

# The Challenges in Establishing Prerequisites and Characteristic Features of Global Brands

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## ABSTRACT

*Today we are living in the world of brands for better or for worse. Everyday we are exposed to thousands of brands. They are not just mere names, logos, or symbols but something more beyond being just business platforms. In twenty first century brands have become reflection of changing values of our society and culture. Think of a Tanishq, a Knorr Soup, a Nokia or a Coca-Cola. or for that matter consider the electronic media brands Google, Facebook, Orkut and YouTube, all of them are more than just mere names - they are a part and parcel of our society, representing more about who we are, what we look like, who our friends are and what our dreams and wishes are, than any other brand, organization or company, ever knew before. Moreover, brands dominate our working lives, and corporate logos are now in every civic space, from schools, universities and playgrounds to hospitals and art galleries. With the advent of globalization, organizations have changed their focus from local brands to global brands. Today, global brands are highly valued corporate assets that require immense investment to manage. Thus, this paper is dedicated to discussing the prerequisites and characteristic features of global brands and the challenges in establishing them.*

*Key words : Brand Equity, Strategic Planning, Corporate Social Responsibility, Brand Strategy*

### Introduction:

Brand signifies a combination of name, term, sign, symbol, design and anything else with prime objective of identifying a seller and consequently differentiating it from its competitors so that all customers can associate themselves emotionally with it.

When it comes to creating a global brand, the task becomes more challenging as the brand needs to be recognized, identified and associated globally. A global brand requires the building of compelling relationships across a diverse spectrum of broadly spread audiences. Global brands need to acquaint themselves with the global culture which comprises of consumers sharing different tastes or values. Global brands allow people to take part in a shared conversation and make way for enculturation. A strong global brand must build a platform that speaks directly to customers and improves their lives no matter how small or incremental that improvement is.

According to Prof. Keller, global brands give competitive advantages like :

- ? Economies of scale in production & distribution.
- ? Lower marketing and promotional costs.
- ? Consistency in brand image.

Apart from the above advantages, some more advantages like increased leverage with channel partners, improved alignment across the organization, workforce, and sharing of best practices also follow. Thus, it definitely pays to establish global brands. Therefore, it goes without saying that designing and implementation of the strategies that lead to building strong and long lasting relationships with consumers from diverse culture is the need of hour.

### Objective of the study

The main objective of this research paper is to analyse the challenges in establishing prerequisites and characteristic features of global brands.

### The Prerequisites

As more and more organizations begin to see the world as their market, the idea of creating global brand

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has gained paramount importance. Attracted by success stories of different organizations, many organizations nowadays want to globalize their brands. But before going for a global brand there are certain prerequisites that have to be taken care of.

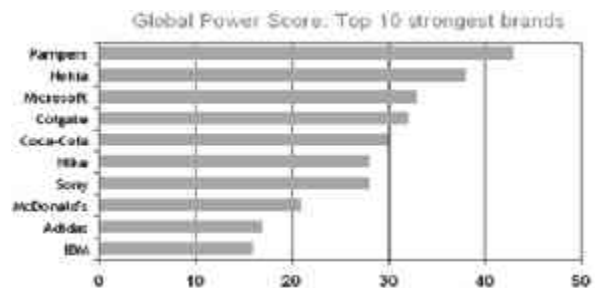
The prerequisites may be either brand-specific or organization-specific.

#### Brand-specific prerequisites

1. Brand has to be innovative and creative. These are the two hallmarks of any successful brand. Brands with creative & unique ideas register in consumer's mind quickly, tend to have longer Product Life Cycles and consequently become successful global brands.
2. The brand has to have a history or a legacy which has to be narrated and communicated well to the audience so that they feel that the brand is in some way, superior to the others. It goes without saying that the brand has also to deliver what it communicates and live up to its reputation.
3. The brand needs to have the power of affinity in the sense that it has to outperform competition in terms of building relationships with customers. Thus it has to have a distinct appeal to consumers, should be able to communicate with them affectively and thus reinforce the 'bonding' process. The better the 'bonding', the stronger the Global Brand Power Score. Global Brand Power Score is a combination of two measures. The first measure is the average percentage of people 'bonded' to the brand across all the countries where the brand was studied. The second measure is a multiplier that describes a brand's ability to create a strong relationship with category consumers in multiple countries. The brand qualifies as having a "strong" relationship if its bonding score is among the top 33 percent of bonding scores in the category.

Figure 1 shows the 10 strongest brands based on The Global Brand Power Score. For instance, on an average, over 40 percent of mobile phone buyers across 30 countries are bonded to Nokia

in the mobile phone product category. By contrast, less than one percent of people are bonded to Philips. Similarly, For example, Coca-Cola achieved strong bonding scores with soft drink consumers in 30 out of 31 countries, yielding a multiplier of 0.97 (30/31). By contrast, 7-Up has a far lower multiplier. It achieves a strong brand relationship in only 1 country out of the 25 in which it was measured.



4. The brand needs to have recognition. Recognition may come from being heard above the din by becoming better known among consumers than competition. This is the case with 'me too' brands with less distinguishable features in the minds of the consumers. Needless to say, the brand has to outspend competition in terms of promotional campaigns if it has to gain recognition in this case.

#### Organization-specific prerequisites

1. They must inculcate a positive attitude about the product's success across countries.
2. They should be consistent across markets, products and services.
3. They should try to create cross country synergy and try to fight local bias.
4. They need to execute brilliant brand building strategies.
5. The organizations need to understand that the shaping of brand expression will vary from country to country as business strategies, corporate cultures and organizational structures change. This shaping of brand expression needs to be taken care of while creating global brands.

6. The organizations need to analyze how different consumer segments perceive their brands in relation to other competitive and related brands and then go for further strategic planning.

#### Features of a Successful Global Brand

Global branding is not simply a marketing or advertising program. It is a way of doing business that affects every aspect of business enterprise. A brand is a very valuable commodity in any market usually commanding a premium price and significant loyalty among its regular users due to the proposed promise of performance and meets a perceived need among its customers.

The features of a successful global brand include:

1. Demonstrable brand promise whether the consumers see the promise of performance in action.
2. Uniqueness whether it is different from locally available alternatives.
3. Meaningful - whether the promise being made is meaningful or not, i.e. the brand should not offer something which is not important to local consumers.
4. Believable - It means whether the promise being made is believable or not. For if the consumers do not buy the claim, they would never buy the product.

#### Challenges in Creating Global Brand

So far we have seen different aspects of a good global brand, but to establish strong global brand in real sense the companies need to cross many hurdles. The various challenges that might be encountered by the companies are as under :

1. Quality The companies need to be cautious about the quality aspect of the brand that they want to offer to the consumers spread throughout the world.

To borrow Noriaki Kano's two dimensional model of quality, there are two sides of quality viz. "must-be quality" and "attractive quality". The former refers to the "fitness for use" aspect of Juran and the latter is what the customer would love, but has not yet thought about. But these two parameters tend to vary

from one set of customer to another globally; for instance what may be a minimum requirement for an American customer may be an added benefit for an Asian one. Thus achieving a quality which will be perceived uniformly worldwide becomes a major challenge for companies going for global branding. This challenge can be overcome by proper geographical segmentation and thereby finding out how people in different countries perceive the quality aspect of the brand. For instance, Indians consider pizzas of Mc Donald of premium quality while the same in USA being considered as the minimum requirement.

2. Corporate Social responsibility People nowadays are of the view that the global companies have a duty to fulfill towards society's well being. Consumers have become conscious about how their products are obtained, grown and produced. They expect transnational companies to address issues related to social problems like public health, worker rights, and environment. Indeed, many consumers consider the brand behind the brand. It is no longer the product that has to consider environmental issues but also the entity as a whole.

Consumers do not expect the local companies tackle global warming but they expect multinational giants like BP and Shell to do so. Similarly people may turn a blind eye when local companies take advantage of employees but they won't stand for companies like Nike and Reebok adopting similar practices. With such expectations being as pronounced in developing countries like India, China as they are in developed countries: the job of building global brand which would address all such issues becomes that much more challenging.

One of the good examples as portrayed by Henkel India Pvt. Ltd. towards social responsibility is its Project Environment which promotes the plantation of Neem trees.

3. Consistency with the essence of local brands To build a global brand it needs consistency and ability to speak with one voice. Global brands must send market signals consistent with the idea they stand for, for over a period of time. The more consistent this marketing signal is, the clearer the brand image stands

across the country. Many a time global brands suffer from mistaken identity and brand dilution, if they are not treated in a consistent fashion in terms of looks, feel, language, and behaviour. Thus the companies in pursuit of creating global brands need to keep in mind that they should be associated emotionally to all and try to appeal to all the coming generations over and over again. For instance, Raymond suiting boasts of its existence since 1925 because of its consistent quality and distinctiveness.

4. **Unrealistic price expectations** One cannot get global service for a local price. There are lot of overheads to the effective implementation of a global research project that are not incurred with a project conducted in a single market. Regional coordination, translation and travel costs are additional to the equivalent national study and often overlooked.

5. **Using segmentation appropriately** the companies must define their target customers with respect to geographical location and speak relevantly to them because what appeals to one section of the population may not appeal to the other section. It is not always possible to appeal to all the people all of the time, so it is better to select one or two segments to whom the company can serve at its best depending upon the homogeneity in likes, dislikes, preferences, attitudes, cultural, and linguistic heritage.

6. **Understanding culture and cultural differences and accordingly getting moulded** The companies face a major problem regarding their acceptance in different countries due to cultural differences. For instance, a colour or a design that achieves a positive result in one country may be disastrous in another. While the brand must portray the products or company values, attributes, personality and positioning, it must also ensure that cultural tastes and differences are taken into account. Since the acceptance level and tolerance differ across markets, it would be worthwhile if the companies go for test marketing of their ideas in local markets to ascertain how they will be interpreted. For example Mattel had to face problems while launching Barbie in Japanese culture did not want their girls to play with Barbie because of her attire.

7. **Define business broadly** Developing global brand largely depends on brand's ability to explore fresh avenues and sustain its competitive advantage in terms of economies of scale and productivity. The companies going for global branding must leave room for expansion and extension beyond current product or service offering because the world is changing constantly. What separates a customer in one part of the world to that in another are the complex social, cultural and esteem needs each of them has depending upon the stage at which the civilization is in the process of development. This requires the companies to be flexible so that they can fit themselves to the ever changing environment.

8. **Creating an appealing name and symbol** The first and foremost element that needs to be taken into consideration while creating a global brand is the name and symbol that will be used to represent the company, product or service throughout the world. The name must be pronounceable in all languages and dialects, free of negative connotations, and not confusingly similar to existing names. It must also draw the attention of people around the world with diverse socio cultural set up. Selection of colour of the symbol also plays a vital role while designing the brand for global markets as different colours carry different connotations across different cultures.

Not only for the name and the symbol but also marketers find that Government control in matters of packaging, labeling differs greatly from country to country. All these need to be kept in mind while deciding upon the name, symbol and packaging of the product or service.

9. **Connecting with the people** The companies create a brand which will communicate and connect to people. A strong global brand creates associations in the consumers' mind which guides them to attach distinct functional and emotional benefits and appropriate meanings and beliefs to the brand. Successful brand live beyond generations due to this ability to connect to people. It is also not just a question of satisfying customers of different countries with varied cultural background but also one of connecting with new generation of consumers with new sets of values, hopes, and ambitions. For a brand

to be successful globally, it has to click across the vertical class of generations and horizontal mass of global markets. For instance, Britannia connects 'eat healthy' and 'think better' to emphasize that Britannia biscuits are healthy and help people to think better. Likewise, Vicks (Procter & Gamble), Maggie noodles (Nestle), Bata footwear, Cadbury Dairy Milk (Cadbury Schweppes), Lifebuoy soaps (Unilever) and many others have created an indelible connection with the people.

10. Creating a global myth Consumers look to global brands as symbols of cultural ideals. They use brands to create and imagine global identity that to share with likeminded people. Thus transnational companies not only have to offer the highest value of products or services, but also have to deliver cultural myths with global appeal along with it. So the companies offering global brands need to spin myths about their products or services to keep them abreast in global competition.

#### Conclusions

Consumers judge the product only after judging the brand. Brand is the projection of image, reputation, and trust that requires continuous perseverance. Thus, we see that the basics of brand building apply to global branding strategy as well. For a brand to be successful globally, a genuine demand or a psychological need must exist in the target market. A global brand is one that, which induces the feel of connectivity around the world, removes national barriers and linguistic inhibitions, eliminates socio-cultural differences thereby addressing to the social responsibility and basic human need uniformly and consistently generation after generations.

Thus, in order to make brands successful globally, Research and Development capabilities have

to be harnessed that provide a constant stream of innovation and can readily adapt existing products and services to meet new market needs. One also needs to have an understanding of what is likely to work in a new market based on experience elsewhere. It is for this reason that nowadays organizations keep big marketing budgets with which to establish their brands. If their first attempt to enter a market fails, they have the resources to try again, using research to understand where they went wrong and how they might do better.

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