

# Branding Strategies Of Global Brands (A Perceptual Analysis Of Local Strategies)

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**Abstract:** This research paper explains the relevance of Global Brands and thereafter focuses on the localization strategies for global brands. It refers to brand building blocks in the consumer based brand equity pyramids as stated by KEVIN L KILLER, for the analysis of the localization strategies. A framework that incorporates the localization strategies and approaches for global brands follows the analysis. There are suggestions for further research followed by the conclusion. The paper has used illustrative examples from various countries and diverse to support the analytical arguments.

**Keywords:** Branding, Strategies, Market, Millennium, Product

## 1. INTRODUCTION

Globalization is the imperative in the new millennium and companies are strategizing to ensure global success. In this milieu, careful consideration and planning needs to be undertaken with respect to localization of global brands. Aaker mentions that a core identity across segments and countries need to be maintained thereby ensuring lesser inconsistencies and better economies of scale. Having built a strong brand in one country, the manner in which this brand is introduced globally requires various considerations. Aaker mentions that global brands may necessitate multiple identities but under such situations, a common set of associations should ensure consistency in the brand elements (Aaker, 1996). However, having built a strong brand locally, companies need to find out how to carry the strength of the brand to other markets (Loffler). The corporate brand needs to be promoted to ensure the success of product brands. Nortel Networks promoted the sub-brands and not the corporate brand and were unable to compete with Cisco. Later, Nortel did try to focus on promoting the corporate brand and unveiled an advertising campaign that carried the tagline. This is the way, this is Nortel. The product brands were known to customers but the lack of promotions for the corporate brand caused financial challenge resulting in several key executive being replaced (Maddox).

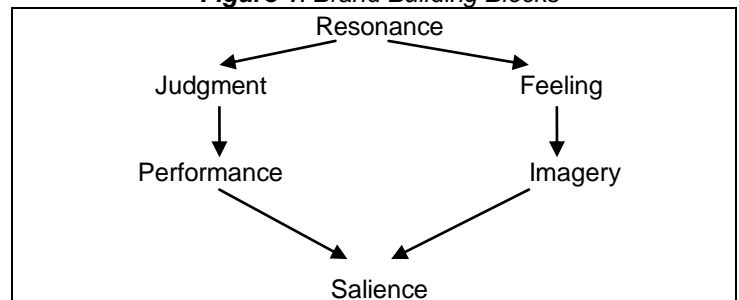
Companies that manage to carve out a niche in a local market realize the need for a strong global identity to compete with established global brands. The British motorcycle brand triumph has been around for over a century but feels the need for a global identity to enable it to compete with brands like BMW, Ducati and Harley-Davidson (Chandiramani). French telecom impact created by the deregulation of the French mobile telephony industry in 1996 (Melewar et al.). This paper is focused on corporate brands with regard to localization strategies of global brands. Kevin Lane Killers brand building blocks (Keller) have been referred for analysis using various illustrative examples. The analysis has been carried out with

regard to the following aspects;

- i) Brand salience
- ii) Brand Performance and Imagery
- iii) Brand Judgment and Feelings
- iv) Brand Resonance.

The brand building blocks referred for analysis have been shown diagrammatically in figure 1 given below.

**Figure 1. Brand Building Blocks**



Some definitions of brand:

- i) Corporate Brand

Brand that spans an entire company (which can also have disparate underlying product brands). It conveys expectations of what the company will deliver in terms of products, services, and customer experience (Argenti and Druckemiller)

- ii) Global Brand

It has been defined as a brand that is marketed under the same name in multiple countries with similar and centrally coordinated marketing strategies (Johansson K and Ronkainen).

- iii) Brand salience

Brand salience involves creating the right brand identify the brand under different circumstances (Keller). This section analyzes the localization strategies that affect brand salience. An Identity that Enables Easy Recall; The Identity of the global brand should enable the local customers to easily recall the brand. To ensure that the identity is memorable, brands need to use local elements in the brand communications. The use of local language, local models, and locally popular endorsers enable better salience.

In India, Adidas has used cricketer Sachin tendulkar and tennis player Leander Paes to enable brand salience. Nike has used the basketball player Michael Jordan as the endorser for its brand in various countries. A study has found that in countries where basketball is not a popular sport, the identity of the local customers would not get established easily.

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The use of local language helps in ensuring salience. Coca Cola used Hindi taglines in India apart from using a popular Hindi film actor to ensure easy recall for local customers. Domino's Pizza has also used a popular Hindi film comedian to create advertisements that highlight the 30 minute home delivery in India. IBM has used television advertisements that depict humorous situations pertaining to western culture but India customers fail to make sense of them though most educated Indians are familiar with the English language. Localization should be done to the extent that will enable local customers to identify with the brand. Corporate brands may use globally acceptable motifs and mascots. Mc Donald's used a joker to enable brand salience with various local markets since they were familiar with jokers. In India, their advertisements targeted children and also used a Hind tagline. Nike has used the "swoosh" to enable recall among local customers since it is a globally accepted motif. Consistency in the identity is also necessary to avoid brand dissonance. Faced with increasing competition from rival digital channels, the History Channel decided to adopt a consistent brand identity across 130 countries. This identity will be used both on and off air to ensure a strong global identity. A strong brand name may not be enough to ensure a consistent corporate brand identity as exemplified by Porsche. Though the brand is synonymous with speed brand sports, the need was felt to ensure a consistent global identity through its dealerships across the world. The objective was to ensure that the brand is recognizable through the facilities (Focust and Eidam.) British petroleum (BP) has acquired several companies including Amoco, Atlantic Richfield Co. (ARCO) and Burmas Castrol. In an effort to manage the multiple identities of the BP shield and the Amoco torch, the company decided to adopt a new symbol depicting as sunburst of green, white and yellow. The idea was to depict energy by using Helios (the Greek Sun God). The reason for this choice is that the company supplies 'energy' to its 10 million customers across the world (Francella). Enabling Relevant Access for Customers: The brand needs to ensure availability at the right time and at the right place for local customers. After taking into account the local conditions, suitable strategies should be adopted. In the US, a large section of the population has access to the Internet and it will be a suitable medium for customer access. Procter & Gamble has used to connect with teenagers in the US. But for countries where Internet penetration is not high, some other medium is used. The radio has enabled Hindustan Lever Limited (Unilever's subsidiary in India) to access rural customers. The choice of appropriate media for brand communication should be made judiciously bearing in mind the local practices. The methods of enabling access to the brand should be relevant for the local customers. In India, Tupperware's distribution team is entirely made up of women since they realized that Indian women are more comfortable dealing with women. Use of local people enables the brand to be more comfortable dealing with women. Use of local people enables the brand to be more relevant for local customers. This is more evident in the case of companies selling food products (such as Nestle) since the local customs prevalent in various countries need to be taken into account before launching a global campaign. Nestle prefers its brands to be become the largest branded food company in Mexico, Brazil, Chile and Thailand (Rapport and Martin) In China, Kentucky Fried Chicken (KFC) redecorated its flagship outlet in Beijing in 2003 with the Great wall, shadowgraph, Chinese kites and

other traditional Chinese symbols. As a part of the celebrations of the celebrations of the Chinese New Year, all statues of Colonel Sanders in KFC outlets in China were dressed up in Chinese traditional suits known as 'Tang suits'. The statues did not glass like the original image but had oriental features. The association of local elements with the brand enables relevant access and brand salience owing to the familiarity of local customers with these elements.

#### iv) **Brand performance and brand imagery**

Definition of Brand Performance: it relates to the ways in which the product or service attempts to meet customers' more functional needs (Keller) Definition of Brand Imagery: It deals with the extrinsic properties of the product of service including the ways in which the brand attempts to meet customers' psychological or social needs (Keller) Definition of Brand Imagery: It deals with the extrinsic properties of the product of service including the ways in which the brand attempts to meet customers' psychological or social needs (Keller) This section analyzes the localization strategies that impacts brand performance and imagery. Locally Relevant Attributes: Brand performance concerns itself with the product features, pricing, etc. to ensure good brand performance, and the attributes should be relevant for local customers. Global brands have researched the value gaps existent in a market and incorporated relevant attributes for the customers. Starbucks is available across countries like China, Japan, France, Greece and Kuwait that offer similar espresso but food with a local flavor. The global brand should be unified across region on the basis of the core values of the brand. For Starbucks, the core values were: ensuring that people could relate with the outlet as a place where they could be their own selves. Starbucks has used local people for the cafes rather than bring in managers from the US [Thompson and Arsel]. Relevant product attributes have been incorporated by Pizza Hut and McDonalds to suit local tastes in India. Pizza Hut launched the "tandoori pizza" to make the product suit Indian palates while McDonloads launched the "McAloo tikki". Another attribute that affect brand performance is pricing. In India, customers are very price conscious and these brands have highlighted the low prices in the advertisements [www.agencyfaqs.com]. Relevant Value Proposition: The value proposition affects the brand performance and so the psyche of the local customers has to be taken into consideration. In India, Coca-Cola used Hindi to create the value proposition 'thanda matlab Coca-Cola' sinc in India all chilled drinks are referred by the generic term 'thanda' which means 'chilled' [www.coco-colaindia.com]. When the brand offers a value proposition that offers what is sought by local customers, evoke suitable feelings. It is necessary to first understand the feelings that the brand wishes to evoke and after studying the culture of a particular market a suitable imagery is used to accomplish the desired results. Sometimes, they may be universal and therefore applicable to divers markets. For example, Hewlett Packard using the "change +HP" theme is globally acceptable and the corporate identity gets created in a uniform all markets and businesses and people need to cope with change. Standardization is not possible on a global scale since the needs of all markets are not uniform. The non-standardization of products also makes it difficult to standardize the brand and its promise. Jean-Noel Kapferer points out that over-globalization leads to a loss of relevance. For example, Wal-Mart, which has built its brand

using the “every day low pricing” promise in the US found it difficult to use the same promise in Brazil where customers are more enticed by special bargains. To ensure a consistent identity, it is necessary to decide the core values of the brand and thereafter take into account the local customer’s psyche to create a suitable value proposition for the local market. The HSBC brand, which has the value proposition “the world’s local bank”, desires to be known in every country and every sector where it operates as synonymous with integrity, trust and excellent customer service. FedEx is creating communication for various local market based on a central brand proposition. The advertisements created for various created for variation Asian markets convey the importance of teamwork in service. Philips’ strategy revolved around the new brand proposition “Sense and Sensibility” since September 2004, replacing the earlier proposition “Let’s Make thing better”, launched. Philips used research to understand that people did not buy products and services that were complicated and complex, but went for the ones that were simpler and easy to use.

#### v) Brand Judgment and brand Feelings

**Definition of Brand Judgment:** It focuses on customer’s personal opinions and evaluations with regard to the brand (Keller). **Definition of Brand Feelings:** They are customer’s emotional responses and reactions with respect to the brand (Keller). This section analyzes the location strategies that impact brand judgment and brand feelings. **Profiling Local customers:** The opinions and emotional reaction reactions of local customers towards a need to be considered to enable desirable brand judgment. The image of the brand may vary across countries and this should be taken into account while deciding the value proposition. The profile of the local customer should be considered to decide the proposition to be offered. The targets middle-class customers in the US but in India its customers are essentially upper-class. Mazda wanted to take its “Zoom-Zoom” brand strategy in the US to global markets. But it soon realized that it had to account for the cultural differences and its existing brand images in 130 countries. The image varies significantly across Japan and the United States owing to differences in the product preferences in these markets. However, to maintain consistency in its identity and positioning the campaign had been changed to “vroum-vroum” in Europe and “Waku waku” in Japan and they still convey the “youthful emotion of motion”. The Mazda campaign has been to Canada, Australia, Puerto Rico, Japan and Europe. In Europe, the “emotions in motion” concept has been replaced with “Why should kids have all the fun?” whereas in Japan it is ‘new ideas that stir the emotions (Cantwell). Brand judgment is also concerned with the country of origin associations. Audi proclaims its German engineering while Seagram stresses the Scotland connection of its Scotch whisky. The country association needs to be positive to ensure that the brand is benefited. When Nokia entered the US market in the early 1990s, most people felt it was a Japanese brand. This actually helped Nokia but if the entry had been a few decades earlier, the Japanese association may have resulted in the brand generating negative perceptions [“Whose brand is it anyway?”]. Negative feelings associated with brands belonging to certain countries can be overcome by offering desired quality [Temporal] The Haier brand belonging to China made inroads into the US market after its CEO impressed upon the workers using a

sledgehammer the importance of ensuring high quality. Haier sells its products in 160 countries and owns 16 factories outside China. In the United States, it is selling niche products under the Haier brand name though The Home Depot, Sears, and Wal-Mart. Zhang Ruimin, the CEO states that success in overseas markets is dependent on creating a localized brand name. He mentions: “We have to make Americans feel that Haier is a localized US brand” instead of an imported Chinese brand” [Wu]. **Ensuring Social Approval:** The culture and social taboos prevalent in a local market should be taken into consideration to ensure proper brand judgment and a suitable identity. BBC World’s advertisements show female field reporters in the Middle-East with their heads covered as is the prevent norm for women in that part of the world (Murphy, 2005). In India, McDonalds began using chicken fish in its menu instead of beef since cows are considered holy in India. By taking into account the shibboleths that are part of the local society and the cultural traditions, beliefs and superstitions, corporate brands should ensure that they are not transgressing on them. Brands should adapt according to the changing social milieu. In India, women have become more assertive over the past decade and gender equality is becoming a norm among the families where women go to work. Pepsi showed female models in assertive poses in the television campaign to launch the Pepsi Café chino in India. The changed attitude of women ensured that it got social approval. Global brands need to take into account the values prevalent in the society. The clothes worn by the models in advertisements should be within the bounds of decency in the eyes of society. The manner in which characters representing the brand behave with others in the countries, elders are respected by the young generation and it is considered a blasphemy if a younger person calls an elder person by first name. Adherence to social norms and values is essential for ensuring social approval and desirable brand judgment. The manner in which a color is perceived by a particular society should also be considered by global brands to enable proper brand judgment. If a global brand uses the green color extensively in the brand logo and the brand communication, the brand would get a favorable response from the Muslims but the Hindus will be circumspect. Tiffany chose blue in its brand identity to attract global customers after realizing through a survey that blue was the favorite color of people in North America, Asia, Europe, South America and Australia (Soucy.) The connotations that a particular color has in a society needs careful consideration. For example, in the Western parts of the world, black is the color of mourning whereas white is the color of mourning in India.

#### vi) Brand Resonance

**Definition of Brand Resonance:** It refers to the nature of the relationship with the customer and the extent to which the customers feel they are ‘in sync’ with the brand (Keller). This section analyzes the localization strategies that affect brand resonance. **Building a Global Community:** Global brands need to play the role of a facilitator and make local customers feel that they are part of a global community that patronizes the brand. The customers across continents though belonging to diverse cultures must enjoy a sense of belonging to a common platform by virtue of their association with the global brand. The use of the Internet for creation of online communications has been successfully done by Ford Motor Co., and Sun Microsystems among others (Williams and Cothrel). The online



community may be leveraged successfully with regard to the resonance for the global brand, since the participants have exhibited a behavior resembling that of a community by logging onto the same website. The online portal ebay.com organized an affiliate summits where many participants traveled across the world to attend the summit and exhibited camaraderie apart from sorting out issues of concern through meetings to develop a sense of community. The members also do 'self-policing' to guard against misuse or violations. Involvement with local issues that are of concern to the society may help in better brand resonance. Coca-Cola has been involved in water management and it has been helping local communities in India to get access to clean water in areas that do not have proper water supply. Keeping Track of changing Perceptions in Various Markets: Global brands need to keep track of the changing perceptions of customers towards the product category in the local markets and ensure brand resonance. Guinness is almost 250 years old and is drunk in 150 countries. Recently, the strong Guinness markets in UK and Ireland area seeing consumers shifting from stout and all though in other parts of the world the drink is gaining popularity. The Guinness brand experience has been built on "slowly pulling a pint" but in North America almost 80% volumes are attributed to Guinness launching "draught in a bottle". Guinness has been promoted in Africa with the help of a black James Bond like character called Michael power who exhorts consumers to "bring out to be managed properly to ensure that it communicates the right value proposition to consumers in different markets (Lewis). McDonald's was unable to keep up with its taglines "My kind of place" or the place where "you deserve a break today "Consumers who grew up on Happy Meals and Big Macs had outgrown them. Slogans likes "We love to see you smile" did not seem to connect with the consumer. Health-conscious mother took their kids to McDonald's for the toys, but they did not eat there, preferring casual dining chains such as Olive Garden or fast-casual hybrids like Panera. The tagline was "New premium salads at McDonald's yeah, that McDonald's. By September 2003, McDonald's unveiled its global "I'm loving' it "campaign and its "Freedom within a Framework" plan for localization the concept. Brand resonance is achieved by constantly tracking changing customer preferences and adjusting the brand's promise accordingly.

vii) **Frame work**

Based on the analysis, a frame work is presented in Table 1

Brand Imagery	<ul style="list-style-type: none"> <li>• Relevant Value proposition</li> </ul>	<ul style="list-style-type: none"> <li>tastes and preferences</li> <li>• Pricing should take into account local price –value considerations</li> <li>• Brand Proposition should be based on core brand values but suitably altered to ensure relevance for local customers</li> </ul>
Brand Judgment and Brand Feeling	<ul style="list-style-type: none"> <li>• Profiling Customers</li> <li>• Ensuring approval</li> </ul>	<ul style="list-style-type: none"> <li>• Understand the psyche of the local customers that form the targeted segment.</li> <li>• Consider feelings aroused with regard to the brand positioning (Especially country – of – origin associations)</li> <li>• Consider cultural and social norms prevalent in the local market.</li> </ul>
Brand Resonance	<ul style="list-style-type: none"> <li>• Building a global community around the brand.</li> <li>• Keeping Track of changing perceptions in local markets</li> </ul>	<ul style="list-style-type: none"> <li>• Community feeling through egalitarian interactions of customers from various locations.</li> <li>• Involving the brand with issues that are of concern among local customers</li> <li>• Incorporate futures that reflect the changing preferences of customers in local markets</li> </ul>

**2. CONCLUSION**

Global brand management has assumed greater importance with increased globalization. Therefore, Global brand building needs to be carefully managed by taking into account the brand's salience, performance and imagery; the strategy should be modified to suit local needs and expectations for appropriate judgment and feeling for the brand among local consumers. A brand community may be nurtured across markets to enable brand resonance and continued success through adaptations based on the changing needs of various markets. Conflict of Interest: The authors declare that there is no conflict of interest in this publication.

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Brand Aspects (Based on Keller's Brand Equity)	Localization Strategies	Localization Approaches
Brand Salience	<ul style="list-style-type: none"> <li>• An identity Enabling Easy Recall</li> <li>• Relevant Access for Local Customers</li> </ul>	<ul style="list-style-type: none"> <li>• Use of local language and local elements in brand communication.</li> <li>• Use of globally understood motifs / mascots in brand communication.</li> <li>• Choice of suitable communication media and suitable distribution channel taking into account local habits and life styles.</li> </ul>
Brand Performance and	<ul style="list-style-type: none"> <li>• Locally Relevant Attributes</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporate futures that caters to Local</li> </ul>

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