

10.1: Global Branding Summary

Summary

A global brand has the same name and a similar image and positioning in most parts of the world. Many global companies leverage favorable brand images and high brand equity by employing combination (tiered) branding, cobranding, and brand extension strategies. Companies can create strong brands in all markets through global brand leadership. Maslow's hierarchy is a needs-based framework that offers a way of understanding opportunities to develop local and global products in different parts of the world. Some products and brands benefit from the country-of-origin effect. Product decisions must also address packaging issues such as labeling and aesthetics. Also, express warranty policies must be appropriate for each country market.

Companies invest a lot in building their brand recognition and reputation because a brand name signals trust. "Trust is what drives profit margin and share price," says Larry Light, CEO of Arcature brand consultancy and a veteran of McDonald's and BBDO Worldwide and Bates Worldwide advertising agencies. "It is what consumers are looking for and what they share with one another."¹

Many emerging markets call for lower-cost goods. But how low can a company go on quality and performance without damaging the company's brand? The challenge is to balance maintaining a global reputation for quality while serving local markets at lower cost points.

One way to resolve the challenge is to offer the product at quality levels that are the best in that country even though they would be somewhat below developed-country standards. This is the tactic Walmart has successfully used in Mexico. Walmart's flooring, lighting, and air conditioning make its Mexican stores better than any other local stores even if they might seem Spartan to US consumers.

References

1. David Kiley and Burt Helm, "The Great Trust Offensive," *BusinessWeek*, September 17, 2009, accessed November 4, 2010, <http://www.businessweek.com/magazine...8038492933.htm>

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