

MANAGING BRANDS OVER GEOGRAPHIC BOUNDARIES & MARKET SEGMENTS

Chapter 14

Scope of Boundaries

- Globalization: Going global
- Regionalization: Coordinated efforts based on region
- Localization: Catering to the local market

GLOBAL
EDITION

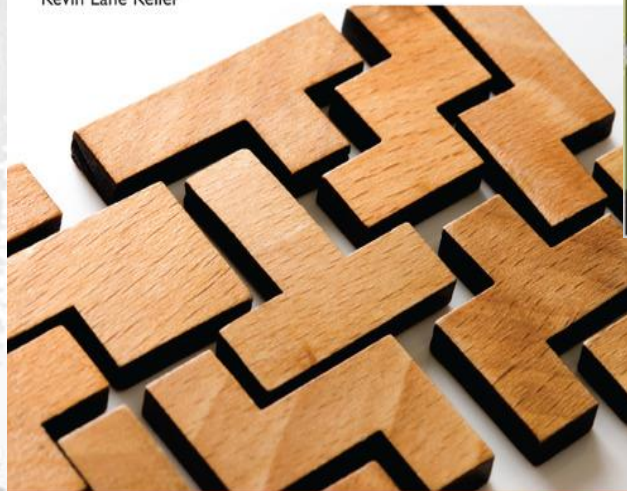


Strategic Brand Management

Building, Measuring, and Managing Brand Equity

FOURTH EDITION

Kevin Lane Keller



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PEARSON

Strategic Brand Management

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Fourth Edition

Kevin Lane Keller

Ambi M. G. Parameswaran

Isaac Jacob



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the essential guide to
customs & culture

CULTURE SMART!

BANGLADESH



Scope of Boundaries

- Regionalization
- MNC's tend to believe that all Asian markets are the same (Asia Pacific Rim).
- Comparative analysis shows that consumers in Japan, Korea and China differ in
 - Brand Orientations
 - Attitude towards domestic and foreign products
 - Quality and price perception
 - Product feature preferences

Localization



Demographic and Cultural Aspects

● Fragmented & Diverse Markets

- Age

- Religion

- Gender

- Ethnic Origin

- Semiotics (Meaning of meanings)

E.g. Hispanic market in the US comprises of 11 nationalities

- The subtle intracultural differences need to be understood and accounted for

Why Go Global???

- ✿ Economies of Scale
 - ✿ Lower costs from higher volume
 - ✿ Experience curve
- ✿ Lower marketing costs
 - ✿ Uniformity in 4 P's
 - ✿ Corporate global brand like Sony enjoys this
- ✿ Power and Scope
 - ✿ Communicates credibility
 - ✿ High perceived quality
- ✿ Consistency in image
- ✿ Leverage good ideas

Risks in Going Global

- Differences in consumer needs wants and usage of products
- Consumer response to marketing mix
- Brand and product development in competitive environment
- Legal environment

Standardization vs. Customization

- Marketers are not only thinking of marketing to one single market
- Hence companies tend to follow the ‘glocal approach’ going by the mantra of ‘think globally and act locally’
- This requires integration in product, packaging, brand name and advertising styles

Simple Example

“...to Brazilians, beer is a soft drink; to Germans, good beer is the one that is locally brewed; to the English, lager beer is a new product; to Americans, beer is a boy meets girl drink; and to Australians, beer is a man’s drink”

Standardization vs. Customization

Although standardization of branding strategies results in economies of scale and message consistency, due to the significant differences in consumers, culture and socioeconomic status, a customised approach to the local/national market is worth the extra expense

Standardization vs. Customization

- Product: Customize as per taste and preference
- Communication Strategy: Use of language, colors as well as legal procedures
- Distribution:
 - Exclusive vs. Intensive
 - Urban vs. Rural
- Pricing
 - Based on the economy

Why Follow 'Glocal Approach'

- Consumer Kaleidoscope
 - Wake up and smell the 'Thai Tacos'
- Brand Values
 - Discuss McDonalds Example
 - Corporate vs Product Brands
- Regional Branding
- Shield against anti-branding attacks

Developed vs. Developing Countries

- The bottom of pyramid is a booming market
- Brand symbols are important for this market
- Packaging
 - Sachets
- Promotion
 - Use specific channels
- Distribution
 - Urban vs. Rural