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Globalization and The Changing Face of Brands

The phenomenon of globalization requires brands to find superior ways of capturing consumers' attention and mind share in order to drive sales. Strong global leadership and management have shown that brands like Nokia, Ikea and H&M can come from small, less familiar markets, and become global powerhouses. As domestic competition continues to put pressure on global expansion, and new global players become more savvy, marketers will need to look for better management tools and more refined strategies that can help them manage their brands across these new markets.

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. However, 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 and will need to be expressed differently—sometimes with major adjustments.

Finally, 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. Given that brand strength and lasting differentiation can flourish as a result of innova-

tion and creativity, companies that are open to sharing across their organization and finding mutual inspiration are well ahead of the curve.

Customization versus Standardization

For many, customization is still perceived as unnecessarily costly. On the flip side, 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 major adaptations to 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 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.

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

(continued on page 9)

2005 Seminars Summer/Fall Schedule

Building Innovation Scenarios and Simulations (New!)
September 15–16 Minneapolis, USA (New city)

Creating the Perfect Design Brief
September 22–23 New York, USA
Oct. 31–Nov. 1 London, UK

Design Research Fundamentals (New!)
November 10–11 San Francisco, USA

Design Research for Product and Brand Innovation
October 13–14 San Francisco, USA

Integrating Design into Strategic Management Processes (New!)
July 21–22 New York, USA

Managing Creative Staff (New!)
July 28–29 Chicago, USA (New session)
November 7–8 New York, USA (New session)

Managing Design for Strategic Advantage
October 6–7 Seattle, USA

Marketing Graphic Design Services
September 16–17 Houston, USA

The New Marketing: Understanding It, Working with It
September 29–30 Chicago, USA

Managing Strategic Creativity and Innovation
August 11–12 Boston, USA

Strategies for Designing Meaningful Brand Experiences
October 6–7 New York, USA
November 3–4 Santa Fe, New Mexico, USA

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(2nd Opinion, continued from page 7)

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.

Second, 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 emphasizes low prices, while in mature markets the same association is secondary to creating a unique personal style.

Lastly, 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 terms of how much of an impact a certain brand will make on consumers.

Global Brand Leadership

One way to help turn brand innovation into reality is to adopt an effective way of managing brands on a global basis. A study conducted by David Aaker with 35 CEOs from Fortune 100 corporations around the world revealed four strategies to successful global brand leadership.

The first centers on a company-wide communication system as the most basic element of global leadership. Learning about local programs that worked or failed and sharing this knowledge effectively can be priceless. The challenge is to overcome barriers such as criticism, information overload, or "it won't work here" attitudes and instead, develop a nurturing and supportive culture from the top down.

The second strategy deals with individual country brand managers using their own vocabulary or their own strategy blueprints which can contribute to inferior marketing and weakened brands. Companies that practice true global brand management share a branding process that is consistent across markets and products and make one person or group responsible for the brand and its strategy.

The third strategy addresses local managers who believe that their issue is unique and are not open to implementing learnings 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.

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's 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. ■