

Challenges in Brand Building

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Abstract:

The companies are earning out of the goodwill they have in the market and the customer loyalty towards it. This loyalty is not towards a particular person or product but it is towards a particular brand. A brand is not just a sign, a symbol or a logo but an identity of a company as a whole. It is a very difficult task to build a brand or a brand reputation, the following paper focuses on the challenges involved in the brand building process.

Keywords: Global brand, strategies, brand positioning.

I. INTRODUCTION

Developing a global brand largely depends on the brand's ability to explore fresh avenues and to sustain its competitive advantages in terms of economies of scale and productivity. A global brand is one which is perceived to reflect the same set of values around the world. A global brand removes the national barriers and linguistic blocks while marketing internationally. The basic of brand building applies to the global branding strategy also. For a brand to become successful, a genuine demand or a psychological need must exist in the market. As business strategies increasingly go global and brands cover a multitude of services and products, companies face even more challenging issues related to cross-border acquisition, maintenance and enforcement of trademark rights. A company may acquire new brands through purchase or creation. If a company is purchasing brands, it must be cognizant of the difference between the transfer of ownership through mergers or asset sales and how this impacts on the trademarks. In either of these scenarios, potential tax consequences must be evaluated and coupled with strategic planning. What separates a customer from another customer at some distant geographic location is the complex social, cultural and esteem needs of the customer depending upon the stage at which the civilization/ nation is in the process of development.

The real challenge comes for a brand manager when he has to make the consumer aware about the product/service offered in a distinctive pattern, may be with a name, logo or colour so that the strategy enables the customer to correctly identify and choose the brand from a cluttered basket. The brand's strength is not confined to the degree of recognizability and the quality of the product offering. Brands deliver more than just a predictable assurance about quality. Strong global brands deliver to the strong emotional need. The product is seen in the market place as an expression of brand idea. The product merely translates the brand idea into a tangible form with features and styles that is delivered to the consumer. Dettol being a global brand is driven by an idea of absolute certainty it provides in feeling protected against the hostile forces of the dirty world. These brands send market signals consistent with the idea that they stand for. The more consistent is this marketing signal, more clear is the brand image across the country for the global brands. A successful marketing strategy has two options in creating a market presence. It has to kill competition by constant communication and advertising or use communication to make the customers feel the method to discriminate in favour of the brand. As a response to this effort the consumer is willing to pay a premium for these brands only if they represent added value whether as superior quality or a clear emotional benefit. The brand communication should also communicate and connect to the people. Strong brand acts as an ambassador when the companies enter new market or offer new products. It also helps in rectifying the corporate strategy to define which initiatives fit within the brand concept. This presents an organization with the opportunity to broaden market scope by internationalizing product and service marketing in order to reap the benefits of economies of scale.

II. OBJECTIVES OF THE STUDY

The main Objective of the study is

1. To analyse the Importance of building brand in global markets.
2. Various Challenges involved in making a Brand Global.

RESEARCH METHODOLOGY

Secondary data has been used by conducting this research. Data from various journals, internet and magazines have been taken.

FINDINGS:

1. A Brand must give the same message overall.
2. Many factors have to be considered while launching a product.
3. Each factor varies depending whether the brand at national or international level.
4. Both internal as well as external factors play an equal role in the success of a brand.

III. ISSUES IN DEVELOPING A GLOBAL BRAND

There are various issues at the organizational level that decides about the global branding strategy. There are two strategic parameters affecting the decision of global branding. They are the relative strength of globalization pressure in that particular industry and the degree to which the company has internationally transferable assets. If globalization pressures are weak and the company's assets are not transferable including the brand then the company need not go for a global brand. It should concentrate in the domestic market in creating a higher brand value. The home advantage due to a strong brand proposition can be used as a platform for building brands in selective markets. By this the company can reap added revenue and scale economies with valuable international marketing experience. Bajaj Auto's extension to the south Asian market for their three wheelers is an example of brand success in analogous market. Companies can look for countries with common cultural and linguistic heritage. The story of Asian Paints in Indian market has made it to go for global branding in countries like Nepal, Fiji and Korea with its typical low cost formulations and service delivery propositions to support the brand name called "Asian Paints". However for having a global brand one has to take in to consideration a different set of opportunities and constraints. The low cost of wage and proximity to raw materials also give a competitive advantage for domestic companies to go global. The success of Infosys and Wipro as brands in the global market is example of global branding success in high-tech industry. However there are many complex factors that can affect a global marketing strategy.

The Brand Offer

A logical brand offer should provide the similar communiqué across all the countries. Long term brand loyalty is akin to getting the consumer to marry a brand. Questions on physical attributes like how well does the product perform, how competitive is its price may require some adaptation to local market conditions and culture: An American laundry detergent may not satisfy an Indian housewife, used to washing her laundry at near-boiling temperatures. Questions on style like how the physical-attributes message is delivered, is even more rooted in culture. British, whose ad culture grew from magazines, want hard facts. Indian culture is inclined to imagery and may resist hard sell. Other Asians are sensitive to symbolism, Americans to humour etc. There is some truth to these generalities, even though the rules are often successfully broken. A McDonald's commercial from the US, Germany, Brazil or Japan is readily recognized as a McDonald's commercial, even though it may have been produced locally, and by a different ad agency. It will consistently convey some or all of the values (service, friendliness, understanding of family life etc.) which are attached to the company. A thorough understanding of influence of brand is necessary while formulating a global branding strategy. In Asia, Coca Cola, Sean Connery, Nestle, Sony, Batman, Mercedes and Michael Jackson are equally well known.

Major challenges:

There are some basic propositions that a global brand manager has to take note of while developing strategy at global level.

A. Global Orientation at the Corporate Level

Many marketers operate in global markets with a strategy still rooted in the domestic market. The strategy needs to embrace the opportunities and the costs of working in multiple countries. The marketer has to look for his competitive advantage outside the country of origin. Are the product and the brand in particular needed in another culture? Only careful consideration of these questions will create the right platform for a global branding strategy.

B. A Global Management Team

Global management teams tend to reflect the environment in which they operate. They are made up of representatives of various cultures and backgrounds in their respective countries. As a result, this type of team is a challenge to manage. The work culture and pattern varies across countries. The key to building a global team is to have it start by working on something of substance together- to create and build a common vision of the future. That will globalize the company's strategy while establishing new working relationships across the globe.

C. The D.U.M.B. Test for a Global Brand Potential

Global branding is not simply a marketing or advertising program. It is a way of doing business that transcends the requirements of advertising and affects every aspect of the business enterprise. A simple test to see if the company has strong global brand potential is to see if the brand meets the "D.U.M.B." test. Is the brand promise **Demonstrable**? I.e. can consumers see the promise of performance in action? Is it **Unique** and different from locally available alternatives? Is the promise being made **Meaningful**? It doesn't help if the brand claims something that isn't important to the local consumers. Is the promise **Believable**? If they don't buy the claim they won't buy the product.

D. Technology as an Enabler

If the brand manager makes a bold promise of performance with his brand he must be able to deliver. That requires some "enabling technology" that can carry the brand around the world. The enabling technology should be proprietary, have inherent barriers to direct competitive response, and be applicable to every market the brand enters. Identifying and deploying the enabling technology may be the single most challenging management task.

E. Adaptability to the Local Markets

A consistent complaint of global management teams is that "home market" management tends to ignore the unique characteristics of local markets. Successful global products often require targeting a product against a different consumer audience, using a significantly different manufacturing program, or utilizing different distribution channels. These decisions should be the province of the local manager, as long as the global brand and its enabling technology are not violated.

F. Brand extension

At the same time, rising media costs, coupled with the importance of building high visibility and the need to obtain cost economies, create pressures to extend strong brands across product lines and country borders. Increasingly, new products and variants are launched under existing brand names to take advantage of their strength and consumer awareness. Mars, for example, has launched an ice-cream line as well as a soft drink under the Mars brand name. Similarly, Nestlé's Maggi brand, used on sauces and seasonings, has high recognition in Eastern Europe and so was extended to frozen foods prior to divestiture of this division in 1999

G. Brand Positioning

Equally, the importance of brand positioning consistency across country and product markets needs to be examined. Inconsistent brand positioning across countries can result in ambiguous images and confusion among customers and distributors where there is substantial movement across borders and exposure to images and products from other countries. Again, the impact on brand, image, strength and visibility merits further investigation.

IV. CONCLUSION

As business strategies increasingly go global and brands cover a multitude of services and products, companies face ever more challenging issues related to cross-border acquisition, maintenance and enforcement of trademark rights. The central role of branding in establishing the firm's identity and building its position in the global marketplace among customers, retailers and other market participants, makes it increasingly imperative for firms to establish a clear-cut international branding strategy. A key element of success is the framing of a harmonious and consistent brand architecture across countries and product lines, defining the number of levels and brands at each level.

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