

## Securing the benefits of globalisation • Part IV, Chapter 2

Insights  
from  
Unisys

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### Issues and patterns in global branding

#### **What is global branding and why is it important?**

You've been travelling for almost 24 hours since leaving home to catch your British Airways flight to Hong Kong. You grabbed a Starbucks Grande Latte in the airport before using your Dell laptop to check your email from your Microsoft-driven PC. On arrival at your Hilton hotel, hungry for some non-airline food, you see a large 'M' across the road, so at midnight local time you put your Visa card into the nearest HSBC cash machine to get some local currency and you head for the nearest McDonald's to eat something you perhaps ordinarily might avoid!

Is this 'global branding'? Well, from a consumer's standpoint, it is certainly one of the most obvious manifestations of global branding, and if we are going to explore the world of globalisation, from a brand perspective, it is important to define the boundaries and explain the 'whole'.

Let's first begin by examining *why* global branding is important. There are two

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primary participants in any brand relationship – the customer and the brand itself, which may represent a corporation, a product, a service or a NGO. The brand brings many things to each of these constituencies but the main reasons why this is important are:

- To the customer: the ability to reduce the risk of choice and receive satisfaction of a current need from a trusted source
- To the brand owner: easier customer acquisition, greater customer retention, 'market' power – all translated into reduced/optimized costs, therefore optimised profits, market share and shareholder value

We live in a world of shrinking boundaries and shifting economic fortunes – you only have to look at the rise and rise of that once mystical and closed area of the world called China. Now, after several years of growth up to 9% p.a., China is a global economic powerhouse whose sheer scale of numbers are mind-blowing (there are more than ten thousand businesses in China of a turnover superior to \$100 million and have never exported!) and, despite previously being a threat to global brands like Rolex, Cartier, Gucci etc due to cheap 'copy' products, it is now a 'must participate' market for most. 'What' is global branding, however, is a somewhat more complex issue, but understanding this is absolutely critical to successful execution of a global brand strategy. Way back in 1937, a gentleman called Ronald Coase wrote a famous article called 'The Nature of The Firm' and contained in that were eight words that define the only reason for a company to be in business – and stay there!

*"Satisfaction of customer needs via relationships you maintain"*

This preceded by more than a quarter of a century, the famous, seminal paper by Peter Drucker in which he laid the foundation for the current definition of 'marketing'. However, for me, Coase easily wins over Drucker, and the dozens of so-called 'gurus' who've produced their own definitions. He uses four crucial words: 'Satisfaction' 'Customer' 'Relationships' 'Maintain'

So, to try and explain what it is, and why these words are important, let's look at who appears to be doing it. There are lots of examples in many different industries and market sectors:

Industry/Sector	Brands
Financial	HSBC, Visa
Aviation	British Airways, Virgin
Luxury Goods	Rolex, Cartier
Fashion	Armani, Dior
Automotive	Ford, BMW
Consumer food/leisure	Starbucks, McDonald's
Technology	Microsoft, IBM, Unisys
Telecommunications	Nokia, Motorola
Fuel/Petrochemicals	BP, Shell
Consumer Electronics	Sony, Philips, Samsung
Entertainment	Disney
'e-world'	Google, Amazon, e-Bay

In fact it is hard to think of any part of our lives, and those of all developed countries, that are not 'touched' at some point by one or more 'global brands'. And in each case, all of these are trying, in a variety of ways, to build 'relationships' with their 'customers' by delivering 'satisfaction' through their product and service and using various techniques (commonly referred to these days as 'CRM') in order to 'maintain' that relationship/customer.

And yet, one of the key dimensions of a brand, that known as 'context', by definition means that a 'global' brand is also 'local'. In fact unless a brand carries local context it cannot exist and survive, and so we have seen the development of a manufactured word, 'glocal' in the marketing world as a short-form expression to mean 'Global Strategy-Local Execution'. Possibly the best example of this at the moment is HSBC who have been running a superb campaign aimed at, and based on, the clear differences in cultural expression that can give rise to potentially damaging, even fatal, blows to a brand's existence!

So, let's take a look at some of the key issues being faced by brands that wish to become, or remain, *global brands*.

## Key dimensions of a 'global' brand

If you look at Chart 1 you will see one example (Interbrand) of a respected scoreboard of 'global brands' – the definition of which, for these purposes, was that 20% of revenues should be derived from outside their home country, and that there should be marketing and financial data publicly available. However, it is clear even from such well-respected reviews, that this 'public data' rule excludes some huge, un-arguably global brands like Visa, Mars, CNN and the BBC!

**Chart 1: The World's 10 Most Valuable Brands**

Rank	Brand	2005 Brand Value (\$ billions)
1	Coca-Cola	67.52
2	Microsoft	59.94
3	IBM	53.37
4	GE	46.99
5	Intel	35.59
6	Nokia	26.45
7	Disney	26.44
8	McDonald's	26.01
9	Toyota	24.84
10	Marlboro	21.18

Source: Interbrand Corp, J.P. Morgan Chase & Co, Citigroup, Morgan Stanley, Aug 2005

The one thing they all have in common, though, is that they share a set of 'dimensions' all global brands need to understand, master and manage. These include cultural, financial, logistics, political, climatic and technological issues, so let's take a look at two of the biggest.

### Culture

This is probably the biggest, and most challenging dimension of all. 'Language creates meaning' and it is absolutely clear from the HSBC campaign, previously mentioned, that a word or a gesture means something totally different around the world.



'Language' also includes dress so, for example, in many Muslim countries it is completely unacceptable to show scantily-clad ladies in your brand communications, yet in others, Australia for instance, it is almost obligatory!

'Planet Hollywood' is one good example of how culture played a part in both the creation, and the decline, of a global brand. A 'personality' brand, which relied heavily on the reputation of individual(s) associated with it, Planet Hollywood was launched in the mid '90s by Arnold Schwarzenegger, Bruce Willis, Sylvester Stallone and Demi Moore. With such massive public knowledge and awareness of these stars, the brand expanded very quickly across US, Europe and Asia, carrying with it the TV and film personalities of US culture and, arguably, creating a new category, themed restaurants, all on its own.

By the late '90s there were over 80 restaurants spread across 30 countries on four continents, but after the 9/11 attack on New York, a major decline in fortunes meant that the company had been in Chapter 11 bankruptcy twice and only had around half the coverage. However, there were interesting reasons for this failure.

The US culture and reverence of US 'icons' were not so widely accepted as initially believed. The Indian 'Bollywood' explosion and some major Chinese stars like Jackie Chan, clearly impacted the Asian growth and, importantly,

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sustainability of the brand. In addition, Planet Hollywood was actually a 'one time visit', like many similar themed restaurants. Instead of becoming a regular 'brand' that customers added to their life-style portfolio, it was actually somewhere to visit, like any other tourist attraction, and this, combined with the different attitudes to US culture, contributed to the brand's decline.

However, it is not only the cultural 'expression' of a brand that is important, but also the understanding of the impact of cultural behaviour 'norms' when it comes to people and their part in the delivery of the brand experience. Indeed, one of the key 'lessons learned' is that a major potential failure point occurs where the corporate culture of an organisation is not strong enough so there is a failure of shared values and, when added to the usual resistance to a feeling of loss of control, the customer brand experience is anything but 'consistent'! 'Humanity-Based Strategy' will be discussed later as a critically important concept to address all cultural (and other) challenges faced by global brands.

### **Technology**

There is little, if any, of our world and our daily lives that has not been touched and altered in some way during the last 30 years. Whole industries, including the technology industry itself, have spun off as a result of the development of the silicon chip. Telecommunications, for instance, which has provided companies like Motorola, Ericsson and even Sony with a global market for handsets as an extension to their existing businesses. Nokia, Vodafone and Verizon are others whose very existence resulted from this technological explosion and even companies like Unisys, who have developed through two complete cycles of existence, one as a primary supplier of the computing equipment and systems during the early days of the industry, and more recently, as a services company in what has become known as the ICT (Information, Communications and Technology) industry.

However, the biggest, and most impactful development of all, was when Tim Berners-Lee, regarded as the 'father of the Internet', introduced the world to the World Wide Web ([www.anything.you.like.com!](http://www.anything.you.like.com!)). The entire structure of our world changed as we found ourselves able to communicate globally with people and organisations that previously would have been impossible – and do it instantaneously! It is extraordinary to think that in less than ten years every single business in the world that operates in more than one country

has a website. In fact, even the very smallest, local business within a country, has a website, because now your customers can come from the other side of the world even if you operate a small 'cottage industry' business selling hand-made goods in the Highlands of Scotland or the forests of Asia.

The implications for brand management are extensive. All the usual marketing elements like pricing, availability of information and distribution are impacted and, critically, the presentation and consistency of a brand and its promises and positioning become totally transparent. Search engines like Kelkoo allow customers to search for products and instantly see a price comparison, and sourcing point – how important is the power of brand now!!

*Trust* and *relevance* have always been cornerstones of a good brand, whether it be local or global. However, these are absolutely the top characteristics needed by all *global brands* in order to survive and prosper in today's web-driven world. Euro RSCG, a major French-based communications group, publish each year what they call their 'Prosumer' survey. This looks at a very large number of consumers across US, UK, France, Germany, China and India, and rates brands in terms of changes in popularity, including their awareness and accessibility.

If you look at the table below you will see that no less than 8 out of the top 10 are technology-related brands:

- |            |                 |
|------------|-----------------|
| 1. e-Bay   | 6. Mini-Cooper  |
| 2. Google  | 7. Amazon       |
| 3. Sony    | 8. Intel        |
| 4. Nokia   | 9. IKEA         |
| 5. Samsung | 10. Playstation |

The point here is that there are now many 'brands' that are available globally, but a true *global brand* is one that is *managed globally* and, for all major companies and industries, this is more than simply having a website, but the composition, content and 'feel' of that website must reflect the brand personality and promise.

'How To' Tips for websites:

- Memorable name
- Clarity of design
- Ease of Use
- Speed of Use (remember that pretty graphics take longer to load)
- Availability (have enough technology 'power')

## Patterns

### **M&A**

One of the key patterns that we see in today's world is the acquisition of established brands in order to gain market share or, importantly, acceptance in a region of the world not currently addressed. We have just looked at the impact of technology and a good example would be that of e-Bay, a strong global brand that has recently extended its presence in India, through the acquisition of Baazee.com, and in China, through the acquisition of Shanghai-based EachNet.

When HSBC acquired UK-based Midland Bank, almost an institution to many who had grown up with it, they embarked on a carefully mapped out transition strategy to convert all the former Midland Bank premises, products and brand assets, into the HSBC 'family'. This is the behaviour of a global brand. It is sometimes more appropriate to retain the local brand when a merger or acquisition is complete, but herein lies the difference between a *global business* and a *global brand*. In today's world, people are more widely travelled, and corporations who themselves have to serve their customers around the world, also require their own suppliers and partners to have a 'global touch'. This means that the *brand experience consistency* is critically important and whether the customer is in Hong Kong, London, Sydney or New York, they want to 'feel' that the *company values* are the same, the *product* is the same and therefore the *trust* they place in the brand is maintained.

### **Corporate social responsibility**

CSR is another pattern we have seen evolving during the last few years. Originally born from the ecological-based pioneers of sustainability such as Anita Roddick of Body Shop fame, and then subsequently the public outcry at disasters such as Chloride in Bhopal and the oil-based Brent-Spar and Exxon Valdez accidents, CSR has developed into a more community-inclusive concept.

The financial services industry is an excellent example of how the relationship between business need / behaviour and expected brand behaviour can become strained to the point of collapse – and all from a CSR perspective. Without nam-

ing the institutions, we are speaking about substantial global brands and the behaviours and outcomes in one particularly large market – the UK.

*Example 1:* Bank A was presenting at a conference about ‘How ethics create profits’. When on the very same day the national news was carrying a story that showed how commission-hungry staff from the Bank had very un-ethically driven a poor couple into taking on a huge loan even though one of them was unemployed and their total annual income was only about one twentieth of the loan amount!

*Example 2:* A headline from a leader article and special report in a major Sunday paper read ‘This is all about money – not people’. The issue was retail bank branch closures, and how all the (perceived) wealthy banks were wrecking village community life by removing banking facilities from what they claimed were un-profitable locations whilst selling off cash machine sites that resulted in people having to pay for the privilege of access to their own money.

Why is all this important and what does it have to do with *global branding*? The answer is quite simply that ‘companies’ don’t do business with ‘customers’ (or ‘suppliers’ or ‘partners’) – *People do business with People* so let’s take a look at some success factors and, by definition, some execution barriers.

### ***Key success factors / Execution barriers***

Davos hosts the World Economic Forum each year and attracts the most senior attendees (CEOs), from many of the world’s largest companies. When asked, ‘What is the most important measure of corporate success?’ this incredibly powerful group of people claimed ‘Reputation and integrity of the brand’ was (just) in second place, behind *product quality* and noticeably ahead of *profitability*. This tells us that *brand management* is at least on the ‘top table’ agenda, but do we truly think ‘global’? Let’s consider, for a moment, what has happened to our ‘communities’ around many major markets of the world:

- Population: in some countries, the collapse of the birth rate has become critical. If uncorrected, it is going to lead to very serious economic and political consequences.
- Race: there has been huge movement of population that has created many multi-racial societies.
- Religion has either failed to provide the necessary leadership, identity and direction, or provides a potentially dangerous sense of ‘tribalism’.

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- Family: we have seen a breakdown of values, discipline and role models.
- Politicians, the world over, fail to provide cohesion, leadership or values and signally fail to build trust or relevance.

## Humanity-based strategy

All of which creates a wonderful opportunity for a well-managed global brand to step into the void that these conditions have created in people's lives and worlds. To quote Anita Roddick (founder Body Shop): "Globalisation has occurred at the expense of creativity in local markets... I do prefer to describe us as global. The magic of that word is that it is responsible, it is multi-cultural, it has an anthropological and spiritual tone." This leads into the three key tenets of success for any brand, but have special importance for the *global brand*.

There is never going to be a single act of 'magic' that determines a successful global brand. However, both observation and research indicate that paying attention to three particular concepts make success more likely. The three key concepts, under the heading of 'Humanity-Based Strategy'<sup>1</sup> are:

- People are People first
- Manage the Reality Gap
- Create Trust and Relevance

Let's take each in turn and see what it means in practical application.

### ***People are people first***

Anthropology may seem like a strange word to use in an overview of global branding – isn't this more appropriate to Desmond Morris and 'The Human Zoo' than it is to our customer who drops into Starbucks on the way to his HSBC bank to pay his Visa bill?! Actually it is highly relevant because as the social science that studies the origins and social relationships of human beings, it is a central discipline that explains much of how brands work through the many societies and cultures across the world.<sup>2</sup>

1. Nicholas IND Ed, *Beyond Branding* (Kogan Page, 2003).

2. *Ibid.*

The net message that every brand owner and manager must understand is that *our first response to any and every situation is a human response*. Practically speaking, every brand experience or received brand message, however communicated, will evoke a genetically pre-programmed response that we do not even realise has occurred. By way of example, American Express sends you a new Gold card that upgrades you from your old Blue one to say 'thank you' for your valued custom. Your conscious response is likely one of feeling good and that you can do lots more with it! Your 'human' response is a feeling of raised self-esteem, pride and self-actualisation – in brand behaviour terms you are very likely to become an advocate for Amex.

Contrast that with a situation where you are checking out of your hotel in Madrid and the clerk tells you that your Amex card has been refused, and which later turns out to be the fault of American Express who had made an error on your account. Your conscious response is one of anger and embarrassment, your unconscious 'human' response is a feeling of betrayal, broken trust and loss of confidence – in brand behaviour terms you are well on the way to becoming a 'brand guerrilla'!

In the same way that when we meet someone we like, the pupils of our eyes dilate, these sub-conscious responses are genetic and uncontrollable and decisions are made very quickly on how our future behaviour will move.<sup>3</sup> This is why it is so critically important to manage our delivered brand experiences, and, for a global brand, to truly understand the cultures and differences within our chosen markets.

### ***Manage the reality gap***

For every brand there is some point at which the 'promise' is not delivered and the expected behaviour, whether or not it is overtly set by the brand, fails to meet expectations. In more rare cases, the expected behaviour may even be exceeded, resulting in what is sometimes referred to as 'customer delight', but both situations can be expensive for the brand owner and this difference, expected versus received behaviour, is called the 'reality gap'. So, what must global brands do in today's world? They must demonstrate:

3. See Malcom GLADWELL, *Blink: The Power of Thinking Without Thinking* (New York: Time Warner Book Group, 2005).

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- Transparency – this is about accountability and governance
- Trust – maintain confidence through integrity, honesty and responsibility
- Relevance – provide product / service of suitable quality and performance at a time and place that is convenient
- Authenticity – consistency of purpose and meaning around the globe

'Reality gaps' can and do occur anywhere in the value-chain and it is particularly difficult to identify and fix for a global brand – but extremely dangerous and powerful if not picked up. Two examples serve the purpose of highlighting conscious, pre-planned management and also reactive, damage-limitation.

*Nike and Sears:* Sears is the 3<sup>rd</sup> largest retailer in the USA with over \$55bn annual revenue; Nike has used them as a key channel to market for a long time. The head of the Kmart/Sears merged business, Edward Lambert, apparently cited as one of the merger benefits, the fact that two organisations can now 'share' their brand products offering – one of which, in Sears, was Nike. There have been many psychological studies of what is called *cognitive dissonance* (reality gap) – where received information differs from understood information – and these have highlighted that where two brands are seen together that customers perceive as being in different sectors, they adjust their image of both to bring them closer together. So when, for example, Disney and McDonald's co-promote, this is seen as complementary and accepted. When non-complementary brands share space, it is always the premium brand that loses. Hence, Nike made a brave and conscious decision to remove the possibility that their product would appear on Kmart shelves. Described by Nike as a 'brand management decision', this must have affected sales volume but was the act of a 'good global brand' acting to protect their image and reputation.

*Microsoft:* a bigger-name global brand would be hard to find, but even a giant like this can suffer from failure to understand and manage its brand. Microsoft had supported some gay rights legislation in Washington State, US. This caused a local religious pressure group to lobby and exert pressure on the company to withdraw and so, very unusually, less than two weeks after providing the support, Microsoft made a u-turn and withdrew its support. This, in turn, resulted in serious employee outrage, with comments like "One of the reasons I came to Microsoft is because of its very strong stance on human rights." The scale of this pressure caused the involvement of Bill Gates and

Steve Ballmer, which resulted in yet another u-turn, and the final support of the legislation.

This example highlights the point made earlier that CSR-related issues are today a major element of brand management and for global brands to succeed, this level of knowledge and understanding is required for each and every market in which the brand is present.

### ***Create trust and relevance***

These are probably the two most important words in the world – at least when it comes to global brand management. In the example used in the opening paragraph, why do we head for the HSBC cash machine with our Visa card? Because we implicitly trust these brands to deliver on providing, in this case, a secure and reliable service to provide local currency.

*Trust:* in the previous chapter, Douglas Flint says, “HSBC has a brand value that has a high element of trust and integrity and that is something worth protecting because if you lose it, it is very hard to recover.”

People use brands to navigate their way through life and they therefore place huge trust in them to facilitate a satisfactory ‘value-exchange’. However, trust is not an instantaneous permission, it is built over time as we experience regular delivery of our expected value. Global brands have a particular challenge to ensure that the experience delivered all over the world is consistent, but consistent with both the stated global positioning and values, and also the local cultural ‘norms’.

It is absolutely without question that the human reaction to a broken promise is exactly the same in New York, Paris and London as it is in Cape Town, Hong Kong or Sydney. It is also market independent, consumer or business, it doesn’t matter.

Think about the people you *trust*. What is it about them that leads to your trust? There are three factors that can be identified:

First, we trust others who are honest, who tell the truth even (and especially) if it will do them apparent harm.<sup>4</sup>

Secondly, we trust those who are reliable. If you say you are going to do something and then do not do it (to the full level of expectation that I have gained),

4. See Nicholas IND, “A brand of enlightenment”, in *Beyond Brand*, op. cit., p 7.

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then next time I will trust you less. In brand terms this means managing and meeting the expectations of the brand promise, as perceived by customers, in their own environment.

Finally, we trust those who care about us. If you demonstrate the passive care of 'do not harm' then I know I can turn away from you and you will not 'stab me in the back'. If, however, you show active care, then you will take positive steps to protect me from harm and I will trust you a whole lot more. Again, in brand terms, this is why the huge increase in CSR consciousness and social responsibility reporting has gained such importance in recent years. Trust is a short, simple word, but is the most important and powerful concept in the world of brand management – and especially the world of the global brand. *Relevance:* This is an interesting, somewhat ill-considered but massively powerful concept. Creating relevance in a brand, that is real relevance, means getting to know your customers and your market absolutely and then connecting very closely with key customer needs and beliefs such that when they think of these things they immediately think next about your brand, wherever in the world they happen to be at the time.

Needs appear on two levels. Basic needs are anthropological, having been programmed into us as human beings. We all need safety, health, belonging and esteem, and brands can and do speak directly to any and all of these. However, when we say 'need', we often mean 'want'. The things we want are still connected to basic needs so that, for example, when we say we 'need' a fast car, then we may actually be seeking to address esteem needs – why do people pay huge premiums for Range Rover, BMW, Ferrari or Porsche when Mitsubishi, Jaguar and Toyota produce equivalent cars that do the same basic function?!

Creating brand relevance, therefore, means understanding both the basic human needs as well as how customers translate these into everyday wants – remember the 'Big Mac' in Hong Kong at midnight? Which leads us on to the second dimension in the concept of relevance, that of timing. At the most basic level, unless a product or service is relevant in meeting the needs of a particular situation then no further consideration is taken. However, the best product or service in the world, that exactly matches the requirement specification of the customer, is still going to fail acceptance if it is offered at the wrong time – of day, night, quarter or budget-cycle.

Beliefs are the assumed truths on which we base many of our decisions. Whether or not we believe the things we learned in school or the evidence of our own eyes, we build a complex web of assumption about how the world works. This includes our beliefs about brands. We see the world through these

beliefs and create relevance in terms of this filtered reality. Brands can thus gain significant advantage by aligning themselves with this system of understanding, providing messages and behaviours that fit into the major assumptions of their customers.

So in summary, what does all this mean for global brands?

- Recognise the power of trust – and the destructive power of reaction when it is broken;
- Understand that trust takes time, sometimes years, to grow and develop, yet breaks into little pieces in nanoseconds – and in a service business, especially one where major risk or personal exposure is involved, such as personal lending or outsourcing, this can be devastating and expensive, and totally irretrievable;
- Your product or service needs to be able to deliver around the globe, wherever your customer demands it, whenever your customer demands it and to the expected standard and level of consistency – in their local reality.

## Measurement

Let us take a brief look at a critical area for success in any business, but especially in the world of global branding. Another quote from Douglas Flint of HSBC is worth looking at here: "...we have learned the discipline of global marketing and the importance of survey feedback, in terms of what people think of HSBC, the values they ascribe to it and how our employees understand and live the HSBC brand."

Measurement is largely misunderstood and badly used. The capability of organisations to deliver on and manage current and desired brand perceptions to all stakeholder groups depends on people, processes, resources and channels. Without an integrated measurement system, with a dashboard for our brand performance, it is absolutely guaranteed that no organisation will be operating at optimum performance as there will be in-built conflicts across the organisation.

There are just three main reasons to measure:

- 1) For understanding (to discover and decide)
- 2) To create the right behaviour
- 3) To manage gaps (reality gap)

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To discover, understand and decide:

- All stakeholders to understand needs and opportunities
- Capability to understand what you can deliver – reliably!
- Causes of opportunity and performance gaps to focus business improvements

To create the right behaviour:

- People act to optimise the measures on which they are judged / rewarded
- Measurement signals priorities
- A company acts as the sum of its measurements

To manage gaps:

- Operationally, companies experience gaps between desired and actual behaviours that result in customer brand experiences being inconsistent
- Operational measures highlight gaps and focus corrective action

With such understanding companies can ensure that they build an organisation that understands what it is there to do, and is structured and aligned in order to be able to do it – they can then deliver *at least* what they promise their stakeholders.

## **| Models for success**

We have already learned that there is no single act of ‘magic’ that guarantees success and there is equally no single model either. However, one of the best books ever written on this subject, which the reader should really read for a completely in-depth understanding of this complex topic, is called ‘Global Brand Strategy’ by Sicco van Gelder.<sup>5</sup>

In his book there is what he calls a ‘unique framework for equivalent and comparable brand analysis across multiple markets and societies’, which is his *Global Brand Proposition Model*. The basics of it are that there are two main parts, an internal and an external analysis.

<sup>5</sup> Sicco van GELDER, *Global Brand Strategy* (Kogan Page, 2005).

*Internal Analysis:* This is essential to gain an understanding of how the brand's global and local organisational constructs shape the brand expression, or multiple expressions. This looks at business strategy, corporate culture, organisation structures, the brand's significance to the organisation and the relationships between global and local brand management.

*External Analysis:* This focuses on how local conditions act as lenses through which consumers – or particular consumer segments – observe the brand, and how these circumstances affect consumer's understanding of the brand by itself, and also in relation to other brands. The results from this then provide additional input to the internal analysis, providing a superb feedback loop that gets stronger as it works.

### ***Progressive framework model***

The only other model that merits review and inclusion here is the *Progressive Framework Methodology* that has been developed during the past 5 years by *Group Partners*, an organisation based in London. This is a proprietary methodology that works through a planning process of 11 key questions that then results in an overall road map of detailed strategy which then feeds such as the *global proposition model*, and can deliver a fantastically strong and powerful basis for success and sustained competitive advantage. The outcomes from these basic questions are:

- 1) Key customer needs
- 2) *The* most valuable market segments
- 3) Understanding of key market trends
- 4) Key channels to market
- 5) Clearly and tightly defined product
- 6) Specific services for 'delighting' customers
- 7) The core value propositions
- 8) Strategy for delivery
- 9) Organisational design and plan capable of delivering it
- 10) Tactical roadmap and plan for implementation
- 11) Clearly defined set of goals and objectives

As obvious as some of these outputs sound, there are very few organisations that have such an holistic view of the world in which they are operating and

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the way in which their brand or brands are being perceived by customers and delivered by their organisation.

There is no ideal or perfect, single way to succeed in global branding but together these two do offer any organisation that wants to truly succeed an opportunity to explore a structured way of ensuring that they have given themselves the best start.

### ***Futures***

The future approaches all of us at the rate of sixty minutes an hour and being unprepared for it can be devastating to business. Changes to market structure, product and service definition and delivery, opportunities, customer and employee expectations and huge developments in technology provide so many potential pitfalls for even the best and most agile of organisations. This is where high quality *global brand management* is not only a competitive advantage, but it is critical for survival.

The Global Futures Forum (GFF) is an organisation that was envisioned by Unisys but exists as a global network of expert futurists who, as one of their activities, execute some in-depth surveys and research. Some of their findings provide a fascinating backdrop to how our world is developing and support to Chan Kim's book called 'Blue Ocean Strategy'<sup>6</sup> in which he speaks about 'making the competition irrelevant' and opportunity.

He explains, for example, that in just the last thirty years we have seen the explosion of previously unknown multi-billion dollar markets such as telecommunications, including mobile phones and network providers, coffee-shops, and retail business parks. We also know that there has been an explosion of the brands that go with these industries such as Nokia, Verizon, Starbucks and Café Nero. The people that comprise your customers have become so much better informed and are less immediately influenced by some of the old promotional-based brand marketing and less inclined towards brand loyalty.

The impact of technology on the performance of your global brand is huge as we discovered earlier in this chapter, and for instance, whether or not business wants to believe it, 'blogs' will change your business and any organisa-

<sup>6</sup> Chan KIM and Renée MAUBORGNE, *Blue Ocean Strategy* (Cambridge, MA: Harvard Business School Publishing Corp, 2005).

tion that thinks they can ignore, or that they are immune from, this fast growing way that your brand performance is flashed around the world, for good or bad, will fail.

Let's look at just a few key statistics that should make us all reflect seriously on the future:

- 1) 87% of larger organisations have become a network of outsourced resources, partnerships, alliances and contractors in order to become more responsive to market demands. *Brand impact:* managing consistency of brand experience delivery through the value chain around the world becomes extremely complex;
- 2) There will be an increase in 'portfolio' workers and people will prioritise 'life experience' ahead of job security. *Brand impact:* as employees are the key to consistent, high quality brand delivery, ensuring their commitment and performance is going to be even more critical than ever;
- 3) Concerns about privacy mean that more and more of our customers will refuse to share information with suppliers. *Brand impact:* we need to have real knowledge and understanding about customers. If we cannot obtain feedback data then we clearly must increasingly use that which we do know – and that leads us straight back to humanity-based strategy and working with the anthropological basics of human response that we can guarantee;
- 4) Customer service has been, and will continue to be, the key source of differentiation. *Brand Impact:* full knowledge and management of your entire value-chain is not optional;
- 5) People will increasingly want control of what information is transmitted about them in our 'networked society'. *Brand Impact:* The only way of working with customers will be through those basic human attributes that none of us can ignore or deny, and 'CRM' systems that are used solely for extracting more money from customers, as opposed to helping service them, will be useless.

Work undertaken by the Copenhagen Institute for Future Studies to research the 'consumer of the future' indicate that brand management will need to understand a fundamental shift from 'brain to heart' in customer needs. For example:

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Brain	Heart
Physical Need	Experience
Practical	Identity
Comfort	Aesthetics
Sensible	Esteem
Common Sense	Impulse
Rational	Emotions

If we then add in to our thinking another component of this same research programme that considers what the 'scarce resources of the future' are going to be, a very interesting picture indeed begins to emerge:

A Shift From This:	To This:
Information	Relevance
Product	Genuine Interest
Channels	Time
Risk	Trust
Stories	Meaningful Stories

## In conclusion

Is it important to have clarity around brand architecture and strategy to determine which brands exist in which territories? Yes it is.

Is it important to design execution integrity into all your physical brand manifestations around the world? Yes it is.

But being a successful global brand is massively more than that. Managing any brand is 'big stuff', managing a global brand particularly so because of the complexities of holding together the essence of your brand and the consistency of brand experience across many diverse cultural backgrounds. Add in to that the long and often non-owned value-chain delivery mechanisms, the variability of employee commitment and understanding and the very real changes that are taking place in the way your customers, employees and partners think and behave, and very soon it becomes clear that a new approach to *global branding* is necessary.

It requires that we understand the customers and other stakeholders at an extraordinarily deep level. It means understanding the macro-effects in markets and social networks, where ideas diffuse, ebb and flow. It means build-

ing your company to constantly and consistently deliver sound values with care and transparent honesty.

So next time you walk down the gangway off your P & O cruise ship in some far-away paradise, and stroll into the apparently remote and deserted beachside village, understand that your own immediate reaction as you point out the Starbuck's coffee shop, and the HSBC cash machine, is not one you can ignore and is exactly the same as your own customers will have when they encounter your brand around the world. *Humanity-based strategy* is the only way forward.

**Securing the benefits of globalisation**



Lucio Loubet

9<sup>ème</sup> série de la Métamorphose n° 21  
(100 x 73 cm)