
THOUGHTS: GOING GLOBAL

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By: Rosi McMurray, Head of Consulting The Brand Union London

Brands that want to become global must develop characteristics that can transcend cultural origins and be tailored to suit local markets, while maintaining consistency.

Consumers are used to labelling brands as big, small, local and global. While superbrands such as Coca-Cola, Visa and McDonalds are expected to have presence in every continent, small, local producers proudly promote themselves as different, individual and personal. But, is it always easy to identify which group a brand belongs to? Are global brands completely distinct from big brands operating in fewer markets? Or should we see all successful brands on a sliding scale?

In the BrandZ Most Valuable Global Brands report, there are four groups of brand types. If we take the top 50 brands, we can create two groups where the brand is in more than 50 countries.

The first category is brands that are seen as truly universal – 'the borderless global brands'. But not all global brands have a completely abstract origin. The second group is brands that are global but have a distinctive provenance and home country- 'country rooted global brands'. There are 18 brands in the top 50 that are in fewer than 50 countries. Multinationals are defined as brands that operate in 20-50 countries. The final group is 'the predominantly national brands', which are active in fewer than 20 markets.

By looking at the great global brands, we can identify traits that are universal across all successful brands. This, in turn, allows us to get to grips with whether the biggest global brands really are completely distinct from the brands in the multinational, national and even local categories.

Global brand origins

Over half of the borderless global brands are technology brands such as Google, Amazon, BlackBerry and Nokia. These brands operate and communicate largely in the 'global web space', which is, by its very nature, universal. This first group contains brands that have a functional need to be seen as truly global. For example BlackBerry, which wants consumers to feel they can access mobile content anywhere, or Visa, which similarly wants people to understand they can use their credit card globally. Ubiquity is at the very heart of the borderless global brands group.

Unlike the borderless global brands, country-rooted global brands are still seen as tied to their market of origin. Two-thirds of the brands in this category are American. Coca-Cola, McDonalds and Disney are all still strongly associated with a sense of living the American dream. While this is part of the overarching sentiment these brands convey, there are different flavours of provenance. Apple plays on the liberating values of the intellectual and creative West Coast. Likewise, beauty and fashion brands Louis Vuitton and L'Oreal play on their French heritage of high life and luxury.

A clear provenance and country of origin gives brands the distinct advantage of authenticity. For many of the brands in this group, the ability to play on provenance becomes fundamental to the brands' promise, through both the rational and emotional associations of the location.

Creating a clear dividing line between global brands and those that operate as multinationals in numerous markets is not always possible. The generally accepted definition of 20-50 markets for multinationals encompasses a wide range of brands and is, in fact, a fairly arbitrary line, with brands such as BP and Vodafone both falling into this group. If some of the multinationals moved into new markets, such as Africa, they would quickly switch into one of the global groups.

This group could be called the 'aspirant global brands'. Few can doubt the ambitions of companies such as Tesco and Santander to become truly global players, and both are making the transition to become global organisations. This is particularly evident in their ability to learn how to understand and adapt to their target audience in different markets.

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Santander has had to deal with the serious challenge of integrating a number of well-respected UK brands with significant heritage into the universal brand of Santander. Reassuring customers through a well-managed transition process was important. Research conducted before they entered the UK market showed that a more formal approach to the City would enhance their reputation. By undertaking this research and by taking the time to understand the marketplace, Santander has been able to rapidly establish itself as a powerful force in retail banking.

Predominantly national brands.

The largest brands that are also predominantly national come from large markets, such as China, India and the US. For these companies, there is less of an incentive to expand globally as they already have big domestic market to grow within, before they need to consider the case for global expansion. Some, such as Bank of America Merrill Lynch and MBNA, are showing signs that they wish to pursue international business and must consider how well their brand and national heritage will travel in other markets.

There is an obvious benefit for businesses outside the US wanting access to major US businesses, to use service providers such as Bank of America Merrill Lynch. For sectors such as retail, the motivation for consumer in different markets to be interested is less obvious.

Consumers are influenced by the desire to buy 'local' and we may see more local products appear in the next year or so, particularly in the FMCG sector. But this is another ambiguous term. How local does a brand need to be to earn the label? For food and drink, the link to local is particularly entrenched. For some consumers, supporting local brands is a socially responsible thing to do, as it supports, local employment and communities, reduces the environmental impact of unnecessary travel and preserves local traditions.

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Local brands play on the association with heritage, artisanship and craftsmanship. While visibly local brands are still growing in the food and drink sector, other traditionally local industries, such as Shetland wool in Scotland, appear to be declining. With cost still a major consideration for both consumers and businesses, we have seen any brands move production to the most economically viable location. In doing this, they lose the local-quality connection, but may be in a stronger commercial position to expand into new markets.

Brands are all on the continuum of choice. Understanding your audience on a global basis might sound like a challenge, but it is vital to appeal to a wide range of consumers. Brands must also develop characteristics that are capable of transcending cultural origins to connect with a global audience. It is essential that companies recognise the difference between markets and tailor their brand accordingly, while keeping a recognisable level of consistency.

Tony Palmer, chief marketing officer at multi-national Kimberley Clark, once said: "There's no such thing as a global consumer- ultimately, people buy locally." Embracing the nuances of individual markets and audiences is important.

There are six key elements. Companies need to focus on dynamism, flexibility, authenticity, clear positioning and target audience, as well as a strong corporate culture, and great brand experience.

Whatever the size or reach of a brand, there are universal factors. The product itself needs to be excellent, so there is a guarantee of consistent quality. The brand needs to be appreciated as valuable by both the customers and its custodians, who influence marketing and branding decisions. Finally, the benefits and values of the brand need to be clearly communicated, understood and remembered by the target audience.



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Perhaps the most salient factor for the most successful brands is the promise of consistent quality. Whether it's a business or a consumer making a purchasing decision, they want to be sure in this world of endless choice that their decision is the right one.

Every year, the BrandZ list changes, influenced by a huge variety of factors, from trends within sectors such as technology, to the size and location of brands. It is logical to conclude that all successful brands are on a continuum between local and global superbrands. They have more characteristics in common than dividing them. Successful brands depend on universal branding principles, which are as applicable to Coca-Cola as to your local food producer.