

7.10: Global Positioning

Learning Objectives

After reading this section, students should be able to ...

1. identify the options for positioning in global markets
2. effectively approach the challenges in global positioning

Johnson & Johnson (J&J) will not sacrifice premium pricing for its well-known brands. It believes that its popular Band-Aid adhesive bandages are superior to competitors' products, and a premium price is a way to signal that. But even in this dimension of its marketing strategy, J&J must allow for some improvisation as it expands around the world and pushes deeper into less-developed countries. Specifically, the company accepts lower margins in a developing market and sometimes delivers a smaller quantity of a product to make it more affordable. For instance, it might sell a four-pack of Band-Aids instead of the larger box it markets in the developed world or a sample-sized bottle of baby shampoo instead of a full-sized one.

Carefully adhering to a particular positioning is both aggregation and adaptation; this creates uniformity in different world markets, but it also serves to define target segments as the company enters new countries or regions. Consider the decision by Diageo, the British beer-and-spirits company, to stick to premium pricing wherever it does business, even when it enters a new market. By projecting a premium positioning for brands such as Johnnie Walker Black, Smirnoff vodka, Captain Morgan rum, Tanqueray gin, and Guinness stout, and foregoing price cutting to grow volume, it identifies loyal consumers who will pay for its well-known products. Rather than sell its products' functional benefits, Diageo successfully markets its drinks as either sophisticated, as it does with Tanqueray, or cool, as it does with Captain Morgan in its recent "Got a Little Captain in You?" ad campaign, Brand managers' high-wire act (2007, October 31).

✓ Mini Case: Global Positioning of Master Card, <http://www.leadingglobalbrands.com/>

Back in 1997, the MasterCard "brand" did not stand for any one thing. The parent company—MasterCard International—had run through five different advertising campaigns in 10 years and was losing market share at home and abroad. Fixing the brand was a key element of the turnaround. Working with McCann-Erikson, the company developed the highly successful "priceless" campaign. The positioning created by "priceless" allowed MasterCard to integrate all its other campaigns and marketing practices within the United States, and this became a marketing platform that formed the basis for many globalization decisions.

Up until that time, every country used a different agency, a different campaign, and a different strategy. The success of "priceless" as a platform in the United States helped the company persuade other countries to adopt one, single approach, which, over time, produced a consistent global positioning. The "priceless" campaign now appears in more than 100 countries and more than 50 languages and informs all brand communications.

Starting with a locally developed positioning and then successfully expanding it globally is one way to approach the global branding and positioning challenge. More typically, companies start by identifying a unique consumer insight that is globally applicable in order to create a global positioning platform. No matter which route is selected, successful global branding and positioning requires (a) identifying a globally "robust" positioning platform—MasterCard's new positioning was readily accepted across all markets because of the quality of the insight and its instant recognition across cultural boundaries—and (b) clarity about roles and responsibilities for decision making locally and globally. There was a shared understanding of how the primary customer insight should be used at every stage in the process and which aspects of the branding platform were nonnegotiable; expectations for performance were clearly defined and communicated on a global basis; and a strategic partnership with a single advertising agency allowed for consistent, seamless execution around the world.

By providing a single, unifying consumer insight that "defines" the brand's positioning, MasterCard has created economies of scale and scope and, hence, benefited from aggregation principles. The company uses adaptation and arbitrage strategies in its approach to implementation. It empowers local teams by inviting them to create content for their own markets within a proven, globally robust positioning framework. Additional, ongoing research generates insights that allow local marketers to create a campaign that they truly feel has local resonance while at the same time maintaining the core brand positioning.

Source

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