Successful Branding in the Global Marketplace

The phenomenon of globalization requires brands to find superior ways of capturing consumer mind share in order to drive sales. As a result, strategies for managing brands across geographical boundaries are continuously reexamined and reevaluated.

One key area for assessment addresses the level of brand adaptation in foreign markets. Based on the success of brands like Coca-Cola, standardization was once looked on as the ideal global strategy. Today's consumers have many more choices and are privileged to choose brands that connect with their particular desires and values.

Another area to consider is the brand's territory and how it relates to the consumer in a particular environment. Even if in its home market a brand clearly defines its core values and personality, these might not transfer successfully to other cultures without major adjustments.

Finally, because brand differentiation can flourish as a result of creativity, companies that are open to sharing and looking for mutual inspiration are well ahead of the curve. Streamlining and implementing a process for global brand leadership has proven to be one way of generating and nurturing a culture that drives successful global brand innovation.

Customization vs. Standardization

Since Ted Levitt proposed the homogenization theory in the mid-80s, the proper balance between customization and standardization has been continuously discussed and evaluated by companies and marketing experts. For many, customization is still perceived as unnecessarily costly. If standardization is managed as a purely financial matter, individual brand distinctiveness can be dangerously compromised.

Even brands like Coca-Cola and McDonald's that once crossed borders without adapting their branding today increasingly customize certain aspects of their marketing communication. Coke, for example, decided to use Coke Light in Europe with a different descriptor from that of Diet Coke that is used in the U.S. In India, the brand focuses on looking less like an all-American brand and places more emphasis on affordability and corporate responsibility.

Chicago-based McDonald's has also in some countries adapted beyond what was once thought to be necessary. In Bosnia, instead of closing the restaurant, local McDonald's management was allowed to keep the brand alive by customizing its arches and menu to commemorate the war-torn city. In India, the brand caters to a largely vegetarian and non-beef eating population where its leading burger, the Maharaja Mac is made with chicken and local spices. In Israel, local McDonald's franchise holders were permitted to flame broil the burgers, a move seen as an accommodation to local tastes and not a response to Burger King.

The Lay of the Land

A brand's territory should be constructed to fit global demands, depending on several key parameters. First, the maturity of a category in which the brand operates will differ from one country to another. Understanding the historical context of the category within a specific country and culture can help unearth barriers that might impede a brand from being immediately adopted by consumers. This understanding can also arm the marketing team with ideas for how to make the adoption process more successful.

Additionally, the favorable associations that a brand has created in one country might not have the same relevance in other markets. More relevant associations can be highlighted and emphasized more overtly depending on the motivational context of the consumer and the competitive environment. In Russia, for example, Ikea, the furniture chain, emphasizes low prices while in mature markets the same association is secondary to creating a unique personal style.

Furthermore, the context of expressing a brand's values and its associations can be very critical to the brand's acceptance by consumers. Such key touch points as package design, the retail environment and emphasis on particular sensorial experiences can play a great role in how much of an impact a certain brand will make on consumers. Wal-Mart, for instance, is currently reevaluating a great part of its brand's territory in Japan knowing that the Japanese consumers make their purchase decisions based on the attractiveness of the packaging, as well as the store environment. The Japanese tend to pay more attention to the overall sensorial experiences while shopping, which is quite different from Wal-Mart's primary focus on value.

Global Brand Leadership

For a growing number of companies, getting the most out of a global network goes beyond efficiency and increased market penetration. Motivating the sharing and generation of new ideas is important so that brands remain relevant and fresh.

One way to help turn innovation into reality is to adapt an effective way of managing brands on a global basis. Following are four strategies that, when combined, will assist attaining and maintaining global brand leadership.

1) Corporate Communication

A company-wide communication system is the most basic element of global leadership. Learning about local programs that worked or failed and sharing this knowledge effectively can be crucial. The challenge is to overcome barriers such as criticism, information overload, or "it won't work here" attitudes. One way to deal successfully with these barriers is to develop a nurturing and supportive culture from the top down, rewarding the sharing of best practices during performance reviews.

2) Regional Brand Managing

This strategy deals with the problem of individual country brand managers using their own vocabulary or their own strategy blueprints. Unfortunately, this tends to contribute to inferior marketing and weakened brands. Again, incentives play a major role, as well as proper training. Companies that practice true global brand management share a planning process that is consistent across markets and products, develop brand presentations that look and sound the same in every country, have the same welldefined vocabulary, and make one person or group responsible for the brand and its strategy.

3) Management's International Branding Team

The third strategy addresses situations when local managers believe that their situation is unique and are not open to implementing lessons from other markets. Companies that have a decentralized structure have more difficulty persuading local teams to adapt global strategies and plans. Making an individual or group responsible for the global brand helps to generate credibility and greater acceptance. Likewise, a business management team can be most suitable when the company's top managers specialize in marketing or branding and are regarded as key assets to the business, such as with Procter & Gamble. In companies like Sony or Nivea, where executives have passion and talent for brand strategy, a senior executive can serve as a brand champion, becoming the brand's primary advocate and nurturer.

4) Leverage Success

Finally, simply doing a good job is not enough in today's global reality. Knowing how to balance the leverage of global strengths while recognizing local differences can sometimes be tricky. Yet it is absolutely necessary. This means that it is critical to first consider what brand-building paths to follow instead of focusing on execution. This includes getting the best people to work on the brand, finding a way to leverage every global success and carefully measuring results along the way.

Strong global leadership and management have shown that brands like Nokia and Ikea can come from small, unfamiliar markets and become global powerhouses. In addition to managing their brands with a tremendous respect for other cultures, all share many of the approaches discussed above. As domestic competition continues to put pressure on global expansion, marketers will need to look for new tools and strategies that can help them manage their brands across these new markets.