Global Brands: Issues, Challenges and Strategies

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Abstract— This is the decade of globalization. The homogeneous products and services have reached an upstream in the global markets. Marketers realize that there is a need to stabilize and standardize the products as a global brand and to position those brands successfully across all the countries. However, the marketers encounter issues and challenges faced by the brand in a global scenario. To overcome these problems implementing the strategies that can establish the complete ability of their brand in and across multiple global markets at a particular time. Multinational industries need to acknowledge the various global markets that they distribute their products as a brand and responsive to the local language, colours in different culture, demand from consumer needs. They must entitle local marketing teams and agencies to “explain and decode” about the global brand to the local consumers. With the advancement in technology and discovery of globalization have the capacity to create logos and dominant brand images that can incline the efficiency and decline the cost of production along easy distribution of the branded products in the global markets. It can be a tough task to nullify the issues and challenges faced by the product globally. But, the marketers aim to handle this process of brand building in global markets, so that the global brand is not diluted. This paper contributes the issues and challenges that are faced by the global brands and strategies to build a strong global brand.

Key Words- Branding, Global Brand, Globalization, Issues, Challenges, Strategies

I. INTRODUCTION

The art of marketing is largely brand building. If not a brand, it will be viewed as a commodity: - Philip Kotler.

There are no limitations in considering the importance of the brand. It includes constructing, maintaining, protecting, modifying and rebuilding whenever required. A brand needs more involvement in featuring logo and colour to frame it as a global brand. Uniformity must be maintained in these direct visual indicators and essential for nurturing a strong brand. It is a complicated situation nowadays as the brand image evolves in various ways from print media to television and to the internet media. It is realized that every brand is the mirror reflection of their company.

Branding

Branding in simple terms used to describe as to differentiate the products or goods of one company from that of the other. Branding is the most powerful tool than it is normally perceived and the companies which understood this concept have capitalized the global markets by building a strong global Brand.

Brand

The word brand is evolved from the Old Norse word bandr means to burn. In historic period the owners having different varieties of animals in the same breed of their livestock mark them to identify it as separate brands. Brands become increasingly essential components of social culture, economic and political environment. The brand is a name or trademark annexed with a product or goods or a producer. The perception by the consumer holds the key to the strength of the brand. Positive perception of a brand implies the satisfied and loyal consumers. Brand is the precious huge asset of any company. Brand Building is a step by step value addition process. Brand strategy helps a business in obtaining the targeted output and performance.

Global Brand

Global brand is explained as the worldwide usage of a name, term, logo, sign or combination of all intends to uniquely identify and differentiate their products or goods from those of the competitors. A global brand must describe an exact meaning and pleasant experience to the consumers or customers across multiple global societies. Global Brands is the term of any product or goods that is well-known and distributed in every parts of the world by a particular company. Global brand has enhanced its cultural origin to inculcate a strong and healthy relationship with its customers or consumers across various nations and culture. Products target at the luxury and youth sectors suit to be a global brand. Global branding is more feasible in heavy consumer mobility markets namely telecom, airlines and hotels. Global branding is easier with the country of origin.

Objectives of the Study

- To identify the issues in global branding.
- To find out the challenges that are faced by global brands.
- Suggest the strategies to build a strong global brand.

II. FACTORS THAT INFLUENCE GLOBAL BRANDING

Social Culture

Culture is the summative concept that includes knowledge, belief, customs, practices and other habits acquired by people as members of the society. Culture influence has a major consequence on impact of consumption patterns of individuals and institutions towards some brand. Culture influence may gather an impact on the customer perception towards a brand. Example – Kellogg’s cornflakes in india,
Economic Environment

The economic environment involves factors that affect the consumers' purchasing behaviour and spending habits. The income level and distribution may vary between nations. There are two different economies by which countries are divided into subsistence economy and industrial economy. If a country has subsistence economy, the consumption contains the country's own agriculture and limits their ability to act globally. If a country has industrial economy, consists of various international competitors have different kinds of products or goods or services in a nation which does not limit the ability to act globally. Examples – universal payment methods, currency rates and tax treaties.

Political Environment

The political environment includes law, administration and pressure groups that affect and restrict various government and individuals in a particular society. Examples – instability of mobile markets in East Asia due to the political policies of North Korea.

III. ISSUES OF BRANDING IN GLOBAL MARKETS

a) Differences in language cause extreme difficulties in crafting the campaign for advertisements and product labels. It is essential to make sure the meaning of an advertisement campaign and product label translated in another language similar to the company intended message.

b) Colours give various meanings in different culture. Marketers must select nation’s suitable colour to ensure that the local consumers are not humiliated by the product due to the colour used in packing.

c) Every culture has their own unique set of customs and ethnicity. The marketers must learn about these to understand what is acceptable to their marketing programs.

d) It is obnoxious to create and develop a successful global brand using a single brand strategy globally.

e) The similar brand features cannot be utilized in all the markets by an organization.

f) There implies in problem of regional reawakening and has an increase in regional or local ethnic identity and decentralization of power from large nation-states to smaller states.

g) The brand is global while the consumers remain local and coordinates many regional or local images while allowing local accountability and autonomy.

h) Global consumerism and demand for local answerability is rising enormously. There is a demand for more brand and corporate transparency. Brands may be exposed globally to bad publicity and comment through global news networks and anti corporate websites.

IV. CHALLENGES IN GLOBAL BRANDING

A clear strategic approach is required to validate the challenges involved in creating a strong brand.

1. Economic Assistance

The major challenge against the brand leaders is to focus on the short term returns. Brand is a long term asset. Price introduction; discount or freebie promotion for initial acceptance of the product can lead to brand dissolving and collapse in the long run.

2. Effect of Approving

Enhancing consistent quality/performance will sustain the growth complexity of global market in terms of consumer’s changing tastes and multiplying competition. Persistent innovation and maintenance of good customer relations through their customer touch points will create brand loyalty among existing consumers.

3. Emotional Appeal

Emotional appeal is vital to communicate the Brand message.

4. Effective Culture

Cultures are not static and refers to society interact, belief, decision making and meanings they attach to certain representations of the people. It can be developed through intergenerational, interpersonal learning and experience.

5. Economic, Legal and Political conditions

Economic, Legal and Political conditions prevailing in a foreign market implies advertising content, law procedures, product specifications and distribution options changes from one nation to another.

6. Efficient distribution channel

Distribution channel formation alliances in a foreign market. Decision taken by the distribution channel is vital and rigid and expensive to change decisions once made.

V. STRATEGIES FOR GLOBAL BRAND CREATION

Global branding strategies involve the usage of the same brand name or logo worldwide. Global branding strategies are advisable if the target customers travel across country borders and may be exposed to products elsewhere. Global branding strategies become more important if target customers are exposed to advertising worldwide.

International companies follow different types of strategies to manage their global brands.

Brand Expansion

One of the strategies is the expansion of successful local brands in international markets. The advantage of this strategy is to build on a winning local brand proposition and increase the chances of success. It also permits a progressive brand building on a global basis that is low risky and less expensive for the company. If the expansion is unsuccessful, the financial losses will be negligibly limited.
Brand Creation

This strategy is to create a global brand from the start. These brands are launched on a worldwide basis at the same time. The key advantage is building world brand rapidly with the same name and positioning in every market and benefits from substantial economies of scale. The risk is to invest massively on a worldwide basis without being sure of a worldwide success.

Brand Domain

This demands an intimate knowledge not only on the technologies shaping the brand domain but also on pertinent consumer behaviour and needs. The lifeline of a brand domain specialist is innovation and creative use of its resources.

Brand Reputation

Brand reputation use or develop particular traits of their brands to support their authenticity, credibility or reliability over and above competitors. A brand reputation shall have a proper understanding and convince consumers that the brand is in some way superior.

Brand Affinity

Brand affinity requires eminent performance among competition in building relationships with consumers. This means that a brand affinity needs to have a unique and distinct appeal to the consumers. It has the ability to communicate with consumers affectively and provide an experience that enhances the bonding process.

Brand Recognition

Brand recognition differentiates it from other competitors by raising their profiles among consumers. The brand recognition either convinces consumers by differentiating from the competitors or rise above becoming a well known among consumers than competition. The latter is specifically important in categories where brands have a few distinguishing features in minds of the consumers.

VI. OBSTACLES IN CREATING BRAND IMAGE

1. There will be quick consequences observed if an organization could not portray a satisfactory brand image. That particular brand might fall in a short term if there is a negative brand image creation.
2. Every product depends on its brand image. An unfavourable or negative image depicts in the disgrace of the company and again bringing up the same brand becomes uncertain.
3. The major disadvantage of a brand image is that the brand and its products will always be identified with the image till further changes are carried out in the brand image.
4. In any situation if the image is compromised, then the sales and revenue will get major blow and therefore it is important to identify a correct team that will create and frequently maintain the brand image of the product.

Suggestions

Technology and globalization are the upcoming trends in emerging business. The ability to create logos and brand images in electronic format has increased the efficiency and lowered the cost of production and distribution of brand products.

1. The marketers must have a complete understanding upon the language, colour usage, culture and proper ways to reach the product to the consumers.
2. There tends a risk for the brand building process as it involves high expense and time consuming. The marketer shall consider the local product competitors before entering into the global arena with respect to its own product features.
3. The brand may be developed with the concept of customization or standardization in the product.
4. The customization of a product indicates that the product can be manufactured according to the taste and preferred output by the consumer wherein the entire product can be changed into a new different outlook. Example – Barbie dolls by Barbie company.
5. The standardization of a product measures the product with a standard formula or code to be manufactured irrespective of the nation. Example – coca-cola company.
6. The strategy followed by the brand in different countries should be unique and must not be mingled with any other countries.

VII. CONCLUSION

The major players in global markets are the Indian companies flourishing with variety of global brands. They face a major challenge in the process of building global brands. The process of brand building is important and that have to deal with the inclination of wages along economic development. Competing on cost alone will not be sustainable in gaining higher market share in a crowded market place conveying an assurance of quality and reliability. The brand strength deals with the perception of the customers. Branding is a major issue in product strategy. Branding can make or break a product leads to expensive and time-consuming. The best brand name implies about the product benefit, suggest product qualities that are easy to pronounce, recognize, and remember. The brands are distinctive and do not carry negative meanings, remarks or connotations in other nations or languages. The marketing implementation is more vital as consumers experience the brand through advertising, promotions, purchase and after-sales service. Global marketers must make a sustainable brand strategy which enhances the character traits intended for the brand.
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