

Global Brand Management – An Analysis

***Mrs.P.Abarna**

**** Dr.M.Nazer**

*Ph.D., Research Scholar in Commerce, Khadir Mohideen College,
Adirampattinam

**Associate Professor of Commerce, Khadir Mohideen College, Adirampattinam

What is a Brand?

Brands can be defined in two ways. Firstly, a brand can be identification, or a mark, that differentiates one business from another (through a name or a logo, for example). Secondly, a brand symbolizes how people think about your business.

Building a brand helps customers in their decision-making, creating a perceived knowledge of what they are going to buy—before they buy it. Brands are based on three related criteria:

A brand builds a unique personality for a business and therefore attracts a defined type of customer. Most importantly, branding is based on consistently rewarding the confidence and delivering the expected emotional response. For example, a domestic cleaning company can build its brand successfully if customers' homes are always thoroughly cleaned, the owners believe that they are using the best cleaning company and feel good about returning to their newly cleaned homes.

Managing the Brand

A brand will not work instantly it will develop strength over time as long as your business consistently communicates and delivers your brand values to customers.

Keep all your staff involved in your brand and your business. As your staff will be responsible for delivering the brand, they all need to feel a part of it and believe in it. Discuss your brand values regularly with your staff so they are clear about them. Encourage them to offer suggestions to improve your systems so the brand values can be more easily delivered.

Monitor your customer's response to the brand regularly and continually review how your brand values are communicated to them. Get regular feedback from friendly customers and find out if what your business is doing for them matches the expectation your brand creates. Ask dissatisfied customers or former customers too - you learn useful lessons about your brand through honest criticism. Regularly review your products, services and systems to make sure they efficiently back up your brand message. For example, if freshness is one of your brand values, are there ways you can deliver the product even more quickly?

Once the brand is developed within your own business and your existing customers, you can use it to attract new customers. Use your core competencies to show the benefits of your business to potential customers. Show what your business can do for them, not just what you do. Make sure every

communication with potential customers is also consistent with your brand values. Advertisements and sales literature to potential customers must be visually and emotionally consistent with what you provide to existing customers.

Why Go Global?

Going global is highly attractive. It represents a perception of excellence but it comes with a challenging set of obligations that many do not anticipate or plan for. It is daunting to achieve a competitively relevant presence in all strategic global markets with an identical set of core values. Companies must harness the coherence and scale of a global brand as well as the closeness of a local brand if they wish to succeed. Often referred to as the 70/30 principle, this rule of thumb states that 70% of the brand must remain absolutely consistent, with 30% reflecting flexibility market-to-market. It has been stated that companies do not choose to go global but that the market forces them to do so. There are many brands that have attempted to be successful outside of their home borders and end up being neither truly global nor appropriately local. The decision to take a brand global (or to several markets from its market of origin) is driven by fundamental strategic opportunities, which have been stated below:

- Size and attractiveness of market
- Commoditization in market of origin
- Displace competitors
- Achieve economies of scale
- Protect current margins
- Capture share of mind
- Drive innovation.

Arguments in Favour of Standardised Global Strategy for Branding:

The main argument in favour of globalisation centres on the view that the world is not only getting smaller psychologically, but is also getting more similar.

1. **Markets are becoming the same:** A world culture is developing, formed by global communications, travel, films, TV and the activities of multinational firms. In the three areas that make up the so-called triad—USA, Europe and South Asia—this is arguably true to an extent. It is most true of younger people and in many markets the taste of under-30's are probably very similar at least in developed countries.
2. **There is a segment in every market that is the same:** All markets are very clearly not identical, because there are huge variations in economic development, wealth and culture. It is idle to argue that, even within a region, all countries are the same. It means that there is a segment within each market that will essentially be similar to the segment found everywhere else. Thus there will be a segment that responds to Gucci, Dunhill and Rolex in every country. The size of segment will considerably vary, but it will exist.

3. **Global economies of Scale give unanswerable competitive advantage:** Theodore Lewitt, one of the fiercest proponents of global branding, argued that economies of scale could actually overcome local market preferences. If a manufacturer ignored current differences in consumer preferences and offered a common product at an unbeatable price, consumers would trade off ideal preferences for value. For example, there have traditionally been differences in what European countries demand in a washing machine: some want automatic, others do not, some prefer front loading and others top loading and so on. Lewitt argued that making a single, standardised model on a European scale would offer such a value for money that consumers would abandon their traditional views and buy it anyway.

There are also possible savings in marketing costs such as advertising: What the marketing people must do is to ensure that costs savings—in whatever area-do not damage the brand.

4. There is only one right idea a more conceptual view -is that, for any one brand at any particular time, there is only one correct strategy. The definitions of the brand essence and identity, the target segment, the positioning, the principles of the mix and targetting have one best solution. Once that is found, it should be applied in every country with changes only where they are absolutely unavoidable-because of legislation, for instance.

Arguments against Standardised Global Strategy for Branding:

Those who oppose global branding base their arguments on fundamental marketing principles: it is the job of marketing people to be sensitive to their customers and consumers and only they-in the local country-really understand them.

1. **Markets are actually different:** Even within a region such -as Western Europe, there are significant differences between countries. - Pasta is seen as old-fashioned in Italy but rather trendy in many other countries.
2. **Local markets have different histories in every country:** The development of particular product markets will have different histories in every country. They may be converging-usually because of the actions of the major multinationals-but their current situations may still vary widely.
3. **Brands designed internationally are the lowest common denominator:** If a company tries to take all these differences into account, it will end up with a compromiSe4ha brand that offends no one but delight any one either.
4. **Economies of scale and scope may not actually exists :** The split of media spillover has long been exaggerated and localized communication efforts can sometimes be less costly and more effective than importing and adapting global “execution”. Further, even an excellent global agency or other communication partner may not be able to execute exceptionally in all countries.
5. **A global brand simply may not be optimal or feasible when there are fundamental differences across markets :** Consider the following contexts where a global brand would make little sense:
 - Different market share positions

- Different brand images
 - Preempted positions
 - Different customer motivations
 - Different customer responses to executions and symbols.
6. **The brand may not able to find a strategy to support a global brand** even assuming one exists. They might lack the people, the information, the creativity or the executional skills and therefore end up settling for the mediocre. Finding a superior strategy in one country is challenging enough without imposing a constraint that it be used throughout the world as well.

What Principles Govern and Guide Global Brands?

Self-examination at the company level is required to ensure the critical success factors are in place that will take the brand to other markets.

Recognition

Well-performing brands enjoy strong awareness among consumers and opinion leaders. These brands lead their industry or industries. Think BMW Car aficionados, reviewers and loyal customers laud it with equal enthusiasm. It has come to symbolize performance in engineering and design while signifying that the owner has “arrived” on a personal and professional level. This type of recognition represents the nexus of perception and reality, enabling brands to rapidly establish credibility in new markets.

Consistency

These brands achieve a high degree of consistency in visual, verbal, sonic and tactile identity across geographies. They deliver a consistent customer experience worldwide, often supported by an integrated global marketing effort. McDonald’s is a tremendous example of a brand that has returned to its roots by shedding distracting acquisitions, simplifying their core offer and adhering to a shared message globally. At the same time, McDonald’s appropriately modifies its approaches for greater regional relevance. Restaurants in France are more “café-like” in appearance and the menu is tailored to the local culture. Espresso is in quick supply and the chairs are neither molded plastic nor bolted to the floor.

Emotion

A brand is not a brand unless it competes along emotional dimensions. It must symbolize a promise that people believe can be delivered and one they desire to be part of. Through emotion, brands can achieve the loyalty of consumers by tapping into human values and aspirations that cut across cultural differences. Nike has appealed to the athlete in all, regardless of true physical ability, allowing for a focused, yet mass-market offer. This has elevated the discussions beyond tangible aspects of the shoe or apparel to what the customer feels when wearing and performing in Nike gear. Successful -global brands achieve a high degree of consistency in visual, verbal, sonic and tactile identity across geographies. They deliver a consistent customer experience worldwide, often supported by an integrated global marketing effort.

Uniqueness

Great brands represent great ideas. These brands express a unique position to all internal and external audiences. They effectively use all elements in the communications mix to position within and across international markets. Apple has creatively addressed its marketing mix while consistently ensuring that its people embody its most own able and beneficial brand attribute—innovation. The company has once again come to represent leading edge technology solutions that become a part of day-to-day life. Apple is embedded tangibly and emotionally in their customers' habits and practices.

Adaptability

Global brands must respect local needs, wants and tastes. These brands adapt to the local marketplace while fulfilling a global mission. HSBC has invested in that very message by conveying its excellence in financial services with its deep knowledge of local custom and practice. In essence, it is communicating a “global” advantage.

Management

The organization's senior leadership must champion the brand, ideally with the CEO leading the initiative. A leader's continual articulation of the brand philosophy and the brand's view of the world are meant to give the business strategy a recognizable face. The commitment is crucial, allowing for a unique positioning that transcends local idiosyncrasies and appeals to a universal aspect of human nature and experience. This is a major step in ensuring that the corporate culture will put the brand at the heart of everything it does. The preceding list is by no means complete.

There are many other factors that must be considered, including superior products, processes and people, a strong track record of being .customer centric in the country of origin, uncompromised ethical practices and continual focus on creativity and innovation.

How are Global Brands Managed?

Successful global brands operate from clear principles already discussed. Yet these principles require active management. Following are the important principals for effective global brand management.

Seek Out Insights

Outstanding brands identify customer insights. When these insights appeal across cultures they assist in a brand's adoption globally. The Economist brand appeals to its audience because ‘they know when they are in the know’. This “club type” association appeals in most cultures and can help to explain the success of the magazine. Once this insight is in place, the brand must ensure that customer perceptions of it are consistent throughout the world. Hyundai sells two-thirds of its cars outside of Korea, has a multinational product portfolio, a worldwide slogan and fairly consistent advertising. Despite all this, it is not a truly “global” brand because the Hyundai name carries very different associations in each market. On the other hand, over 60% of Mercedes

Benz's sales are in Europe, yet the brand's associations with prestige and quality are global.

Integrate Local Intelligence

Brand guidelines are tremendous tools for ensuring consistency. However, they have been known to impede innovation and diminish relevance. Brands are dynamic—never static—so managing them must integrate new thought. In the case of global brands, to assume that one message can appeal uniformly to all audiences with equal relevance is unrealistic. Well-managed global brands select local markets for intelligence related to the “next big thing” to ensure relevance locally and to counter competitor's moves.

The Team

Global brands demand a global brand management team. This regional and international organization is in place to maintain brand leadership. Companies with large brand portfolios tend to have separate managers for each brand. Regardless, global brand managers must have the authority and resources necessary to implement key decisions based on performance measurement. The brand management team, reports to a senior executive officer of the company and ideally, the CEO has direct involvement in brand decisions. Global brand management teams implement processes to create, review and improve brand performance. This frequently takes the form of a wider brand management council that can include representatives of business units and agency partners.

Investment

Intangible assets, including brand, now comprise the majority of the value of a company. These assets require capital investment like any other. Progressive companies and enlightened management recognize the need for appropriate communications spending. However, CEO and CFOs are not signing any blank checks — they are demanding objective and quantifiable measurement of return to substantiate any investment.

Measurement Systems

In order to sustain a global brand's long-term position, there must be consistent and widespread brand equity measurement, This will not only help brand development by highlighting and demonstrating best practice but it will also provide the brand management team with a means of monitoring global consistency. This equity measurement should include top-of-mind awareness, overall opinion (preference, satisfaction, loyalty, recommendation), brand image attributes, perceptions of product/service performance and brand valuation to determine the financial contribution of brand to the balance sheet.

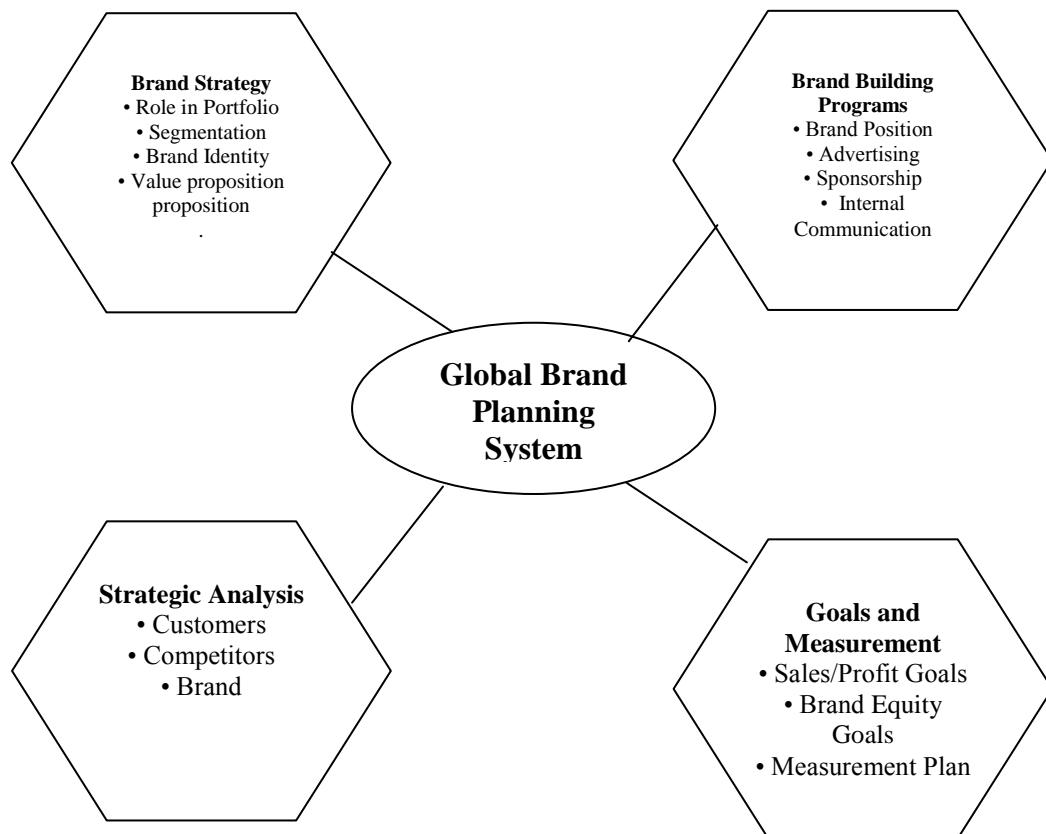
A Common Global Brand Planning Process Model

A common brand planning process is the cornerstone for creating synergy and leverage across the global marketplace. Without it, the organization will remain splintered and fragmented. The model proposed provides the structural foundation for a brand planning process and associated template.

There are however, some basic elements (shown in Figure) that need to be addressed—a strategic analysis, a brand strategy, a specification of brand-building programs and a description of the goals and measures. More particularly, the following dimensions should be considered for each element:

Strategic Analysis

- Customer Analysis—what are the key segments? What are the customer motivations? What emotional and self-expressive benefits are being delivered within the product class? What are the customer sweet spot, the central elements of life and self-concept to which the brand could connect? What trends are unmet needs that the brand might address?



- **Competitor Analysis** Who are the target customers? How do they position themselves? What are their brand-building programs and how effective are they? Is anyone breaking out the clutter? How?
- **Brand Analysis** What is the brand image? What are the positives and negatives? What are the strategic initiatives? What assumptions can be made about the organization is willing and able to do?

Implications

We have seen that there is an assumption that the world is becoming homogenized, yet national and sub-regional cultures do exist. This makes global branding a tough challenge and one that is handled differently from organization to organization. Some companies pursue strategies based upon the identification of common elements among countries, whilst others find it more

profitable to adapt and adjust according to specific conditions in various markets.

References

www.Brandidentityguru.com

Placebrands <http://www.placebrands.net/>

Global Brand Strategy official site <http://www.globalbrandstrategy.com/>

Brand Meta <http://www.brand-meta.com/>

Kogan Page <http://www.kogan-page.co.uk/>

Business Line, Financial Daily from THE HINDU groups of publications “Taking a brand global”, Tapan K. Panda Thursday, Sep. 19, (2002).

David A. Aaker and Erich Joachimsthaler, article “The Lure of Global Branding” in the Harvard Business Review, November-December (1999).