived as being innovative.

In addition, innovative consumers generally perceive banks in a certain way. Firstly, the results indicated that banks are expected to provide convenience and trust. Secondly, when a new product or service has 'Rabo' or 'Rabobank' in the name, consumers assume the product or service is only for consumers who are a customer at Rabobank.

All together, the results of the research among innovative consumers are taken into account when designing a decision method for the brand extension decision.

RESEARCH AMONG RABOBANK EMPLOYEES

Besides the perception of innovative consumers towards Rabobank, it is also important to understand the organization in which the brand extension decision takes part. Therefore, Rabobank employees with activities related to the brand extension decision, were interviewed as well. The results of these interviews indicate that there are four main challenges in the current process, that are related to the brand extension decision.

First, the role of InnoHub is not clear within Rabobank. Second, InnoHub currently has no branding process; additionally the general process is not as structured as it looks on paper. This was confirmed by a representative of Rabobank, who said: many topics are addressed, but we are never guided in what we should actually do. Third, the management of expectations is affected by a lack in brand process. Finally, there is also no communication between InnoHub and CCA, the department within Rabobank, which is responsible for Rabobank's brand strategy.

Due to these four organizational challenges, Moonshots have a tendency of wanting to become a separate venture and consequently distance themselves from the Rabobank brand. The Moonshots thus relate the brand extension decision (choice of brand) directly to the spin-in/-out decision (becoming a separate venture). Note there are several similar factors influencing the decisions, but in general they address different aspects.

To conclude, the insights summarized in this chapter have to be taken into account when designing a decision method for the brand extension decision. Therefore, the next chapter translates these insights into a design brief.

3.0 DEFINE

This chapter formulates the design brief, which sets the criteria for the design of the brand extension decision method. The design criteria are based on the results of observations and qualitative research among innovative consumers and stakeholders within Rabobank.

Based on the perspective of innovative consumers, the decision method should take the symbolic and functional brand image associations of innovative consumers into account. In addition, the perception of innovative consumers towards established banks in general should be taken into consideration when designing the decision method.

In addition, there are four design criteria based on the organization of Rabobank. First of all, the future role of the Moonshots within Innohub 2.0 should be taken into account. Second, the decision method should be implemented within the existing Moonshot process. Third, stakeholders, such as the DTO Strategy Team, the Lean Startup Coaches and CCA, should be involved earlier in the process. Finally, the Moonshots that join the Rabobank brand should contribute to the new brand identity.

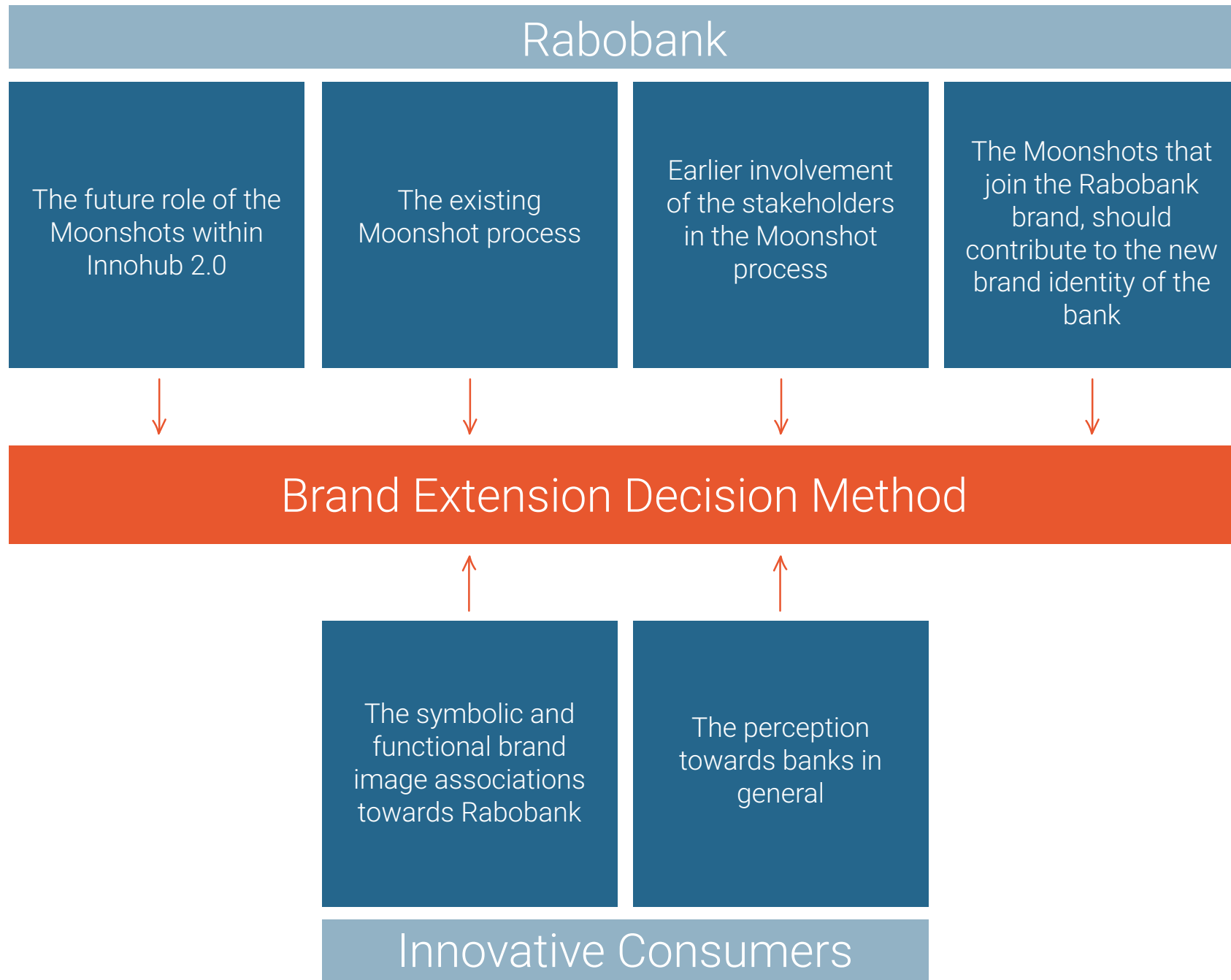


Figure 32: The requirements for the design of the brand extension decision method

The design of the brand extension decision method is restricted by several design criteria. These criteria are visualized in figure 32.

BASED ON RABOBANK'S ORGANIZATION

The first set of criteria is based on the perspective of Rabobank. The method should take the future role of the Moonshots within Innohub 2.0 into account. Whereas the Moonshot Programme would initially focus on disruptive innovation, there have been several projects, such as Surepay and Tellow, which tend more to incremental innovation. However, it is said that Innohub 2.0 will monitor the Moonshots more strictly in that the propositions are disruptive. This disruptiveness has consequences for the brand extension decision, because it leads to more uncertainty and risk. So, when a Moonshot proposition is branded under the Rabobank brand, there should be indicators that consumers are likely to accept the new product or service. Mainly because the Innohub and brand strategists of CCA otherwise will not approve as they are afraid that the Moonshot proposition will damage the Rabobank brand.

In addition, the brand extension decision method has to be integrated into the existing Moonshot process. It should thus be considered which tasks the Moonshots have to fulfill before making the brand extension decision and when in the existing process they should start with this.

The stakeholders should also be involved earlier into the process of the Moonshots. These stakeholders are, for example, the Innovation Lead of the Moonshot's corresponding business line and the brand strategists of CCA. This early involvement is important to make the Moonshot process more efficient and manage the expectations of the Moonshots better. Better management of expectations is important in order to prevent that the Moonshots fixate on becoming a separate startup.

Finally, the brand extension decision method should also take the new brand identity of Rabobank into account. As mentioned before, CCA wants to make the Rabobank brand more innovative. Therefore, it is important

that the Moonshots, that join the Rabobank brand, also contribute to the new brand identity of the bank to become more innovative or as Rabobank says 'courageous'.

BASED ON THE PERCEPTION OF INNOVATIVE CONSUMERS

The second set of criteria is based on the perspective of innovative consumers. As mentioned before, the Rabobank brand can increase the new product success of a B2C Moonshot when the proposition fits the brand image innovative consumers have of Rabobank. Therefore, the functional and symbolic brand image associations of innovative consumers towards Rabobank should be taken into account as they influence the brand extension decision. Second, the perception of innovative consumers towards banks in general should be taken into account as well. For instance, the qualitative research indicated that innovative consumers find it important that banks reflect trust and convenience. Moreover, when a new product or service has 'Rabo' or 'Rabobank' in the product name, consumers assume that the product or service is only for the use of Rabobank customers. These factors are thus pros and cons for why you should brand a Moonshot proposition under the Rabobank brand.

All together, the six requirements shape the design of the brand extension decision method. The following chapters will describe the design process and the final design of the decision method.

4.0 DEVELOP

The design of the brand extension decision method is a process of trial and error. The iterations made during this process are important for the improvement and refinement of the design. This chapter describes the design process by discussing three questions: what does the decision mean and when and how should the brand extension decision be made?

First, what does the brand extension decision mean? In other words, what does the decision consist of; which choice is there to make?

Second, when should the brand extension decision be

made? Should the decision be made when the Moonshot is entering the market or should it be made earlier on in the process?

Third, how should the brand extension decision be made? I.e. how should the Moonshots determine whether their proposition fits the Rabobank brand?

This chapter answers these three questions in order to clarify the design process of the brand extension decision method.

4.1 WHAT DOES THE DECISION MEAN

When designing a method for the brand extension decision, it should be established what the decision consists of. In other words, which options do the Moonshots have.

The outcome of the brand extension decision depends on whether there is a brand image fit between the Rabobank brand and the Moonshot proposition. Consequently, the decision consists of two potential outcomes: the Moonshot proposition is branded under a new brand or under a Rabobank brand.

ENDORSEMENT

There are several factors, which indicate that the Rabobank brand cannot contribute to the new product success of a B2C Moonshot.

First of all, the comparative analysis revealed that innovative consumers mainly differ from consumers in general in that they perceive the Rabobank as traditional, conservative and not innovative. However, the B2C Moonshots have disruptive propositions, which are unknown territories for the bank and thus very innovative. So, as the innovativeness of these propositions does not fit Rabobank's brand image, it may be that the new product or service does not lead to new product success.

Second, qualitative interviews with Rabobank employees reveal that the Moonshots prefer not being branded under Rabobank, due to CCA's restrictions in visual layout and communication. For instance, when a Moonshot has developed an app and joins the Rabobank brand, their app has to make use of the colors white, blue and orange. In addition, the Moonshot cannot promote their product without discussing it with CCA.

These restrictions make the Moonshots feel less agile, which causes them not wanting to join the Rabobank brand.

Third, this research indicated that innovative consumers assume that a new product or service is only for Rabobank customers when the brand name contains 'Rabo' or 'Rabobank'. As a consequence, consumers who are a customer at another bank than Rabobank, are likely to accept the new product or service.

All together, these three arguments argue that branding a Moonshot under the Rabobank brand has negative consequences for consumer acceptance and thus new product success. So, does this mean that it is not an option for a Moonshot to brand their proposition under the Rabobank brand?

Luckily, for Rabobank and the Moonshots that is not the case. The three arguments mentioned before indicate that it is risky to sub-brand a Moonshot. A sub-branding strategy means using a new brand name in conjunction with a family brand name to introduce new products, e.g. Apple Pay and Philips Sonicare (Milberg et al, 1997). However, it could be an option that Rabobank endorses a Moonshot brand, e.g. Peaks by Rabobank. This gives the Moonshot more flexibility as they are, for example, not restricted to the visual style of the Rabobank brand. However, when endorsing the new brand, it is still visible for consumers that the new product or service is part of Rabobank's product portfolio. In other

words, with endorsement the Moonshot is still at risk that innovative consumers will not accept the innovative product or service as it does not fit the brand image they have of Rabobank (traditional, conservative and not innovative). Moreover, 'Rabobank' in the brand name can prevent innovative consumers, who are not a customer at Rabobank, from adopting the new product or service as they assume that the product is only for Rabobank customers. But these two issues can be resolved by endorsing the brand of a Moonshot later on, when a significant amount of innovative consumers have already accepted the new product or service.

TIMING THE ENDORSEMENT

So, the brand extension decision would be a decision between Rabobank endorsing the brand of a Moonshot or not. However, the timing of the endorsement is important for consumer acceptance and thus new product success. When a B2C Moonshot has a brand image fit with the Rabobank brand, it is best for their new product success that Rabobank endorses their brand after a significant amount of innovative consumers have already accepted the new product or service. This is because the innovative consumers are more likely to accept the new brand without the Rabobank brand name, due to their perceived brand image. Moreover, innovative consumers, who are a customer at another bank, are likely to accept the new product or service, because they will not make the false assumption that the product or service is only for Rabobank customers.

So, when a Moonshot has a brand image fit with the Rabobank brand, Rabobank can endorse the brand after a significant amount of innovative consumers have accepted the new product or service. Consequently, the Moonshots can improve their new product success by making use of the general perception that banks reflect trust and convenience.

Recall that the associations trust and convenience also resulted from the research done by the research agency Perspective. Moreover, whereas this research proved that innovative consumers perceive trust and convenience with banks, Perspective proved that all consumers associate banks with trust and convenience.

By making use of Rabobank's brand image, the Moonshot can convince the less innovative consumers to accept the new product or service. This is because less innovative consumers are proven to be more cautious when accepting a new product or service (Moore, 1991). So, when the brand is endorsed by the Rabobank brand, the less innovative consumers are more likely to accept the new product or service, because they associate Rabobank with safety, trust and convenience. In the end endorsing the brand thus leads to more consumers accepting the new product or service, which makes it possible for the Moonshot to scale their business further.

During a co-creation session with CCA's brand strategist it was confirmed that it is allowed within the organization to endorse a brand when it has already been launched onto the market. However, in the eyes of CCA, endorsing a brand does mean that the Moonshot cannot spin out of the organization. The brand extension decision can thus have implications for the spin-in/-out process. However, this is a discussion, which is not within the context of this research.

SUMMARY

Ultimately, the Moonshots will always set up a new brand name. However, if the proposition of a B2C Moonshot fits the Rabobank brand, Rabobank can endorse the brand after a significant amount of innovative consumers have accepted the new product or service. This is effectively the brand extension decision. These two decision outcomes are visualized in figure 34.

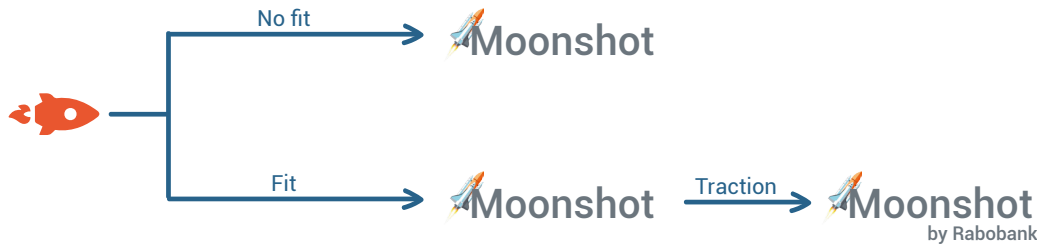


Figure 34: The two possible outcomes of the brand extension decision

The timing of the endorsement is important in order to make sure that innovative consumers accept the new product or service. In addition, less innovative consumers are more likely to accept the new product or service, as they associate established banks with trust and convenience. Finally, brand endorsement also has the organizational benefit for the Moonshots to be more agile within the corporate organisation of Rabobank.

ABN AMRO'S TIKKIE

Note that there is an established bank which applied a somewhat similar strategy, consciously or unconsciously. In 2016, ABN Amro launched the payment app Tikkie among their own customers. When there was a significant amount of traction among their own customers, the bank made the app available for all consumers (De Swart, 2016). However, as a consumer it was not visible that the app was an initiative of ABN Amro. Later on, in May 2017, Tikkie reached the point of having half a million users (De Swart, 2017). Consequently, ABN Amro starts communicating openly that they initiated Tikkie. They did not only communicate this by posting messages about Tikkie on their social media, but also by integrating the ABN Amro logo in the visual communication of Tikkie as can be seen in figure 33.

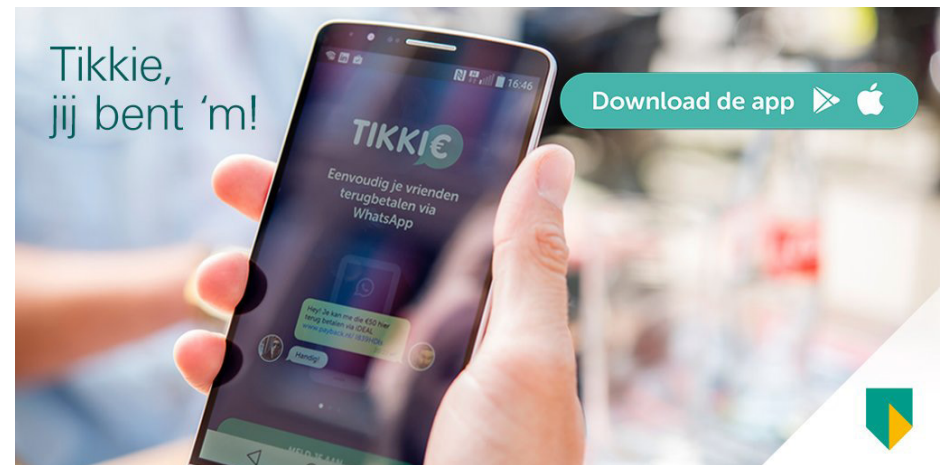


Figure 33: The Tikkie campaign, including the ABN Amro logo

The example of ABN Amro's Tikkie indicates that endorsement after obtaining a significant amount of traction, can be a successful brand strategy for established banks launching innovative products and services on the B2C market.

4.2 WHEN SHOULD THE DECISION BE MADE

After determining what the brand extension decision is, the next step is to discuss when the Moonshots should make the decision in the current process. In other words, when should the teams decide whether they become a brand with or without Rabobank endorsement. These questions will be discussed in this chapter.

As discussed in the previous chapter, the brand extension decision can lead to an endorsement by Rabobank. This actual endorsement should take place when the Moonshot has already assessed a significant part of the market. This because a significant amount of innovative consumers have to accept the product or service first, before endorsing the brand. In the existing Moonshot process, the Moonshot as assessed a significant part of the market during the scale phase as the team, from then on, has been selling its product or service to all consumers and not only to the ones who are a customer at Rabobank. But this does not mean that the brand extension decision should take place during the scale phase as well. Moreover, it was decided to place the brand extension decision at the start of the solution phase. This is based on several factors.

PROCESS EFFICIENCY

The results of this research indicate that to be endorsed, a B2C Moonshot should fit Rabobank's brand image. However, the brand has already entered the market before it is being endorsed. Therefore, it is more time efficient to design the brand fitting Rabobank's brand image from the get go. But in order to do this, the teams first have to know if there is a potential brand image fit. Therefore, the Moonshots should make the brand extension decision at the start of their brand development process. But when can the Moonshots start developing the brand?

The observations of Rabobit indicate that a Moonshot should have a first draft of their business model, including a clear value proposition and target customer, in order to develop a brand. This because they have to know what they are communicating to who with the brand. Moreover, the first draft of their business model should at least indicate whether the proposition has a B2C or B2C business model. This because the process of Rabobit revealed that this decision influences the development of the MVP. For instance, when a Moonshot has a proposition, which is used by consumers, but sold as a whitelabel product to banks, it is important to integrate the look and feel of banks into the MVP. This because a proposition integrated in the banking app of a consumer, is perceived differently than a random app. Recall that these deliverables, the business model including a value proposition and target customer, are requested in the exit criteria of the problem phase. So, the Moonshots can start with designing their brand after the problem phase, which means that the brand extension decision is also made after that phase.

In addition, the teams need time to develop the brand before they start selling their product during the market phase. Developing the brand includes customer validation. Recall that validation is key to being a corporate startup.

All in all, it can thus be said that the start of the solution phase is the best moment for making the brand extension decision. This moment is also visualized in figure 35.

AN ITERATIVE DECISION PROCESS

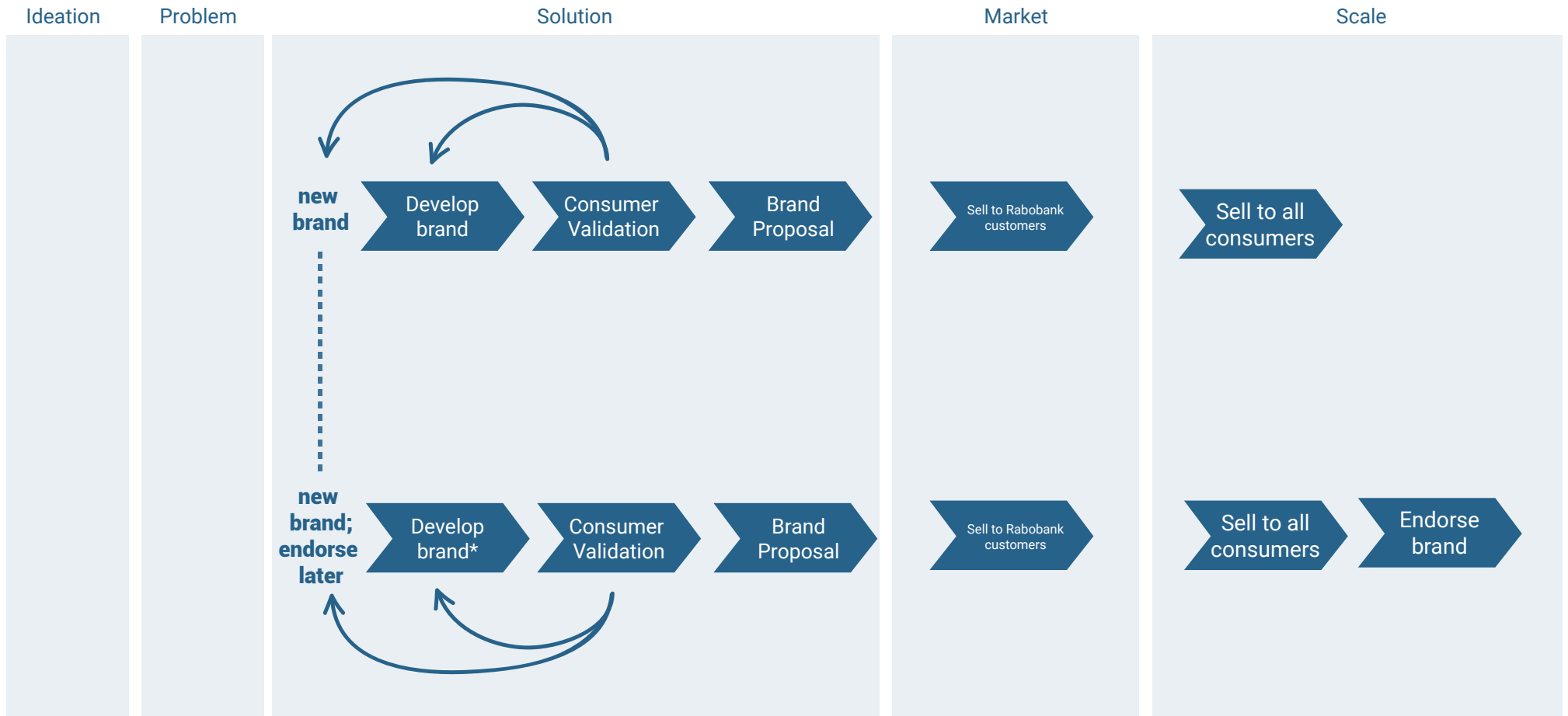
Note that the process after the brand extension decision appears to be similar for both outcomes until Rabobank endorses the brand or not. However, this is not true as the focus of the processes differ. By placing the decision at the start of the solution phase, the Moonshots are forced to focus on one of the brand options. Consequently, the Moonshots have to validate this outcome among innovative consumers. When the decision results in a new brand, the Moonshot should develop a new brand and validate that it does not fit the brand image of Rabobank. However, when the decision results in endorsing the brand later on, the Moonshot should design the new brand in such a way that it fits Rabobank's brand image from the get go. Again, this outcome has to be validated. The results of these validation sessions may indicate that some brand elements or the brand extension decision as a whole has to be revised. The brand extension decision process is thus an iterative process, which is also visualized with the arrows in figure 35.

Finally, the teams create a brand proposal, which clarifies the decisions they have made. This in order to make sure that all stakeholders agree with the design of the brand, before the team starts selling its product or service during the market phase.

MANAGING EXPECTATIONS

Making the brand extension decision early in the process has an additional benefit. It prevents the Moonshots from fixating on the idea that they will become a separate startup. Currently, many Moonshots expect that they will become a separate startup due to organizational issues. For instance, the teams perceive the conservative culture and strict regulations to delay them in their activities. Also, it is not always clearly communicated that the word 'corporate startup' stands for intrapreneurship and not entrepreneurship. Consequently, the Moonshots hold onto this expectation to become a separate startup until the spin-in/-out decision. During this decision, it may become clear that the Innoboard does not agree with the idea of becoming a separate startup. This leads to disappointment and demotivation among the team members of the Moonshot.

However, by making the decision at the start of the solution phase, the Moonshots are reminded of the fact that there is a possibility that they will become a department within the organization of Rabobank. Consequently, the expectations of the Moonshots are better managed.



* which fits the brand image of Rabobank perceived by innovative consumers

Figure 35: The moment of the brand extension decision in the existing Moonshot process

4.3 HOW SHOULD THE DECISION BE MADE

The previous chapters discussed what the brand extension decision is and when it should take place. However, we do not know how the Moonshots should make the decision yet. More specifically, how should the Moonshots measure whether their proposition fits the perceived brand image of Rabobank?

As mentioned before, the brand extension decision has two outcomes: developing a new brand or a new brand, which is endorsed during the scale phase. However, how is it determined which decision outcome a Moonshot with a B2C proposition has?

As mentioned before, research indicated that a Moonshot can benefit from the Rabobank brand in success when their proposition fits the brand image of innovative consumers towards Rabobank. But how should this be measured?

VENTURE METRIX

First of all, the perceived brand image should be translated into something measurable. Currently, the brand image consists of associations, which may be interpreted differently. In order to have clear guidelines for a brand image fit, Rabobank's brand image should be translated into something measurable. Therefore, the symbolic and functional associations of the brand image are translated into colors. These colors derive from a theory, called the Venture Metrix. This theory is developed by an external company, called Team on the Moon, and is partially used in the existing Moonshot process. More specifically, the Team Coach uses the metrix for assessing the chemistry between team members and their ability to cooperate effectively. However, the metrix also measures a 'customer click', which indicates whether a proposition really connects with the customers emotionally. The Venture Metrix measures this 'customer click' based on existing research in psychology. According to Watt (1990),

there are three mental areas within the brain: the cerebral cortex, the central core and the limbic system. Subsequently, it is said that these three mental areas are responsible for our rational causality (reasoning), ego impulses (impulses) and relational emotions (emotions). Team on the Moon states that based on these three areas, it can be said that there are six universal drivers of human behaviour: status, speed, harmony, safety, clarity and vision.

These six drivers and the corresponding mental areas are visualized in figure 36.

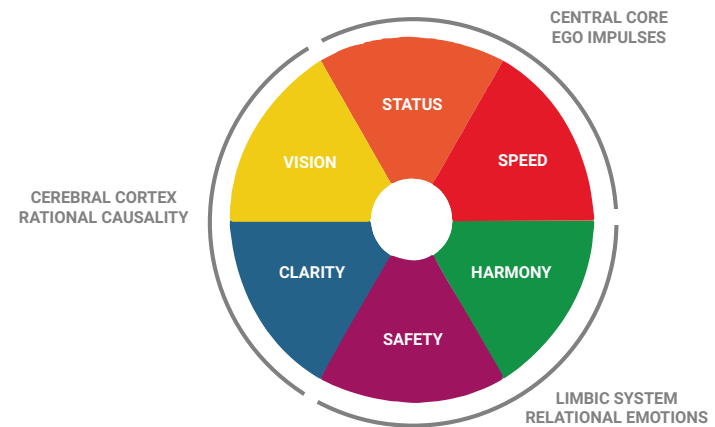


Figure 36: The Venture Metrix representing the six universal drivers of human behaviour

In the customer click assesment, Team on the Moon implies that the six drivers of human behavior can also be used for categorizing brands. More specifically, they state that the strongest brands are recognizable in one or two color domains. However, it should be questioned whether this insight is scientifically proven. Therefore, this research will only use the color coding of the Venture Metrix in order to make Rabobank's brand image associations measurable. Note that there are many theories which categorize brands, however it was decided to base the design of the brand extension method on the Venture Metrix as the Moonshots already use this framework in the existing process.

Based on the Venture Metrix document, which can be found in appendix 16, the meaning of each color is described below.

The meaning of each color

Orange

First of all, the orange domain represents status. Brands which correspond to this cluster represent being cool, glamorous, exclusive and competitive. As can be seen in figure 37, Nespresso, BMW and Rolex communicate this with their slogans, visual style and the use of influential people, such as George Clooney.

Red

The red color represent brands, such as Mediamarkt and EasyJet. These brands are direct, powerful, confident and loud and focus on providing a good deal, a bargain and more for less. As can be seen in figure 38, they also reflect these values in their communication.



Figure 38: Mediamarkt and EasyJet are examples of 'red' brands representing speed

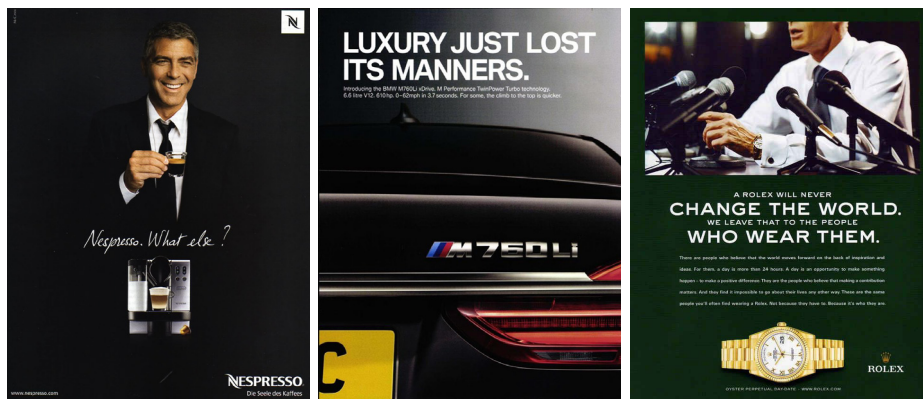


Figure 37: Nespresso, BMW and Rolex are examples of 'orange' brands representing status

Green

In addition, there are 'green' brands, such as Innocent, Dove and Ben and Jerry's. These brands are open, personal, social and cooperative. As can be seen in figure 39, 'green' brands are thus socially involved and not afraid to communicate this loud and clearly to their customers. Note that this color does not represent sustainability.



Figure 39: Innocent, Dove and Ben and Jerry's are examples of 'green' brands representing harmony

Purple

Examples of 'purple' brands are Olvarit and WWF, because they are warm, caring, trustful and modest. Note that trust is an important aspect for these brands as they want to be perceived as secure and caring. As can be seen in figure 40, these brands also integrate these values into their communication. Olvarit cares for your baby by providing a safe and healthy product, which contains a lot of vegetables. In addition, WWF protects wildlife.



Figure 40: Olvarit and WWF are examples of 'green' brands representing harmony

Blue

Then there are 'blue' brands, such as Booking.com and CoolBlue, which are reliable, certain and responsible. Values, such as transparency and being informative, are important for the brands represented by this category. In figure 41, it can be seen that Booking.com and CoolBlue also communicate these values.

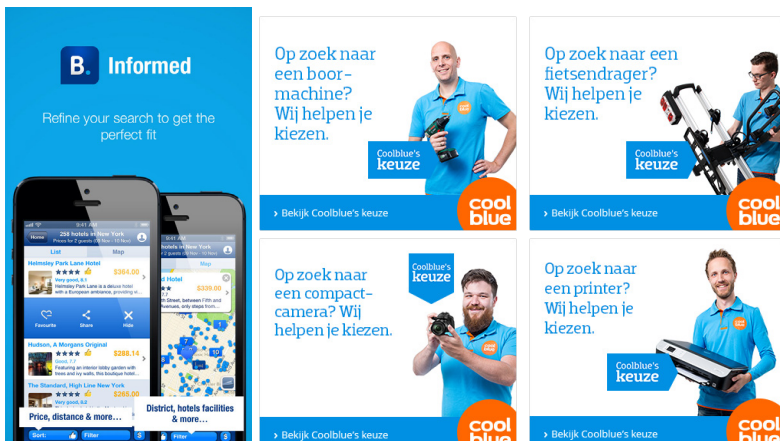


Figure 41: Booking.com and CoolBlue are examples of 'blue' brands representing certainty

Yellow

Finally, the 'yellow' brands represent the more visionary brands, such as Apple and Tesla. They are innovative, clever and knowledgeable. These brands communicate their visionary attitude also clearly in their communication, as can be seen in figure 42.



Figure 42: Apple and Tesla are examples of 'yellow' brands representing visionary

BRAND PERSONALITY

The Venture Matrix bases the meaning of each color partially on human traits. Table 3 gives an overview of each color with the corresponding human traits.

The colors of the Venture Matrix		
Colors	Human Traits	Brand Examples
	Cool; Glamorous; Exclusive; Competitive	Nespresso, BMW and Rolex
	Direct; Powerful; Confident; Loud	Mediamarkt and Easyjet
	Open; Personal; Social; Cooperative	Innocent, Dove and Ben & Jerry's
	Warm; Caring; Trustful; Modest	Olvarit and WWF
	Reliable; Certain; Responsible	CoolBlue and Booking.com
	Innovative; Clever; Visionary; Knowledgeable	Apple and Tesla

Table 3: The colors of the Venture Matrix with the corresponding human traits

By basing the definition of each color on human traits, it becomes possible for the Moonshots to measure a brand image fit with Rabobank. Note that the Moonshots do not have something similar to compare with Rabobank's brand image, as the Moonshots do not have a brand image yet. Therefore, the Moonshots need another variable, which they can compare with Rabobank's brand image in order to measure a brand image fit. Luckily, the teams can develop a brand identity. A brand identity can be defined as how a company wants to identify itself (Margulies, 1977). This identity consists, among others, of a brand personality, which can be defined as a set of human characteristics associated with a brand (Aaker, 1997). It is proven that brand personality drives brand fit (Phau and Lau, 2001). Recall that brand fit consists of brand image fit and category fit. Therefore, it can be said that brand personality is also likely to drive brand image fit. Consequently, the brand extension decision method is designed in such a way that the Moonshots can measure a brand image fit, by comparing their brand personality with the brand image of Rabobank. In order to measure this, the brand image of Rabobank and the brand personality of a Moonshot's brand are translated into the colors of the Venture Matrix. Subsequently, the resulting color profiles can be compared in order to measure a fit.

The next chapter will discuss a tool for the Moonshots in order to develop a brand personality and translate this into the Venture Metrix' colors. However, this chapter will focus on translating Rabobank's brand image into the colors of the Venture Metrix. Subsequently, it is explained which color combination the brand personality of a Moonshots can have in order to fit the Rabobank brand.

TRANSLATING THE BRAND IMAGE

So, how is this insight about brand personality used for measuring fit? Based on the detailed description of each color in the Venture Metrix document in appendix 16, the brand image of Rabobank is translated into colors. As visualized in figure 43, several symbolic and functional associations can be translated into the colors purple, blue and green. For instance, 'degelijk' has the purple color, because the definition of the association in the dictionary on page 28 revolves around security, trust and safety. Note that 'degelijk' does not have a blue color, because the definition of the association does not include certainty.

In addition, there are also several associations in figure 43, visualized in grey, because they are opposite to the meaning of specific colors. Therefore, they do indicate which colors Rabobank's brand image does not consist of. More specifically:

- 'Niet innovatief, Veel oude mensen als klant, Log, Niet vooruitstrevend, Hoeven geen #1 te zijn, Niet trendsettend, Groot, Minder digitaal, ouderwetse look & feel' are the opposite of innovative and thus indicate that Rabobank is not yellow.
- 'Boers, Een bank voor de gewone Nederlander, Nuchter, Gewoon' are the opposite of exclusive and thus indicate that Rabobank is not orange.
- 'Bescheiden' is the opposite of loud and thus indicates that Rabobank is not red.

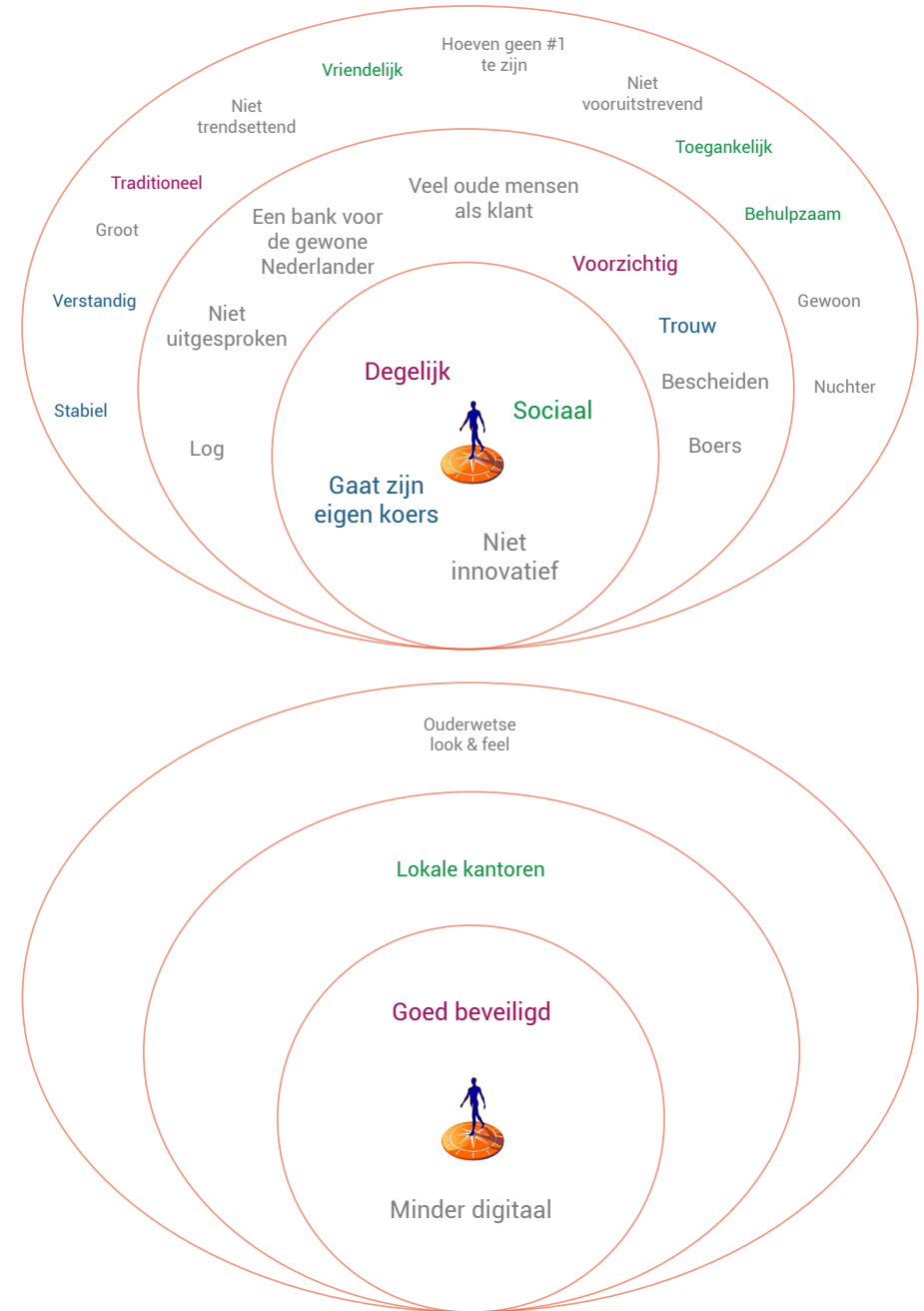


Figure 43: The symbolic and functional associations perceived by innovative consumers translated into the colors of the Venture Metrix

All together, there are thus nine associations purple, eight associations green and seven associations blue which create the color profile visualized in figure 44.

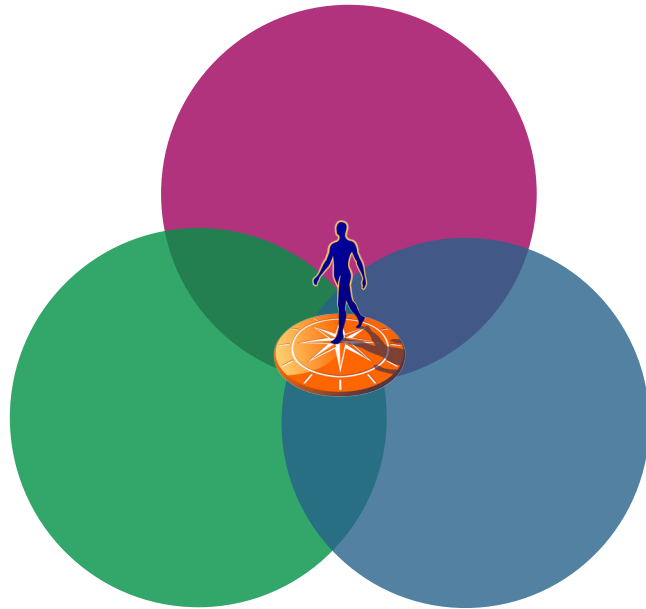


Figure 44: The brand image of Rabobank visualized according to the colors of the Venture Metrix

Note that the theory of the Venture Metrix implies that most brands fit one or two colors. However, as can be seen in figure 44, the brand image of Rabobank is visualized with three colors. This is because the results of this research revealed that innovative consumers associate banks in general with trust and convenience, which can be translated into the colors purple and blue. It is thus assumed that all established banks have a perceived brand image, which consists of the colors purple and blue. Therefore, it was decided to visualize the brand image of Rabobank with three colors. This third color, green, is important as it is the color which distinguishes

the brand image of Rabobank from the other banks. For instance, it can be said that ING is perceived as blue, purple and yellow and ABN Amro blue, purple and orange. During two separate co-creation sessions with Rabobank's brand strategist and team coach, the importance of the third color as a differentiator was confirmed.

In addition, it was decided to base the color profile of the brand image (and also the identity) on three colors, because the brand extension decision is made so early on in the process. During that moment, the team is still in the fuzzy front end; their idea is still a concept, which they have to validate with a MVP. Therefore, a color profile of two colors would be too pronounced as the Moonshot is still developing their idea. But having a color profile of more than three colors would be too much, as it does not provide clear guidelines for the brand extension decision. Also, the more colors there are to compare, the more variables there are. And comparing more variables leads to more outcomes, which would make the overall brand extension decision complex for the Moonshots. Therefore, having a color profile of three colors is ideal as it provides clear guidelines, but still gives the teams room for iteration.

TRANSLATING THE BRAND IDENTITY

It is a design criteria that the brand extension decision method takes the brand identity of Rabobank into account. This is important because the Moonshots must contribute to the new strategy of Rabobank. Moreover, the brand strategists will not allow Rabobank to endorse a Moonshot brand when it does not contribute to the new brand identity. Therefore, the brand identity is also translated into the colors of the Venture Metrix.

As mentioned before, the new brand identity should lead to Rabobank being perceived as: committed, courageous, considerate and cooperative (Rabobank Brand Positioning, 2018). Rabobank defines these associations by making use of several words, which are similar to the words used in the Venture Metrix for describing the six colors. Therefore, the associations make it possible to translate the brand identity into the colors of the Venture Metrix.

How Rabobank wants to be perceived by their customers, was excluded from this report due to confidentiality.

All in all, it can thus be said that the brand identity of Rabobank consists of the colors yellow, green and blue, as visualized in figure 45.

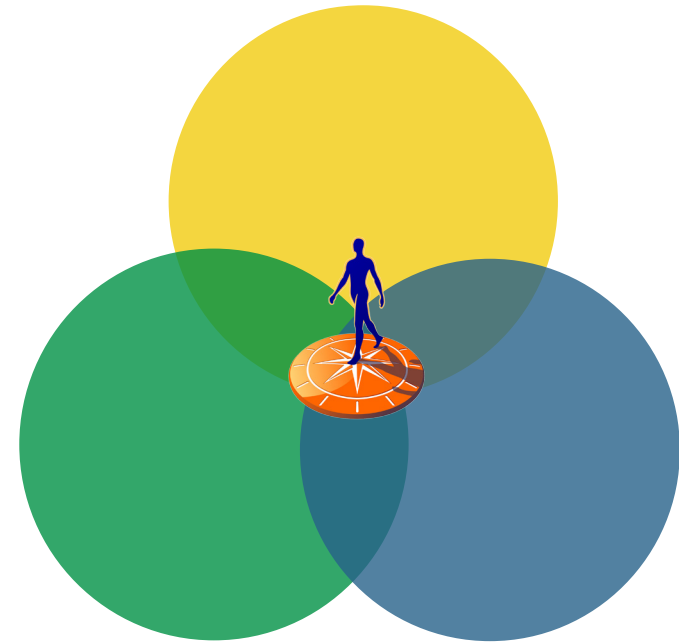


Figure 45: The brand identity of Rabobank visualized according to the colors of the Venture Metrix

MEASURING FIT

Table 4 presents a schematic overview of all possible color combinations a Moonshot's brand personality can have in order to have a fit, moderate fit or no fit with Rabobank. The next chapter will discuss the tools the Moonshots can use for developing their brand personality and translating this into the Venture Metrix' colors. For now, it is important to understand how the Moonshots should compare the color profiles. In other words, what does fit mean? Therefore, the content of table 4 will be discussed in order to clarify all color combinations which have a fit, moderate fit or no fit. As mentioned before, the brand image fit is based on Rabobank's brand image. However, according to CCA, Rabobank will not endorse a Moonshots when it does not contribute to the brand identity of the bank. Therefore, the fit in table 4 is also based on Rabobank's brand identity.

Fit based on similarity

Fit

Recall that the Moonshots are likely to have more new product success, when their proposition fits Rabobank's brand image perceived by innovative consumers. Therefore, the fit, based on similarity, is logical as the three colors are identical to the profile in figure 44. In this case, the quantity of the colors of the brand image (majority, medium, minority) are not taken into account because the brand image represents almost an equal amount of associations for each color (9x purple, 8x green and 7x blue).

Moderate Fit

There is a moderate fit when a Moonshot has a brand personality, which has a medium amount of yellow. Whereas the brand personality of a Moonshot should contain some yellow in order to contribute to Rabobank's brand identity, these color combinations might contain too much yellow. In other words, the brand personalities of these Moonshots may be too innovative in order to have a brand image fit. Therefore, the Moonshots should discuss this with their coaches and innovation lead in order to determine whether they have to alter their brand personality or not.

No Fit

As mentioned before, innovative consumers perceive Rabobank as modest and being a bank for the ordinary Dutch citizen. These associations indicate that the perceived brand image does not contain red or orange. Therefore, all brand personalities, which contain red or orange indicate that the Moonshot does not have a brand image fit with Rabobank. In addition, all Moonshots that have a majority of yellow in their brand personality, also do not have a brand image fit. This because these Moonshots will be too innovative for Rabobank and as mentioned before, innovative consumers do not perceive Rabobank as innovative, nor progressive.

Complementary Fit

At first, you would think that there is a brand image fit when the color profiles of the brand personality and image are identical. However, existing research has proven that it is also possible to have a brand image fit, based on complementary factors.

This complementary fit is based on a brand personality scale developed by Jennifer Aaker (1997). This measurement scale consists of five dimensions:

1. Sincerity
captures a brand personality which is perceived as down-to-earth, real, sincere and honest
2. Competence
captures a brand personality which is intelligent, reliable, secure, confident, successful and a leader
3. Excitement
captures a brand personality which is exciting, imaginative and contemporary
4. Sophistication
captures a brand personality which is glamorous, upper-class, good looking and charming

The color combinations which have a fit, moderate fit and no fit		
Similar	Complementary	
Fit	Fit	
<div style="display: flex; justify-content: space-around;"> <div style="background-color: #800040; color: white; padding: 2px;">1; 2; 3</div> <div style="background-color: #008000; color: white; padding: 2px;">1; 2; 3</div> <div style="background-color: #000080; color: white; padding: 2px;">1; 2; 3</div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="background-color: #000080; color: white; padding: 2px;">1</div> <div style="background-color: #008000; color: white; padding: 2px;">2</div> <div style="background-color: #FFD700; color: white; padding: 2px;">3</div> </div>	
	<div style="display: flex; justify-content: space-around;"> <div style="background-color: #000080; color: white; padding: 2px;">1</div> <div style="background-color: #800040; color: white; padding: 2px;">2</div> <div style="background-color: #FFD700; color: white; padding: 2px;">3</div> </div>	
Moderate Fit		
<div style="display: flex; justify-content: space-around;"> <div style="background-color: #800040; color: white; padding: 2px;">1; 3</div> <div style="background-color: #FFD700; color: white; padding: 2px;">2</div> <div style="background-color: #008000; color: white; padding: 2px;">1; 3</div> </div>		
<div style="display: flex; justify-content: space-around;"> <div style="background-color: #000080; color: white; padding: 2px;">1; 3</div> <div style="background-color: #FFD700; color: white; padding: 2px;">2</div> <div style="background-color: #800040; color: white; padding: 2px;">1; 3</div> </div>		
<div style="display: flex; justify-content: space-around;"> <div style="background-color: #008000; color: white; padding: 2px;">1; 3</div> <div style="background-color: #FFD700; color: white; padding: 2px;">2</div> <div style="background-color: #000080; color: white; padding: 2px;">1; 3</div> </div>		
No Fit		
<div style="display: flex; justify-content: space-around;"> <div style="background-color: #FF4500; color: white; padding: 2px;">1; 2; 3</div> <div style="background-color: #FF0000; color: white; padding: 2px;">1; 2; 3</div> <div style="color: #4682B4; padding: 2px;"><i>& every other color</i></div> </div>		
<div style="display: flex; justify-content: space-around;"> <div style="background-color: #FFD700; color: white; padding: 2px;">1</div> <div style="background-color: #008000; color: white; padding: 2px;">2</div> <div style="background-color: #000080; color: white; padding: 2px;">3</div> </div>		
<div style="display: flex; justify-content: space-around;"> <div style="background-color: #FFD700; color: white; padding: 2px;">1</div> <div style="background-color: #008000; color: white; padding: 2px;">2</div> <div style="background-color: #800040; color: white; padding: 2px;">3</div> </div>		
<div style="display: flex; justify-content: space-around;"> <div style="background-color: #FFD700; color: white; padding: 2px;">1</div> <div style="background-color: #000080; color: white; padding: 2px;">2</div> <div style="background-color: #800040; color: white; padding: 2px;">3</div> </div>		

Table 4: The color combinations a Moonshot can have in order to have a fit, moderate fit or no fit with the Rabobank brand. The numbers in the color cells indicate whether the color combination should have a majority (1), medium (2) or minority (3) of a color

5. Ruggedness

captures a brand personality which is masculine, Western, tough and outdoorsy

When the personality of the Rabobank brand is categorized under one of these five dimensions, it is similar to the second dimension. Based on the brand personality scale, Rabobank thus has a competent personality as they identify themselves as being reliable and secure. And this is where things get interesting. Additional research, has proven that competent brands, such as Rabobank, can be complemented by an extension brand with a sincere personality (Van der Lans et al., 2014). So, when a Moonshot has a brand personality, which reflects sincerity, it has a complementary image fit with Rabobank.

Furthermore, based on the Venture Metrix, the dimension 'sincerity' can be translated into the color blue. This is because the personality represents attributes, such as honesty and sincerity, which are similar to being clear and transparent, represented by the blue color. It can thus be said that a B2C Moonshot has a complementary image fit with the Rabobank brand, when they have a personality, which mainly consists of the color blue. In addition, the brand personality should also consist of a minority of yellow as it then complements the Rabobank brand in innovativeness. Recall, that CCA's brand strategist demanded that the Moonshots contribute to Rabobank's brand identity. Moreover, innovative consumers indicated that they do not perceive Rabobank as innovative, however they do expect established banks to innovate.

Therefore, based on existing research and the results of this research, it is concluded that a Moonshot can complement the Rabobank brand when they have a brand personality, which has a majority of blue and a minority of yellow.

4.4 CONCLUSION

This chapter discussed the design process of the brand extension method by answering three questions: what is the decision, when and how should the decision be made? The answers on these questions are summarized below.

WHAT

The brand extension decision is based on whether a B2C Moonshot fits the Rabobank brand or not. In either case, the Moonshots develop a new brand. However, when there is a fit between the Moonshot and the Rabobank brand, Rabobank endorses the new brand during the scale phase.

Note that the moment of endorsement during the scale phase is very important. Rabobank should endorse a B2C Moonshot when they have assessed a significant part of the market. This in order to make sure that innovative consumers have accepted the new product or service before endorsing the brand. In addition, the endorsement may also cause less innovative consumers to accept the new product or service quickly. This and existing research prove that all consumers, regardless of how innovative they are, associate trust with an established bank. Therefore, less innovative consumers, who find trust important, are more likely to accept a Moonshot's product or service, when it is endorsed by Rabobank.

WHEN

The existing Moonshot process consists of the ideation, problem, solution, market and scale phases. Based on several organizational factors, it was decided to place the brand extension decision at the start of the solution phase. By making the decision early in the process, a Moonshot can develop their brand more efficiently. Moreover, it has the additional benefit

that the Moonshots will have less false expectations about becoming a startup. This because the decision makes the teams aware of the fact that there is also a chance that they will become a department within Rabobank. The expectations of the Moonshots are thus better managed when the brand extension decision is made at the start of the solution phase.

The process after the brand extension decision is an iterative process. Based on the outcome of the decision, the teams will develop a new brand. Note that when there is a fit, the Moonshot already creates the brand in such a way that it will fit the brand image of Rabobank. This makes the overall process more efficient.

After making the decision, the Moonshots validate the outcome among consumers. Based on the results of these validation sessions, the Moonshot may have to make some alterations to the brand or may even have to revise the entire brand extension decision.

At the end of the solution phase, the Moonshots create a brand proposal, which is based on the results of the brand extension decision and the validation sessions. This proposal illustrates their brand and clarifies whether Rabobank should endorse the brand or not.

HOW

Existing research indicates that brand personality is likely to drive brand image fit. Therefore, the Moonshot can make the brand extension decision by creating a brand personality. Subsequently, this personality is translated into a color profile, which consists of three colors. The next chapter presents the tool the Moonshots can use for doing this.

The colors within the color profile are based on an existing framework: the Venture Metrix. The Moonshots currently use this framework for assessing the capabilities within their team. However, by applying the color code in a specific way, the teams can also use the colors for making the brand extension decision. More specifically, the colors of the Venture Metrix enable the Moonshots to measure their fit with the Rabobank brand. In total, the color code of the Venture Metrix, consists of six colors. Each color representing a universal driver of human behavior. In addition, the Venture Metrix states that these six domains can also be used for categorizing brands. So, based on the Venture Metrix and the results of this research, the brand image of Rabobank is translated into the colors purple, green and blue.

In addition, it was also decided to translate the brand identity of Rabobank into a color profile. This because Rabobank will not endorse a Moonshot brand, which does not contribute to the brand identity of the bank. Translating Rabobank's brand identity into the Venture Metrix' colors, results in the colors yellow, green and blue.

The Moonshots can measure a brand image fit, by comparing the color profile of their brand personality with the color profiles of Rabobank's brand image and identity. Table 4 gives a schematic overview of all possible color combinations which have a fit, moderate fit or no fit with the Rabobank brand. Note that there are two types of fit: fit based on similar aspects and fit based on complementary aspects. Existing research in the field of brand extension indicates that Moonshots can complement the Rabobank brand when they have a brand personality with a majority of blue and a minority of yellow in the color profile.

To conclude, this chapter clarified what the brand extension decision is and when and how the decision should be made. Subsequently, these design decisions lead to the design of a brand extension decision method. The next chapter will discuss this method in more detail.

5.0 DELIVER

This chapter discusses the final design of the brand extension decision method. This method consists of a process blueprint, a decision process blueprint and a Brand Development Workshop.

The process blueprint contains an overview of which steps the Moonshots have to take in order to make the brand extension decision. This overview is mainly designed for the Strategy Team as they can integrate the branding process into the overall process they are currently creating for the Innohub 2.0. In addition, the decision process blueprint illustrates when certain decisions should be made and which stakeholders have to be involved. Among the stakeholders, there is a new role: the Brand Coach. Currently, the Moonshots are coached by a Lean Startup

Coach and a Team Coach. However, in order to make the brand extension decision, the Moonshots also need guidance in developing the brand. Therefore, one of the coaches should take on the role of Brand Coach, so he or she can be the link between the InnoHub and CCA's brand strategists.

Apart from the blueprints, the decision method also consists of a Brand Development Workshop, which guides the Moonshots in making the brand extension decision. The workshop is facilitated by the Brand Coach. During the workshop the Moonshots can use two tools which are specially designed for Rabobank's brand extension decision: the Brand Development Canvas and the Brand Personality Cards. This chapter will illustrate these tools and the decision method as a whole in more detail.

5.1 THE PROCESS BLUEPRINT

The existing Moonshot process does not guide the Moonshots in branding. Therefore, a process blueprint is created, illustrating each step the Moonshot has to take in developing their brand, specifically for the brand extension decision. In addition, the blueprint also indicates how the decision is integrated into the existing Moonshot process. The process blueprint, including the additional exit criteria, can be found in appendix 17.

This chapter discusses the process blueprint, visualized in figure 48. The blueprint contains an overview of the existing Moonshot process and illustrates which additional steps need to be taken in order to make the brand extension decision. The activities in each process phase, from ideation to scale, are discussed below.

IDEATION

As mentioned before, after the Moonshot Campaign, the 20 best ideas enter the Moonshot Mindset Phase. In the existing process, the Moonshots are imposed to formulate a Zen Statement during this phase (Moonshot kit, 2018). As can be seen in figure 47, the Zen Statement is a brief version of a brand positioning statement. Therefore, the statement forms the starting point of the brand process as well.

Currently, the Zen Statement is not one of the exit criteria in the ideation phase. Therefore, the Moonshots should fulfill an additional exit criteria during the ideation phase in order to work towards the brand extension decision. Note that all criteria are visualized in the blueprint with a number (1-4).

Criteria 1: The Moonshot has created a Zen Statement, which illustrates: the name of the product, a description of the target customer, the key value for the customer, the unique benefits of the concept and the market alternatives which are similar to the idea.

The Zen Statement includes:

1. The name of the product or service idea
2. A description of the target customer
3. The key value for the customer
4. The unique benefits of the proposition
5. The market alternatives which are similar to the idea

Figure 47: The elements of a Zen Statement (Moonshot Kit, 2018)

Based on the pitches of the 20 Moonshot teams during Demo Day, three teams are selected to enter the Moonshot Accelerator, which is also the start of the problem phase.

PROBLEM

Currently, the Moonshots validate the problem among customers through a Demand Test during the problem phase. This test makes it possible to validate whether there is a demand without having a product or service to test it with. Whereas, this Demand Test is already part of the existing Moonshot process, it is also important for preparing the teams on the brand extension decision. This because the test makes it possible for the Moonshots to discover the emotional drivers of why a consumer would be interested in the proposition. For instance, consumers may buy Peaks, because it makes them feel included. This because the product makes it possible for consumers with less capital to invest as well.

It is important for the Moonshots to discover these emotional drivers of use, because it gives them insight in what kind of brand personality would fit their product or service.

The results of the Demand Test should lead to a first draft of the business model, which includes a clear value proposition. The observations of Rabobit revealed that it is important for the Moonshots to, at least, have an indication of whether they are B2C or B2B. This because the decision between a B2B or B2C business model can influence the development of the MVP during the solution phase. For example, when a Moonshot has a proposition, which is used by consumers, but sold as a whitelabel product to banks, it is important to integrate the look and feel of banks into the MVP. This because a proposition integrated in the banking app of a consumer, is perceived differently than a random app.

Criteria 2: The Moonshot has done a Demand Test in order to validate the problem and to already gain insight in the emotional reasons of why a consumer would buy the product or service, e.g. in order to have a secure feeling;

The Moonshot has a first draft of the business model. They should at least be able to indicate whether they have a B2B or B2C proposition.

If the Moonshots meet the criteria of the problem phase, they are allowed to enter the solution phase.

SOLUTION

When the Moonshots enter the solution phase, they start with the Brand Development Workshop. This workshop should guide the Moonshots in making the brand extension decision. More information about the content of this workshop follows in the next subchapter.

The business model of the Moonshot proposition determines which parts of the Brand Development Workshop they can do. Due to the focus of this research, the Moonshots with a B2B proposition can only do the first part of the workshop, which results in a brand personality. However, the Moonshots with a B2C proposition can do the entire workshop, which does not only result in a brand personality, but also in an indication of whether it is better for their new product success that Rabobank endorses their brand during the scale phase or not. Recall that, due to internal and external factors, it is not an option to endorse a Moonshot immediately.

The Moonshots can base their brand personality partially on the results of the Demand Test. However, as mentioned before, the Moonshots should validate the outcome of the brand extension decision once more among potential customers. More specifically, the teams should validate whether their personality is similar to how consumers perceive the new product or service.

Finally, the results of the workshop and the validation sessions are gathered into a brand proposal. This proposal extensively illustrates the identity of the brand and a possible endorsement. Note that the proposal assures that the Moonshots finalize their brand before the market phase.

Criteria 3: The Moonshot has finished the Brand Development Workshop;

The Moonshot has validated the outcome of the Brand Development Workshop;

The Moonshot has validated the outcome of the brand extension decision among potential customers;

The Moonshot has integrated the results of the Brand Development Workshop and the validation sessions into a brand proposal which describes the brand identity of the Moonshot's proposition.

When the Moonshots fulfill these criteria they have a brand. Consequently, the teams can start selling their proposition among Rabobank customers in the market phase.

MARKET

During the market phase the Moonshot starts selling their product or service to Rabobank customers. From this phase on, traction is the most important determinant for the continuing of the Moonshot. Therefore, the Moonshot should have finalized their brand before entering the market phase.

At the end of the market phase, the Moonshot spins in or out of the organization. As mentioned before, the Moonshots, which plan on being endorsed by Rabobank, cannot spin out of the organization. Therefore, figure 49 visualizes the spin out option for these Moonshots as a dead end. When the Moonshots have spinned in or out of the organization, they have become an independant venture or department within Rabobank. Consequently, the teams enter the scale phase.

SCALE

For the Moonshots, which do not fit the Rabobank brand, based on brand image fit, the process during the scale phase is not different than before. However, for the Moonshots which do have a fit with the Rabobank brand, based on brand image fit, the process differs. The Moonshots, which

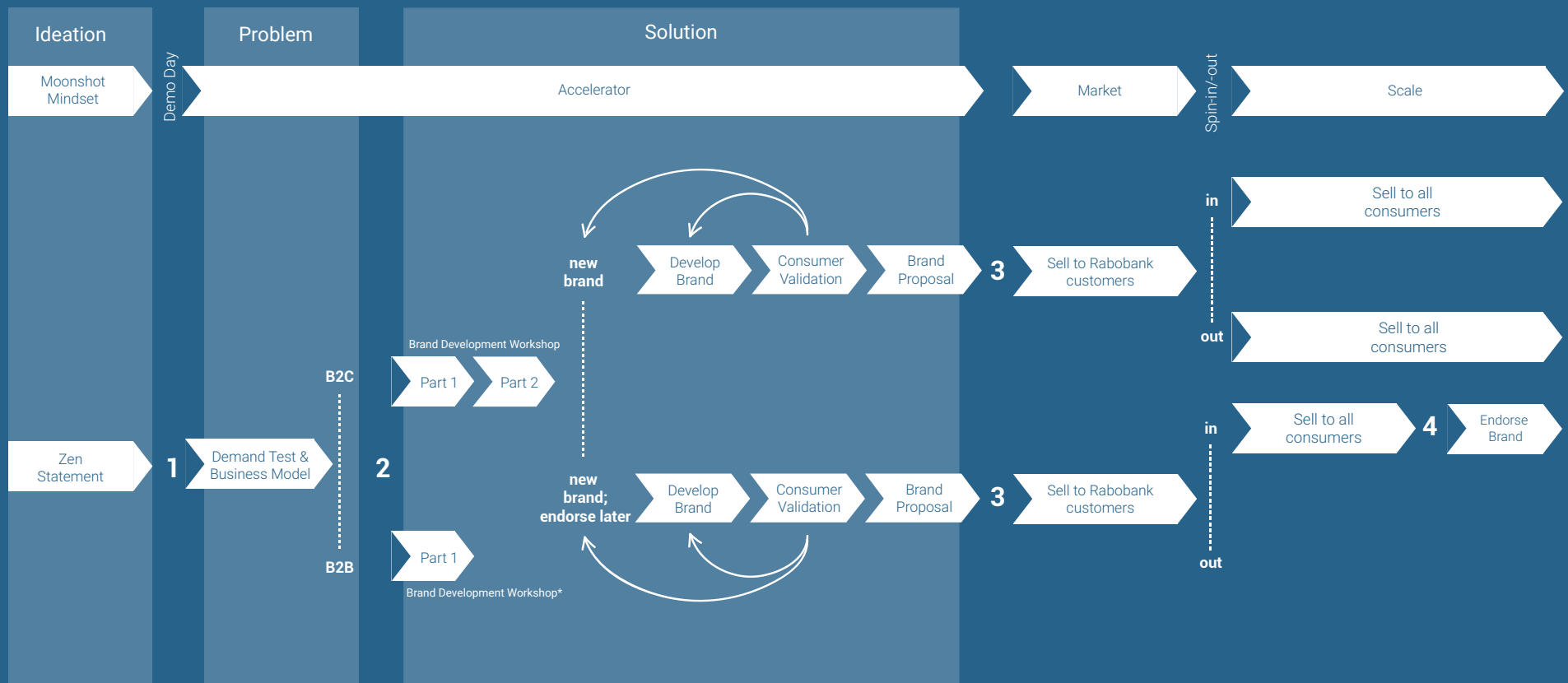
plan on endorsing their brand, should first start scaling their business by selling their proposition to all consumers and not only the ones who are a customer at Rabobank. When the Moonshot has acquired a significant part of the market, the team has to validate once more whether their new product or service fits the brand image of Rabobank. When it is validated that there is still a fit, the brand can be endorsed by Rabobank. Recall that by endorsing the brand, the Moonshot can use the 'trust' of Rabobank to attract the less innovative consumers. This may make it possible to scale their business more quickly.

Criteria 4: The Moonshot has acquired a significant part of the market;

The Moonshot has validated whether their proposition still fits the brand image of Rabobank.

PROCESS BLUEPRINT

FOR BRANDING THE B2C MOONSHOTS



* In order to do the second part of the Brand Development Workshop, the perception of business customers towards the Rabobank brand should be measured first.

Figure 48: A blueprint of the process the Moonshots go through in order to make the brand extension decision. The numbers (1-4) are the criteria the Moonshot has to fulfill specifically the brand extension decision 79

5.2 THE DECISION PROCESS BLUEPRINT

One of the design criteria indicated that the brand extension decision method should include the earlier involvement of stakeholders. In order to act upon this criteria, the process blueprint is extended with a visualization of the rights and responsibilities of all stakeholders according to the RACI Matrix. This chapter will illustrate the content of this second blueprint, which can be found in appendix 18.

The RACI Matrix, visualized in figure 49, is a tool for better governance of the roles and rights within an organization (Kofman et al, 2009). The matrix consists of 4 different elements: responsible, accountable, consult and inform. The stakeholder who is responsible, is the one working on the activity. In addition, the stakeholder who is accountable, is the person with decision authority. During a decision or action, only one stakeholder can

be accountable as it bestows veto power. The stakeholder, who should be consulted, is included in the decision or activity. Therefore, this role is typically a two-way communication. Finally, there are stakeholders, which need to be informed upon the completion of a task. In contrast to the one who should be consulted, this is a one-way communication.

The blueprint in figure 50, makes use of abbreviations, which indicate which stakeholder should be involved in the decision or activity. These abbreviations mean the following:



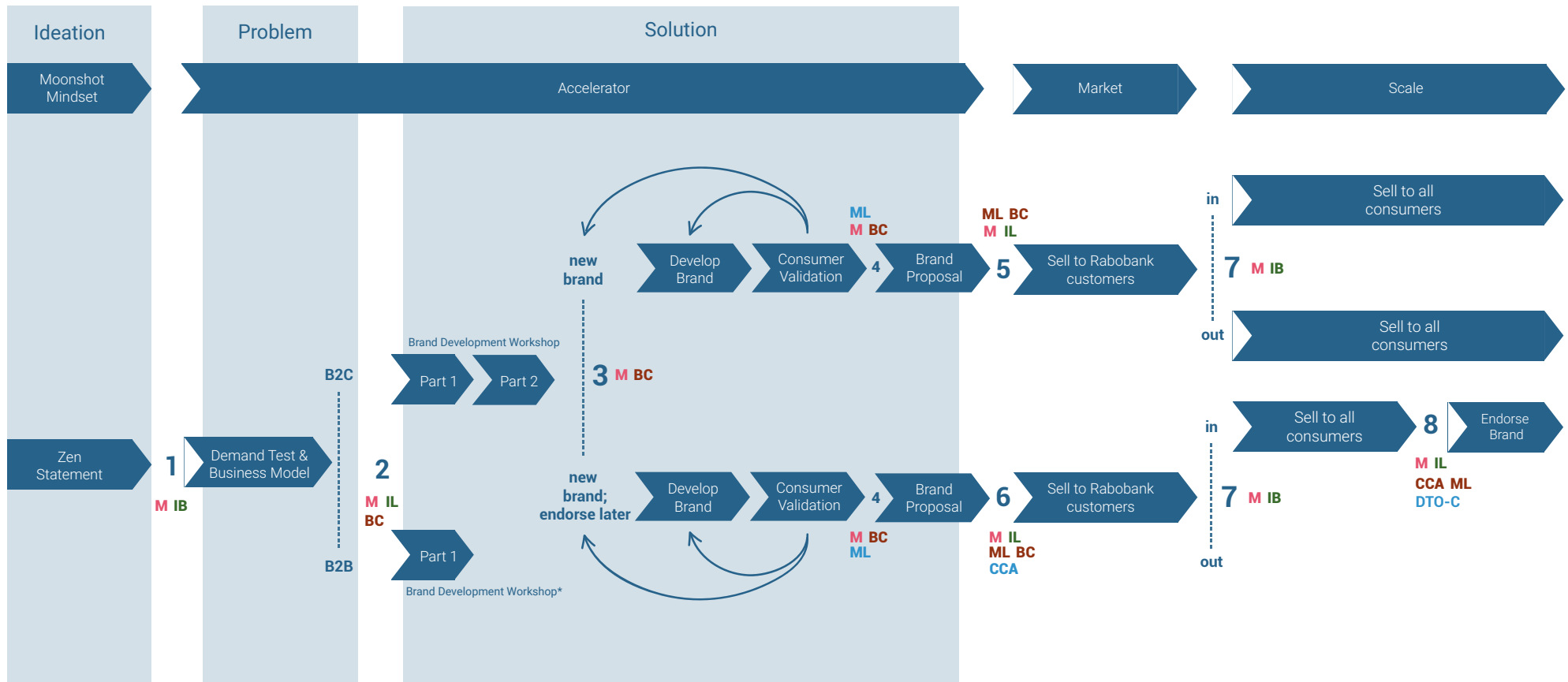
M	=	Moonshot
IL	=	Innovation Lead
BC	=	Brand Coach
ML	=	Marketing Lead
CCA	=	Corporate Communication & Affairs
IB	=	Innoboard
DTO-C	=	DTO Communication

Consequently, these abbreviations have a specific color, which corresponds to the RACI matrix.

Figure 49: The RACI Matrix

DECISION PROCESS BLUEPRINT

FOR BRANDING THE B2C MOONSHOTS



- Responsible
- Accountable
- Consult
- Inform

* In order to do the second part of the Brand Development Workshop, the perception of business customers towards the Rabobank brand should be measured first.

Figure 50: The blueprint of the brand process, including the responsibilities of all stakeholders throughout the process, according to the RACI matrix

BRAND COACH

The blueprint, visualized in figure 50, contains a new role: the Brand Coach. Based on a co-creation session with one of CCA's brand strategists, it was decided to design the role of the Brand Coach. This role is fulfilled by one person within InnoHub, who is responsible for guiding the Moonshots in making the brand extension decision. Note that, it can be an additional role of one of the Lean Startup Coaches or Team Coaches, who are currently present within the InnoHub. The Brand Coach is the person within InnoHub, who is in contact with the brand strategists of CCA. This coach thus understands Rabobank's brand strategy and, therefore, can guide the Moonshots efficiently in making the brand extension decision.

It was a deliberate choice to not involve the brand strategists of CCA directly into the brand extension decision process. This because the results of this research indicate that stakeholders from outside the InnoHub often tend to have a misplaced sense of responsibility. Consequently, this leads to unnecessary delays in the process. Moreover, the brand strategists of CCA are occupied with implementing Rabobank's new brand identity. Therefore, it is better to have one person within InnoHub, who is in contact with CCA.

ROLES AND RESPONSIBILITIES

Each decision or action will be discussed by going through the blueprint step by step. Note that the decisions and actions are visualized in the blueprint with a number (1-8).

1. From Ideation to Problem

During Demo Day the 20 best Moonshots pitch their idea; they are thus responsible for the activity. Subsequently, the Innoboard is accountable and determines which three Moonshots are allowed to enter the accelerator. Recall that the Innoboard consists of the Innovation Leads, the head of Innohub, head of RFV and head of DTO.

2. From Problem to Solution

The three best Moonshots enter the accelerator and start the problem phase. After doing a Demand Test and creating a first draft of their business model, the Moonshot is allowed to enter the solution phase. The Moonshot is thus working on the deliverables. In addition, the Innovation Lead of the corresponding business line is accountable and decides whether they are allowed to enter the solution phase. During this moment, the Brand Coach also enters the Moonshot process, because he or she has to be consulted about the Moonshot's progress. This in order to assure that the team is ready to enter the solution phase and thus to start with the Brand Development Workshop.

3. Brand Development Workshop

As mentioned before, the workshop leads to an outcome which influences the continuity of the process. The Moonshot thus works on the brand extension decision and the Brand Coach is consulted as he or she facilitates the workshop and guides the team in making the brand extension decision.

4. Consumer Validation

Consequently, the Moonshots should validate the outcome of the brand extension decision among potential customers. The Brand Coach, again, guides the team in the validation process. Moreover, the Marketing Lead of the corresponding business line has to be informed about the progress of the Moonshot. This because the Marketing Lead is better capable to understand the brand extension decision process of the Moonshots than the Innovation Lead. Consequently, the Marketing Lead can inform the Innovation Lead about the Moonshot's progress.

5. Proposing a new brand

Finally, the results of the Brand Development Workshop and validation sessions are integrated into a brand proposal, which illustrates the brand identity of the Moonshot. The Innovation Lead is accountable

and determines whether the Moonshot may enter the market phase. However, this time the Innovation Lead is supported by the Brand Coach and the Marketing Lead in the decision. This because the Innovation Lead is not specialized in branding or marketing. Therefore, the Brand Coach and Marketing Lead assess the progress of the Moonshot specifically in developing the brand. Consequently, the Brand Coach and Marketing Lead consult the Innovation Lead about the Moonshot's progress.

6. Proposing a new brand, which is endorsed later

Also, the Moonshots, which plan on endorsing the brand later on, have validated this among consumers and summarized their brand identity into a brand proposal. Again, the Innovation Lead has the decision authority, but is supported by the Brand Coach and the Marketing Lead in the decision. However, as the brand proposal of these Moonshots includes an endorsement, CCA should also be informed about the decision. In other words, when the Innovation Lead agrees with the Brand Proposal and allows the Moonshot to enter the Market phase, CCA should be informed about this decision. This because when Rabobank endorses a brand, CCA has to communicate this endorsement through the media channels of Rabobank.

7. From Market to Scale

During the market phase the Moonshots sell their new product or service to Rabobank customers. When they have proven that there is a significant amount of traction, it is decided to spin the Moonshot in or out of the organization. The Innoboard has decision authority about the spin-in/-out decision, but the decision is made in agreement with the Moonshot.

8. Endorsing the brand

Finally, when the Moonshots have scaled their business, the ones which planned on endorsing their brand, have to validate once more whether their product or service fits the brand image of Rabobank. The Marketing Lead of the corresponding business line guides the team in this validation. Note that the Moonshots have left the InnoHub. Therefore, the Brand

Coach is no longer involved as his or her responsibility does not reach further than the InnoHub.

Based on the result of the validation, the Innovation Lead determines whether the brand can be endorsed by Rabobank. Note that CCA should be included in this decision as they manage the brand strategy of Rabobank and should know whether they have to start communicating the endorsement through the media channels of Rabobank. In addition, the communication department within DTO should also be informed about the decision as it is an initiative developed within their department, which is being endorsed by Rabobank. Consequently, the communication department within DTO can use the endorsement for marketing DTO within the organization of Rabobank.

5.3 BRAND DEVELOPMENT WORKSHOP

At the start of the solution phase, the Moonshots have a Brand Development Workshop. This workshop should guide the Moonshots in making the brand extension decision. During the workshop, the Moonshots can make use of the Brand Development Canvas and a deck of Brand Personality Cards. This chapter discusses the workshop, including the use of the canvas and cards, in more detail. The complete canvas can be found in appendix 19.

When the Moonshots have the Brand Development Workshop, they have finished the problem phase. This means that they have done a Demand Test and have a first draft of their business model. Note that this business model should indicate whether the proposition is B2B or B2C as this influences the outline of the workshop. The Moonshots with a B2B proposition only have the first part of the workshop; the Moonshots with a B2C proposition have the entire workshop. This is due to the focus of this research.

The workshop is facilitated by the Brand Coach, who guides the Moonshots in making the brand extension decision. Initially, the decision method was designed in such a way that the Moonshots could make the decision independently. The teams would receive a booklet, which can be found in appendix 20, explaining the decision method. However, when this was validated with one of the Moonshots, it became apparent that they need more guidance in making the decision. This could be due to the fact that the Moonshots are used to having workshops during the Moonshot programme. Therefore, the method was redesigned as a workshop.

Similar to any other Moonshot workshop, the facilitator has several

presentation slides to coach the team through the workshop. These presentation slides can be found in appendix 21. In order to make sure that the facilitator understands the underlying theory of the workshop, each slide is accompanied with notes, which can be found in appendix 22.

WORKSHOP- PART I

The goal of the first part of the workshop is to develop a brand personality. Recall that the B2C Moonshots need this brand personality for measuring a fit with the Rabobank brand in the second part of the workshop. It is assumed that most team members within a Moonshot do not have experience in creating a brand personality. Therefore, the teams can use the Brand Development Canvas during the workshop. The first part of this canvas is visualized in figure 52. Note that the canvas is in Dutch instead of English, because most Moonshot teams consist of Dutch people. This is also why the workshop is facilitated in Dutch in order to ensure that all Moonshots comprehend the theory and finish the workshop successfully.

Brand Positioning

Currently, the Moonshots are not coached in branding. Therefore, the Brand Coach introduces the workshop with some theory about branding. He or she explains that a brand consists of a brand image and a brand identity. Consequently, it is explained that, in order to determine the brand identity, the Moonshot should first formulate a positioning statement. Note that the Zen statement, which the Moonshots have phrased during the ideation phase, is a brief version of the positioning statement. Therefore, it should not be a complex exercise for the teams as they have thought about the elements of a positioning statement before. However, to make it easier for the team, the canvas contains an incomplete positioning statement. By filling in the gaps of this sentence, the team ends up with a positioning statement specifically for their proposition.

As can be seen in figure 52, the teams have to fill in:

- Target customer
Who is your customer?
- Need or opportunity
What does your customer want?
- Product name
What is your product or service called?
- Product Category
What product category does the proposition fall under?
- Key benefit or reason to buy
Why would someone want to buy your product or service?
- Competitive alternative
Which products and/or services does your proposition compete with?
- Primary differentiation
In what way is your product or service different from competitive alternatives?

When the workshop was validated with two Moonshot teams, it became clear that filling in the positioning statement leads to some discussion. Therefore, a comment on the canvas describes that it is easier to first formulate the positioning statement on a whiteboard or with the use of post its, before filling it in on the canvas. Note that the discussion is important for the process as it aligns all team members in defining their proposition. This also makes it easier to create the brand personality in the next step. Validation also showed that the facilitator should guide the team in phrasing everything clearly, because it forces the team to make decisions. For instance, the target customer cannot be 'consumers', as it is too general. It should be, for example, 'Dutch consumers between the age of 18 and 30'.

BRAND DEVELOPMENT CANVAS

BRAND POSITIONING

Vul onderstaande zinnen in om tot jullie positionering te komen. Tip: schrijf het eerst uit op een whiteboard of m.b.v. post-its, zodat je nog makkelijk aanpassingen kan maken.

Voor(target customer)..... die(need or opportunity)..... ■
.....(product name)..... is een(product category)..... die
.....(key benefit or reason to buy)..... ■
Anders dan.....(competitive alternative)..... is ons product.....(primary differentiation)..... ■

BRAND PERSONALITY

Kies 7 kaartjes die voor waarden staan die jullie willen uitstralen naar potentiële gebruikers.
Prioritiseer de 7 kaartjes vervolgens en schrijf ze op.

1. _____
2. _____
3. _____

4. _____
5. _____
6. _____
7. _____

Figure 52: The first part of the Brand Development Canvas used during the Brand Development Workshop of the Moonshots

Brand Personality

When all team members agree with the positioning statement, they can start with creating a brand personality. In order to come up with a brand personality, the facilitator asks how the Moonshot would like to be perceived by their potential customers. This question makes the brand personality more concrete and easier to comprehend. It is assumed that it can be complex for the team to come up with human traits, which represent the personality of their brand. Especially as this is the first time that the Moonshots really start developing their brand. Therefore, the canvas comes with a deck of 36 Brand Personality Cards, which are visualized in figure 54. Each card represents a human trait or value. These human traits are based on the Venture Metrix. As mentioned before, the Venture Metrix relates these human traits to six different colors. These colors are on the back of the cards, in order to prevent bias. It was decided to design six cards per color, in order to have a significant amount of cards to choose from. The human traits described on the cards, were carefully selected from the Venture Metrix file, which can be found in appendix 16. The following human traits were not selected for the Brand Personality Cards: controlled, loud, independant, certain, thoughtful, refined, creative, responsible, innovative and responsible. This because these words are too vague, sound negative or because all Moonshots would like to be perceived like that. The latter are for example words, such as 'innovative' and 'responsible'.

Out of the 36 cards, the team has to choose seven cards, which reflect how they would like to be perceived by their potential customers. Why the team has to select exactly seven cards, is clarified later on.

When the Personality Cards were validated with two Moonshot teams, as visualized in figure 53, it became clear that it can be challenging for the team to select seven cards. However, again, it is a good exercise as the discussion makes sure that everyone is on the same page before creating the brand personality. The validation also showed that it is important for the facilitator to guide the team in choosing these seven cards. This because the teams tend to assume that a brand only consists of visual

communication. Consequently, the teams sometimes choose a card, such as 'cool', because they want to reflect that in their visual style. However, the facilitator should remind the Moonshots of the fact that they are creating a brand personality. Therefore, the selected cards should represent the brand as a whole and not only the look and feel.



Figure 53: Validating the Brand Development Workshop with two Moonshot teams

For example, during one of the validation sessions, a team had chosen the following cards: 'duidelijk', 'betrouwbaar', 'transparant', 'beschermend', 'vriendelijk', 'praktisch', 'no bullshit' and 'intelligent'. At a certain moment, one of the team members said "These cards are actually very dull, whereas we do not want to be dull". As a facilitator it is then important to explain that the cards should reflect the brand as a whole. Later on, the team can always create a look and feel, which is more playful or cool. For example, brands such as CoolBlue share similar values, but their communication style is very playful. Thus, a brand representing those values does not have to be dull. The facilitator should make the Moonshots aware of this.

During the workshop, the facilitator also has to validate whether the team has weighed each card; thus whether they have good argumentation of why they have or have not selected a specific card. The description of each word on the cards already helps the teams in making a distinction. However, it is best for the facilitator to verify this every once and a while. For example, when a team has chosen 'duidelijk', but not 'transparent', the



Figure 54: The 30 cards used for composing the brand personality

facilitator can ask why they have made that decision in order to validate whether they understand the different meanings. After bringing the cards down from 36 to seven, the team has to prioritize the seven cards. This to weigh the importance of each card. When the workshop was validated with two Moonshot teams, it became apparent that the prioritization can be decisive in the second part of the canvas when the team has to visualize the brand personality of their proposition. The reason for this is discussed at the end of this subchapter.

After completing the positioning statement and brand personality, the facilitator starts explaining the second piece of theory about the Venture Metrix and the corresponding color code. Because what the team does not know yet, is that each Personality Card they have selected, has one of the six colors on the back. The corresponding color of each Personality Card is visualized in figure 55.



Figure 55: The corresponding colors for each Personality card

During several co-creation sessions, CCA's brand strategist, the Team Coach and the Lean Startup Coaches, insisted on putting the colors on the back of the cards in order to prevent bias among the Moonshots.

When the facilitator has explained the meaning of each color by showing examples of existing brands, the team has to turn over the seven cards. Subsequently, the team has to count how many cards they have of each color; draw this into the scheme on the second side of the canvas, which is visualized in figure 56. Note that translating the brand personality into three colors, is the reason why the Moonshots have to select exactly seven cards. First of all, the amount of selected cards is uneven in order to make sure that a Moonshot has at least one color in majority. It is important that the brand personality of the Moonshots has at least one color in majority in order to measure a complementary fit. Recall that a Moonshot has a complementary fit, when their brand personality has a majority of the color blue. In addition, a selection of less than six colors is too few in order to give a valid indication of whether they have a fit, moderate fit or no fit. Also, a selection of more than seven cards prevents the Moonshots from making decisions. Therefore, it is best that the Moonshots select exactly seven Personality Cards.

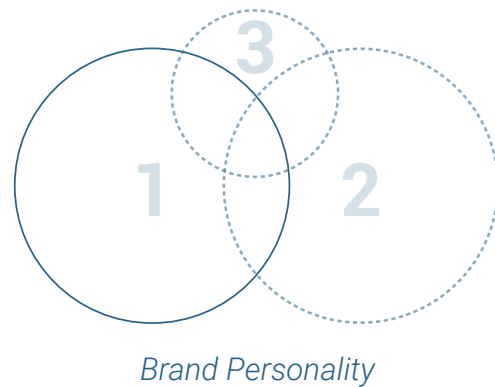
Besides the amount of cards they have of each color, the team also has to draw the priority number into the scheme. When the workshop was validated with the Moonshot teams and the Lean Startup Coaches, it became clear that it can be complex to translate the colors of the seven cards into three colors. Therefore, the right side of the canvas contains an example, as can be seen in figure 56. This example clarifies that the visualization of the brand personality is initially based on which colors are in the majority (in the example: purple and green). Subsequently, when there are no colors in the majority anymore, the decision is based on which color has the highest priority (in the example: blue has a higher priority than yellow).

Finally, when the Moonshot has visualized their brand personality, the second part of the Brand Development Workshop starts.

Draai de 7 geselecteerde kaartjes om; tel hoeveel kaartjes je van elke kleur hebt en vul dat vervolgens hieronder in (elk blokje is 1 kaartje). Zet vervolgens ook het prioriteitsnummer van elk kaartje in de blokjes, zoals te zien in het voorbeeld.

Status							
Snel							
Harmonie							
Veiligheid							
Duidelijkheid							
Visionair							
	1	2	3	4	5	6	7

Bekijk vervolgens uit welke 3 kleuren jullie brand personality is opgebouwd. Bepaal dit a.d.h.v. welke kleuren in de meerderheid zijn. Als er verder geen kleuren in de meerderheid zijn, kijk dan naar welke kleuren een hogere prioriteit hebben.

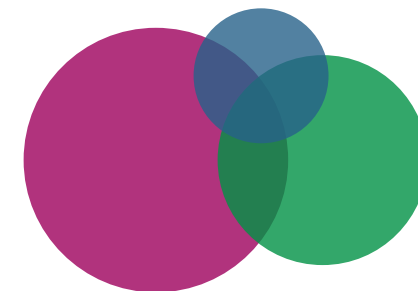


Bijvoorbeeld:



De geselecteerde kaartjes van links naar rechts op prioriteit

Status							
Snel							
Harmonie	3	5					
Veiligheid	1	2	4				
Duidelijkheid	6						
Visionair	7						
	1	2	3	4	5	6	7



Brand Personality

Figure 56: The second part of the Brand Development Canvas used during the Brand Development Workshop of the Moonshots

WORKSHOP - PART II

Recall that the second part of the Brand Development Workshop is only for the Moonshots with a B2C proposition, due to the focus of this research. All in all, the goal of the second part of the workshop, is to measure whether the Rabobank brand can increase the new product success of a B2C Moonshot. In other words, this second part of the workshop answers the brand extension decision.

Until now, the Moonshots were not aware of the fact that the second part of the workshop gives insight into whether their proposition fits the Rabobank brand. This is intentionally, because, according to the Lean Startup Coaches and Team Coach there may be a large chance that the Moonshots would otherwise be biased. As mentioned before, many Moonshots want to spin out of the organization and therefore do not want 'Rabobank' in their brand. So, if the team would be aware of the final goal of the workshop, the team may deliberately choose specific Personality Cards in order to have no fit with the Rabobank brand.

Based on the false assumptions the Moonshots have, it is thus also important to make the team aware of the positive consequences the Rabobank brand can have for them. It is explained that a fit with the brand results in an endorsement during the scale phase, which does not restrict the Moonshot to the brand and communication style of Rabobank. Moreover, it is explained that the Rabobank brand can even improve the Moonshot's new product success as it can attract the less innovative consumers.

In addition, the facilitator shows the color profiles of the brand image and brand identity and lists the guidelines for when a Moonshot fits the Rabobank brand. Recall that table 4 contains a schematic overview of these guidelines. After the Moonshot's brand personality is compared with the guidelines, the facilitator explains that it is important to validate the brand personality as this result is based on the perspective of the team and not on the perspective of potential customers. In addition, an

example of how the team can validate their brand personality, is shown. For instance, the teams can briefly explain their value proposition to consumers. Consequently, the consumers can respond by selecting several Personality Cards, which represent how they perceive the product and why they would be interested in using the proposition. If these selected cards correspond to the Moonshot's brand personality, they know they are right. Also, the teams can ask to potential customers whether an established bank can or should develop the product or service. Note that the Moonshots are not allowed to mention the Rabobank name as, but they can ask whether an established bank should develop it.

Finally, there are several presentation slides at the end of the workshop, which reminds the Moonshot of the fact that a brand personality is just one aspect of a brand identity. In other words, the workshop covered only one aspect of the identity, which the Moonshot has to finish at the end of the solution phase. Recall that it is important that the Moonshot has a complete brand identity before entering the market phase, because they have to start selling their proposition during that phase.

5.4 CONCLUSION

In summary, the brand extension decision method consists of several aspects. First of all, a general process blueprint was designed to illustrate how the brand extension decision should be implemented into the existing Moonshot process. In addition to the existing exit criteria, the blueprint also presents several exit criteria specifically for the brand extension decision process. The Moonshots have to fulfill these criteria in order to make the brand extension decision successfully. The main goal of this blueprint is to communicate the implementation of the brand extension decision to the Strategy Team and the coaches. This in order for the Strategy Team to integrate the brand extension method in the process of Innohub 2.0, which they are currently designing. Additionally, the coaches understand how they should take the brand extension method into account when coaching the Moonshots.

Second, the decision method also contains a decision process blueprint. This blueprint is similar to the process blueprint, but it focuses on the decision moments in the process and the corresponding roles and responsibilities of the stakeholders. These roles and responsibilities are visualized based on the RACI matrix. In other words, who is responsible or accountable and who should be consulted or informed. Similar to the process blueprint, this decision process blueprint is also for the Strategy Team and the coaches. This in order to assure a more structured process and to prevent a misplaced sense of responsibility among the stakeholders.

Finally, the decision method also consists of the Brand Development Workshop for the Moonshots. This workshop is facilitated by a Brand Coach, which is one person within InnoHub who is responsible for guiding the Moonshots in developing the brand and making the brand extension decision. In addition, the Brand Coach also is the only person within InnoHub, who is in direct contact with the brand strategists of CCA. Therefore, the Brand Coach is up to date about Rabobank's brand strategy and can take this into account when coaching the Moonshots in developing their brand.

During the Brand Development Workshop, the Moonshots will make use of two tools: the Brand Development Canvas and the Brand Personality Cards. These tools make it easier for the Moonshots to create a brand personality, translate this into the Venture Metrix colors and subsequently compare these colors to the color profiles of Rabobank's brand image and brand identity. By comparing the color profile of their brand personality to the color profiles of Rabobank's brand image and identity, the Moonshots can measure whether they have a fit, moderate fit or no fit with the Rabobank brand.

All together, the design of the brand extension decision method is visually summarized in figure 57.

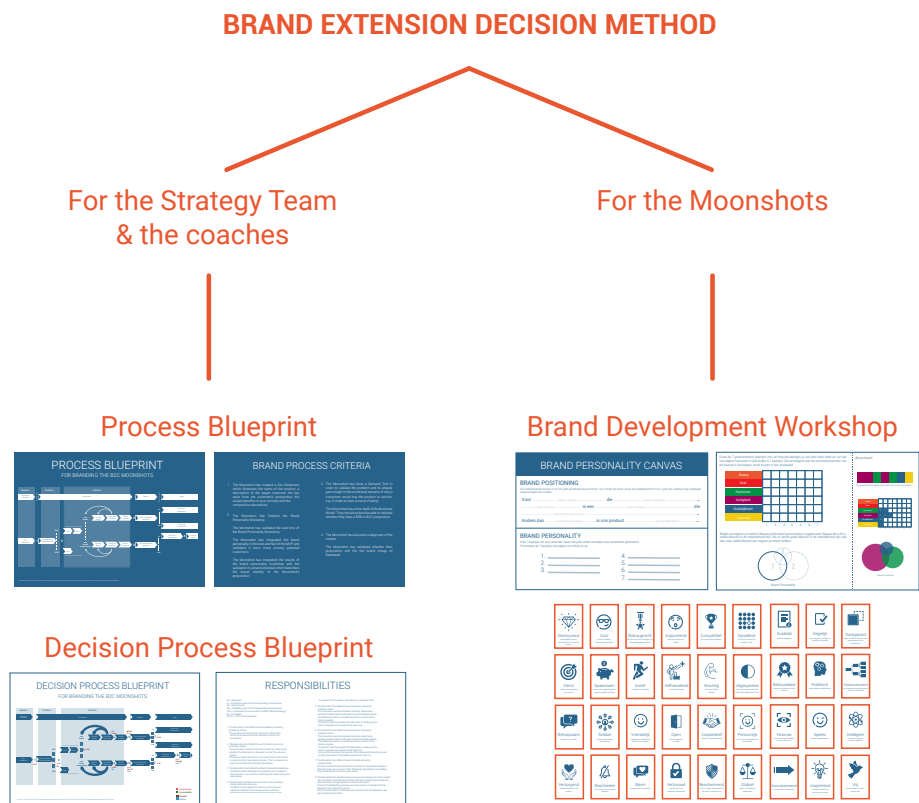


Figure 57: An overview of the content of the Brand Extension Decision Method

DESIGN BRIEF CRITERIA

The brand extension decision method fulfills the criteria of the design brief.

First, the process blueprint fulfills the criteria about the future role of the Moonshots and the existing Moonshot process. Not only does the blueprint visualize how the brand extension decision is implemented into the existing process, but it also takes the future role of the Moonshots into account by making the process iterative. Recall, that the future role of the Moonshots within Innohub 2.0 is to come up with disruptive innovation; an iterative process mitigates the uncertainties of disruptive propositions.

Second, the decision process blueprint is based on the design criteria about including stakeholders early in the process. This because the blueprint visualizes when which specific stakeholders have to be involved when. Also, by making use of the RACI matrix, the responsibilities of each stakeholder are clarified in order to prevent unnecessary interference.

Finally, the Brand Development Workshop fulfills the design criteria about including the brand identity, Rabobank's brand image perceived by innovative consumers and how innovative consumers perceive established banks in general. As mentioned before, not only the perceived brand image, but also Rabobank's brand identity is translated into the colors of the Venture Metrix. The teams have to create their brand personality and compare this to Rabobank's brand image and brand identity in order to measure a fit.

The perception of consumers towards banks in general is integrated into the decision method as well by endorsing the brand later on. Recall, that consumers associate established banks with trust and convenience, which less innovative consumers find important aspects in order to accept a new product or service. So, with the brand endorsement, the Moonshots can use the 'trust' and 'convenience' reflected by the Rabobank brand for convincing less innovative consumers to accept the product or service.

6.0 DISCUSSION

All together, this report has dicussed a lot. Therefore, this chapter will provide a short summary, from the problem definition to the developement of the final deliverables.

There are also several research limitations, such as this research being a qualitative study. Therefore, it could be interesting to analyze specific results of this research with a quantitative study.

Furthermore, the complementary fit is based on a dissimilarity in brand personalities, which has a less pronounced effect on brand extension evaluation than similar brand personalities. Further research could thus look into complementary fit more. This chapter will discuss these research limitations and future research opportunities in more detail.

SUMMARY

The last couple of years, Rabobank has come to realize that innovation is important for the future existence of the bank. Therefore, the bank has been investing a significant amount of money in innovation. One of the results is the establishment of a corporate accelerator, called InnoHub. Within InnoHub, there are corporate startups, which are teams of Rabobank employees acting as startups. Within Rabobank these corporate startups are called Moonshots. This research focuses on these Moonshots and more specifically a problem they encounter, which is described below.

Problem definition

Currently, the Moonshots go through a process of ideation, problem definition, finding the solution, entering the market and scaling the business. However, this process does not include guidance for developing a brand. Moreover, this process is more complicated for Moonshots than for regular startups as, besides developing a new, stand-alone brand, the teams have the additional option to brand their proposition under the Rabobank brand. This is defined as the brand extension decision. However, generally the Moonshots do not know when it is better for their new product success, to brand their proposition under the Rabobank brand. Even more interesting, it is proven that the perception of consumers towards established banks has been subject to change. Therefore, it is interesting to study this change in perception and its effect on the Rabobank brand. This leads to the following research question:

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

Discover

In order to answer the research question, insights into the problem were gathered. The first insight resulted from literature research, which indicated that the new product success of the B2C Moonshots is affected by the perception of innovative consumers towards the Rabobank brand. Based on this, 12 innovative consumers were qualitatively interviewed. Subsequently, the brand image of innovative consumers was compared to the results of the brand image research done by Rabobank. This comparative analysis revealed that Rabobank does not make a distinction in consumer innovativeness when researching the brand image. Moreover, it became clear that innovative consumers perceive Rabobank differently than consumers in general as they do not perceive Rabobank as innovative or progressive.

In addition, 17 stakeholders within Rabobank were qualitatively interviewed in order to gain more insight into the existing Moonshot process. These results revealed that there are four main challenges influencing the brand extension decision:

1. The role of Innohub within the organization of Rabobank is unclear
2. The Moonshot process is not structured enough
3. The management of expectations is affected by a lack in brand process
4. There is no communication between Innohub and CCA

Define

The results of the qualitative interviews and comparative analysis were translated into six design criteria. These criteria indicate that the design of the brand extension decision method should take the following aspects into account:

1. The future role of the Moonshots within Innohub 2.0
2. The existing Moonshot process

3. Earlier involvement of the stakeholders in the Moonshot process
4. The Moonshots that join the Rabobank brand, should contribute to the brand identity of the bank
5. The symbolic and functional brand image associations of innovative consumers towards Rabobank
6. The perception of innovative consumers towards banks in general

These six criteria formed the basis for the design of the brand extension decision method.

Develop

The design of the decision method is explained by answering three questions. These questions and the corresponding answers are listed below:

- What is the brand extension decision?

Based on the results of this research, it was decided that Moonshots always set up a new brand. However, the decision that still remains is whether the brand will be endorsed by Rabobank. This will happen if there is a fit with Rabobank.

- When should the brand extension decision be made?

The Moonshots should make the decision at the start of the solution phase. In order to enable the Moonshots, if they have fit with the Rabobank brand, to design the brand in such a way that it has a brand image fit with the Rabobank brand from the get go. This makes the overall Moonshot process more efficient. Additionally, making the brand extension decision early in the process has the benefit that it manages the expectations of the teams.

- How should the brand extension decision be made?

The Moonshots should make the brand extension decision by creating a brand personality. This brand personality is translated into specific

colors. These colors are based on a color code of an existing framework, called the Venture Metrix. This framework is already being used by the Moonshots for assessing the capabilities within their team. Therefore, it is beneficial to make use of this framework, as the InnoHub and the Moonshots are already familiar with it.

Subsequently, the brand image and brand identity of Rabobank are translated into the colors of the Venture Metrix as well. By comparing these color profiles with the color profile of their brand personality, the Moonshots can determine whether they have a fit, moderate fit or no fit with the Rabobank brand. Note that this design is partially based on existing research in the field of brand extension, which indicates that brand personality drives brand fit. The specific guidelines for when there is a fit, moderate fit or no fit, can be found in chapter 4.3.

Deliver

The decision method for the brand extension decision of the B2C Moonshots consists of a general process blueprint, a decision process blueprint and a Brand Development Workshop. The two blueprints are for use by the Strategy Team and coaches within InnoHub, in order to clarify the process of the brand extension decision and how this should be implemented in the existing Moonshot process. The decision process blueprint clarifies when which stakeholders have to be involved. The accompanying makes use of the RACI matrix in order to give insight in the specific roles and responsibilities of each stakeholder. This is important as it prevents the misplaced sense of responsibility, which stakeholders currently often have.

In addition to this, the Brand Development Workshop is developed for the B2C Moonshots to guide them in making the brand extension decision. Note that the B2B Moonshots can do the first part of the workshop, but due to the focus of this research they cannot make the brand extension decision during the second part of the workshop. The workshop is facilitated by a Brand Coach. This role is fulfilled by one person within

InnoHub, who is responsible for guiding the Moonshots in making the brand extension decision.

During the workshop, the Moonshots make use of two tools: the Brand Development Canvas and a deck of 36 Brand Personality Cards. These tools guide the Moonshots in creating a brand personality and translating this into the colors of the Venture Metrix.

Finally, the Moonshots end up with a color profile of their brand personality, which is compared to the color profiles of Rabobank's brand image and identity in order to measure a fit. When there is a fit, the brand can be endorsed by Rabobank during the scale phase.

LIMITATIONS & FUTURE RESEARCH

It is important to take a critical look at this research, as it contains several limitations. First of all, it should be noted that the research among innovative consumers and Rabobank employees was qualitative. As a consequence, the results are based on a smaller group of respondents. Therefore, it would be interesting to research several results once more with a quantitative study. For instance, a quantitative study in order to validate that consumers assume products and services with 'Rabo' or 'Rabobank' in the brand name to be for the use of Rabobank customers only. CCA's brand strategist confirmed that it would be interesting to research this result further as it can have implications for the brand extension decision of all B2C products developed within Rabobank.

Furthermore, this research bases the complementary fit between the B2C Moonshots and Rabobank on existing research of Aaker (1997). As mentioned before, Aaker (1997) created a measurement scale for brand personality, which consists of sincerity, competence, excitement, sophistication and ruggedness. Based on this scale, Van der Lans et al. (2014) have proven that similarity in 'sophistication' and 'ruggedness' and dissimilarity in 'sincerity' and 'competence' results in more favorable brand alliance evaluations. Based on this research, it can be said that

Moonshots complement the Rabobank brand when they have a sincere brand personality. However, Van der Lans et al. argue that the dissimilarity effect is less pronounced than the similarity effect. Therefore, it would be interesting to research complementary fit between brands in more detail.

Finally, it should also be questioned whether the Venture Metrix is the best framework to base the colors of the Brand Personality Cards on. This research bases the brand extension decision method on the colors of the Venture Metrix, because the Moonshots already use this tool in the existing process. However, the Venture Metrix is not substantiated with scientific research in the field of branding. That is why future research could look into the Venture Metrix and comparable frameworks in order to find the best framework to base the colors of the Brand Personality Cards on.

7.0 FINAL RECOMMENDATIONS

Based on the results of this research, there are several final recommendations for InnoHub and Rabobank as a whole. These recommendations are partially based on literature research and discussions with CCA's brand strategists and the Strategy Team within InnoHub.

First of all, it is recommended that Rabobank revises the perceived brand image of innovative consumers every few years. Second, Rabobank should research how their B2B customers perceive the Rabobank brand in order to make the brand extension decision method applicable to B2B Moonshots as well. Third, the brand extension decision of the additional innovation projects within InnoHub, the

Business Line Innovations and Innovation-on-demand projects should be researched as well. Fourth, InnoHub should create a decision process for the overall strategic fit. This research focused on the brand image fit between a Moonshot and Rabobank. However, there are more factors influencing the overall strategic fit of a Moonshot with Rabobank. Finally, the InnHub should also guide the Moonshots more in creating a brand. For instance, how should the Moonshots come up with a brand name and what should the logo look like?

This chapter discusses these recommendations in more detail.

When the brand extension decision method was validated with the stakeholders of Rabobank, it became clear that there is an interest in using the method throughout the organization. However, this research focused on a very specific subject and was finalized within a limited amount of time. Thereby, this research could not address several additional topics. It is thus important that InnoHub undertakes additional steps in order to extend the method for a wider use. Therefore, this chapter recommends five additional steps, which the InnoHub should take in the future.

1. REVISE THE PERCEIVED BRAND IMAGE EVERY FEW YEARS

Scientific research has proven that brand image is not a constant, but changes over time. Therefore, it is important that InnoHub revises how innovative consumers perceive the Rabobank brand every few years. The changes in perception may lead to another brand image, which also influences the brand extension decision in the end. Also, it should be questioned who should be responsible for researching the perceived brand image. Currently, CCA leads the brand image research within Rabobank. However, their research does not take innovative consumers into account, whereas the results of this research do indicate that their perception is important. So, either CCA should start making a distinction in consumer innovativeness in their brand image research or InnoHub should organize a separate brand image research which focuses on the perception of innovative consumers.

2. RESEARCH HOW B2B CUSTOMERS PERCEIVE RABOBANK

This research focused on the brand extension decision of the B2C Moonshots. However, among the Moonshots, there are also teams with a B2B proposition. So, in order to make it possible for these Moonshots to make the brand extension decision, the perception of B2B customers should be measured as well. Note that this includes researching whether the level of innovativeness of these B2B customers influences the brand image fit. Consequently, their perceived brand image can be translated into the colors of the Venture Metrix. This makes it possible for the B2B Moonshots to do the final part of the Brand Development Workshop as well.

3. RESEARCH THE BRAND EXTENSION DECISION OF THE BUSINESS LINE INNOVATIONS AND INNOVATION-ON-DEMAND PROJECTS

As mentioned before, the Innohub 2.0 will accelerate two new types of innovation projects: Business Line Innovations and Innovation-on-demand projects. As these projects face a brand extension decision as well, it is recommended that Innohub researches their decision as well. Unlike the Moonshots, Business Line Innovations and Innovation-on-demand projects will focus on continuous and not disruptive innovation. This also has consequences for the potential outcome of their brand extension decision. According to CCA, new products and services, which are continuous innovation, are more likely to be subbranded. Recall that subbranding means using a new brand name in conjunction with a family brand name, e.g. Apple Pay and Philips Sonicare. Therefore, it is interesting to research the brand extension decision of the Business Line Innovations and Innovation-on-demand projects in order to know when a subbranding strategy should be applied. Note that this also requires more research in brand architecture.

4. CREATE A DECISION PROCESS FOR THE OVERALL STRATEGIC FIT

The brand extension decision is based on a brand image fit between the Moonshots and the Rabobank brand. However, this fit is not the only factor, which determines whether the Moonshots join Rabobank in the end. The brand image fit is part of a larger fit, which Rabobank calls the strategic fit. The strategic fit between a Moonshot and Rabobank is based on many aspects.

As visualized in figure 59, the strategic fit with Rabobank consists of a brand fit and an organizational fit. Based on the findings of the literature research, it can be said that the strategic fit with the Rabobank brand consists of a brand image fit and a category fit. Whereas existing research indicates that brand image fit is more important for consumer acceptance

than category fit, it is still important to take category fit into account. This in order to have a complete overview of the factors influencing the strategic fit with Rabobank.

In addition, the organizational fit consists of aspects, such as key resources, key partners, cost structure etcetera. So, when the brand extension decision method indicates that a Moonshot has a fit with the Rabobank brand, this does not mean that it is certain that the Moonshot can join the Rabobank as this depends on more factors.

Therefore, it is important that the Strategy Team designs an overall decision method, which indicates when the Moonshots have a strategic fit with Rabobank. By creating this decision method, the overall Moonshot process becomes more structured and streamlined.

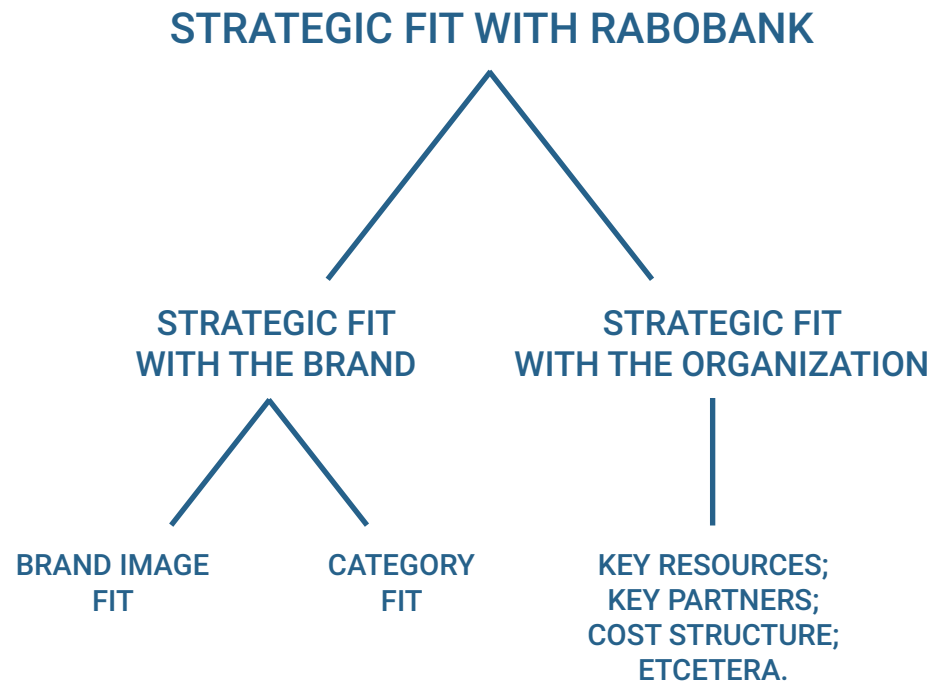


Figure 58: The determinants of a strategic fit with Rabobank

5. GUIDE THE MOONSHOTS IN CREATING A BRAND IN GENERAL

Finally, this research focused on how the Moonshots should make the brand extension decision and not on how they should create a brand identity. However, when the Brand Development Workshop was validated with the Moonshots, it became clear that they would like to receive more guidance in designing a brand as well. For instance, the Moonshots have indicated that they would like to be coached in subjects, such as:

- What part of the brand they should develop after they have created a brand positioning and personality;
- When they should start thinking about a brand name;
- Tips and tricks for coming up with a brand name;
- Tips and tricks for designing a logo;
- Designers within Rabobank or external agencies they can contact for designing the brand logo.

To conclude, Innohub has to undertake additional steps in order to make the brand extension decision method available for a wider use. On top of that, the brand extension decision only indicates whether there is a brand image fit and not whether there is an overall strategic fit with Rabobank, as visualized in figure 58. Therefore, it is recommended that the Strategy Team within Innohub creates a decision process for measuring the strategic fit with Rabobank and implements this in the overall process of Innohub. By doing this, the Innohub can create a more structured innovation process.

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