

Global Branding in a Digital World

How to Organize International Advertising Campaigns?

In today's globalized world, branding is neither a single country affair nor exclusively accountable to the company's marketing function. Any brand available in more than one country needs international brand management. It is a balancing act between standardization for a consistent brand presentation across countries and consideration for how different national heritages affect a brand.

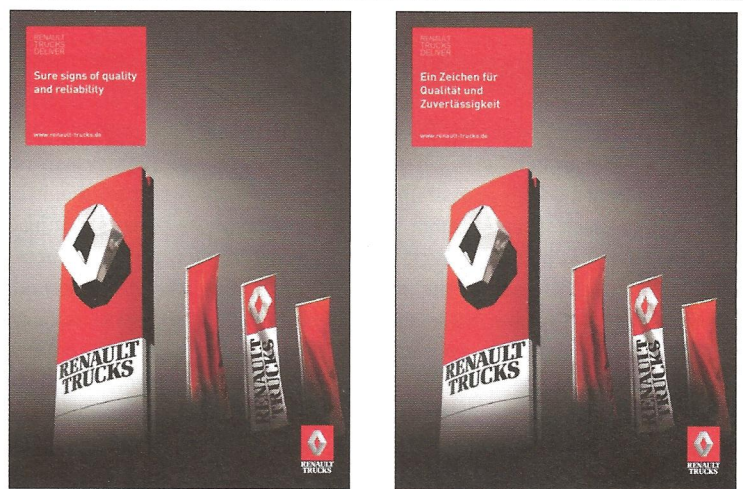
At a first glance, the internet seems to encourage global branding due to its high reach at relatively low costs. Moreover, the increased information generated by the internet itself makes branding even more important. More than ever, brands act as key indicators reducing the complexity of purchase decisions in a world of extremely diversified products.

For a company, the brand function changes as well because the user community has a powerful tool to complain and poor quality is no longer quietly tolerated. The internet makes brands more vulnerable, as the *United-breaks-Guitars* Video on YouTube demonstrates. This incident of a badly treated and as a result broken guitar, of a musician traveling with United Airlines caused very bad publicity for the company. Social media change the rules of brand communication and can even be seen as playing pinball, as Hennig-Thurau et al. describe it: "Companies serve a *marketing ball* (brands and brand-building messages) into a cacophonous environment, which is then diverted and often accelerated by new media *bumpers*, which change the offering's course in chaotic ways." However, it is not only the brand perception which is influenced by social media. Consumers actively participate in brand building. We have to revise branding away from its traditional

closed perspective in which a company exclusively determines the brand positioning and unilaterally directs the brand experience to a radically open perspective where consumers evolve the brand meaning, see Bill Costello's *BMW Motorcycle Story* at YouTube.

Originally, the discussion about global brands concentrated on international advertising, because its standardization, meaning uniform presentation with regard to form and content (see figure 1), was attributed to have a high potential in cost reduction. Today, we know that standardized advertising is a myth. Ample research suggests that identical campaigns seem to be less effective than locally adapted advertising due to internationally differing market conditions.

Moreover, the prerequisite of content standardization is the standardization of processes. The question whether a globally-uniform or a country-specific branding is appropriate can only be answered if brand management procedures can be compared on an international basis and if coordination between the headquarters and the subsidiaries is possible. Without standardized planning, there is no global branding. Conceiving brand communication takes place in several steps affecting the analysis of the initial situation, definition of strategy, timing of brand activities, budgeting and efficiency back checks and is accompanied by the exchange of respective information and the management of the personnel involved.



Source: Renault Trucks S.A.S.

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Figure 1: Ignorance of cultural characteristics often entails boring international campaigns. Left: UK, right: Germany

► The Author



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Figure 2: Press ads illustrating the strictly applied corporate design of Mini. Above: Germany, below: France

Global Brand Management

Brand management is the process of planning, coordination and control of activities for the systematic brand-building. The objective of brand management is to differentiate the own offering from the competition in a way which is significant to the target group. The standardization discloses a variety of advantages: Significant savings can be made by centralizing planning and creation as well as market research. Further benefits result from rebates, which are granted for international bookings of certain media, such as a bundle of magazines. Moreover, standard processes may improve planning as efficient methods can be applied internationally. Brand management must be based upon the

analysis of the initial situation, because it is not possible to evaluate which target situation should be the goal without knowing the current situation. In order to analyze the initial situation, many legal, technical and social criteria are suggested for evaluation. However, with regard to global branding, these criteria are less relevant, because they indicate at best whether it is practicle but do not reveal the best way to approach it. In terms of a behavioral-science definition of brand management, psychological objectives such as brand awareness and image are of more relevance. These are operational objectives because they refer to the mental process preceding the purchase behavior, which is possibly being systematically influenced by brand communications.

For global brand management it is critical to recognize that the involvement of consumers from different countries may vary and thus influence the appropriate communication objectives.

Brand Positioning

The brand positioning at market launch, for example of a new automobile, is a key strategic objective. When defining the positioning, it is reasonable to first determine its key message and to later substantiate it linguistically and visually. Because market conditions are usually divergent, an identical execution internationally is difficult. In that case, the objective in terms of an internationally consistent positioning has to be adjustable. It is imaginable to focus on country specific aspects. A common corporate design creates a formal integration, which builds a foundation and increases the awareness. Given the increasing number of customer touchpoints and the fact that, in the era of social media, it is impossible to control clients in their exchanging information about the brand, it is crucial to implement the brand experience consistently. In this regard, a strong corporate design helps that the brand is recognized in all communication channels. Mini is an excellent example that giving such guidelines does not hamper creativity. Mini is known for its extraordinary advertising and surprising guerrilla marketing (see figure 2).

Audience

The starting point for considerations regarding global branding is with the supposition that there are consumer groups in different countries which react similarly to brands. When searching such cross-cultural groups, it has been proven to be of value to proceed in two steps. At first, those countries are chosen, according to the regionalization of the worldwide automotive market that can be categorized together in terms of economic, legal, technical and social criteria. An example is Europe with:

- Saturated markets,
- High product differentiation,
- Consumers' orientation towards emotional consumption experiences,
- Information overload.

► **Abstract** International advertising is considered to be necessary for developing strong brands and suggests at the same time cost cutting since the same TV-commercials and advertisements can be used across borders. Looking at some automobile commercials that are favored throughout Europe, international brand management seems to be the king's road for creative campaigns. However, such success is only possible, if the division of labor on important issues is settled between headquarters and the foreign subsidiaries in advance. Otherwise, organizational barriers and personnel conflicts that will impede cooperation and stifle creativity are predetermined.

These conditions suggest that the cognitive involvement is low and the emotional involvement high on the European automotive markets. They have in common that an emotional positioning seems to work best.

Secondly, there is segmentation according to socio-demographic and psychographic criteria, especially based on lifestyle analysis. Those studies show that some positionings are in principle attractive for consumers from different countries. When consumers can be grouped with corresponding emotional backgrounds, they are susceptible to the same appeals and react similarly to brand communication.

The needs of the target audience have a particularly high value in global brand management because standardized international positioning only has a chance of success, if it corresponds on a cross-national basis and if a company's offer is more suitable to satisfy the consumers' needs than those of the competitors.

In the automotive industry lifestyle analyses are usually completed by clinic studies in order to obtain information about the needs a vehicle satisfies prior to its launch date. An interesting alternative proved to be Fiat's crowdsourcing initiative before launching the new Cinquecento.

Creating Brand Communication

Developing brand communication means on the one hand the design of formal elements such as picture, font and colors and on the other hand the verbal description of the positioning in terms of a key message.

Creativity plays an important role. However, we can observe that many international campaigns are only minimally creative. Content analyses of advertisements document that certain advertis-

ing messages in automobile advertisements are often used and contain the same stereotyped pictures. The exchangeability of advertisements is affiliated to an important loss of impact.

This exchangeability can be attributed to a lack of professionalism. First of all, often too few ideas are gathered in the beginning, even though, according to findings in creativity research, only a fraction of them are suitable for the actual implementation. Secondly, many creative folks are over-challenged when designing international advertising, because they are lacking deeper comprehension for the emotions and experiences of foreign audiences. Owing to this uncertainty, they tend to dispense with all presumably specific cultural elements for example, models, hairstyle, a red dress, the way a table is set, the landscape in the background, etc. This procedure often results in boring advertisements that do not emotionally affect the audience (see figure 1).

For unerring positioning, we have to demonstrate not only high creativity but also take the behavioral-science findings from researchers and agencies into consideration. The focus should be on researching the best visual realization because pictures are always viewed first and also usually longer than verbal messages. In doing so, it has to be considered in the context of international advertising that not only the text, but also the picture requires translation and localization because its understanding is subject to rules of the common metaphorical language of the audience.

Cultural anthropology and psychology provide many suggestions for figurative realization that probably have a high international comprehensibility. Lifestyle studies, too, describe typical behavior patterns of the audience, which can

trigger internationally similar mental images. Further ideas can be furnished for example, by content analysis of print (e.g. comic strips) and TV (e.g. soap operas), or by crowdsourcing (e.g. www.openad.net or www.crowdspring.com).

Another possibility to incorporate cultural know-how in the development process is to entrust several agencies from different countries. For example, the Audi Agency Network consists of five agencies in Germany, Italy, Great Britain, Spain and France.

Research

Market insights should give information about the efficiency and effectiveness of advertising methods. Pre-tests are required, in order to enable a forecast of the impact. Within the scope of standard processes, methods and KPI have to be standardized internationally because only then can comparable results on the impact be generated. Comparisons are possible if the measuring methods are valid and reliable and the results are interpreted in the same way.

Of course, there is not an exclusive method for testing advertising. In fact, different procedures are necessary according to the advertising effects in question. Especially in pre-testing, one tends to question whether consumers recognize the positioning on the basis of the scribbles. Problems often occur, when resorting to group discussions, because, on the one hand, the high-involvement situation of the interview is not in accordance with the actual communication conditions of advertisement. It provokes a readiness to criticize which is in sharp contrast to reality. On the other hand, consumers evaluate campaigns with their underlying experience so that new campaigns are often assessed hypercritically and fail.

Implementation of Global Brand Management

In theory, many elements of brand management can be standardized. At first glance, the centralized organization of automotive companies favors global brand management. The power of manufacturers not only manifests itself in their advantage of know-how with regard to marketing processes but also in the higher capacity of their personnel. This, however, is encountered by national sales companies (NSC) being generally organized in profit centers and only accountable to the manufacturer in terms of the overall result. Marketing decisions are made on the spot due to the higher market-ability.

Centralized planning is not reasonable because it would require extensive control mechanisms and would have a demotivating effect on local management. If the manufacturer im-

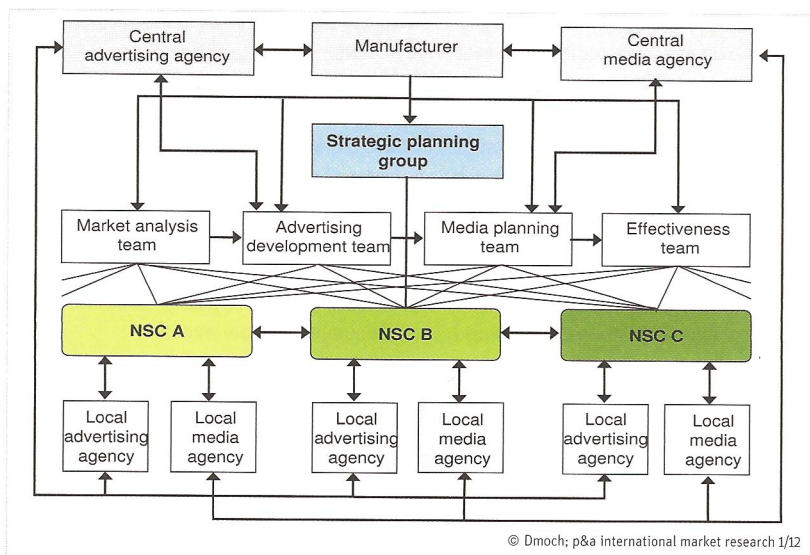


Figure 3: International coordination teams



Source: Renault Trucks S.A.S.

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Figure 4: The Renault Trucks Media Center

poses his planning techniques on the NSC, it is met with refusal as *not-invented-here*.

This can be prevented by cooperation between manufacturer and NSC, for example by

- Regular meetings,
- International coordination teams,
- The lead-country approach.

One of the first steps a company can take is to organize *regular meetings*. Apart from getting to know each other, dispelling prejudices and improving the atmosphere; regular meetings facilitate inter-company cooperation. For example, countries can decide whether it would make sense to adopt a successful advertising campaign from another NSC. This approach also reduces complexity. However, a danger with this approach is that meetings can become monotonous and a waste of time.

A key factor with *international coordination teams* is the level of cooperation between the manufacturer and its NSC. With this approach, the focus is on identifying which stages of the planning process can be delegated and to whom. The coordination teams themselves should be made up of staff from the manufacturer and the NSC. These feed into a strategic planning group whose task is to define the advertising strategy (see figure 3).

The advantage with international coordination teams is that they reduce the burden on the manufacturer without delegating strategic authority. They also take local market knowledge into account. The downside is that people can become quite removed from day-to-day business. As a result, NSC will only agree to this approach if, in return, they are allowed to have a say in strategic planning.

With the *lead country approach*, one company

within the group is turned into a first among equals. It is then agreed how long they will manage the brand and where. Under their management, each country looks after specific parts of the planning process. The output of work is used as a template. Countries may deviate from guidelines laid down within the template but only under exceptional circumstances. The lead country does not necessarily have to be the manufacturer. For example, it could be the NSC most affected by the launch of a new model. Alternatively, the country chosen could depend on marketing skills, resources or individual market knowledge. It could even be company politics – the carmaker might want to bring a specific NSC to the fore. The advantage of the lead country approach is that it is more participative and taps more efficiently into skills in individual countries.

A risk arises when staff from the central organization is kept out of the process, as this undermines the manufacturer's overall strategic authority. Given ownership patterns, this is currently almost unthinkable for most car manufacturers.

These three cooperative models – between the manufacturer and its NSC – can enable companies to reduce internal resistance to planning – even *before* processes are standardized. It is central to winning people over for the final standard processes. To do this, you need a step-by-step introduction plan whereby each stage of the plan is designed to help overcome objections.

■ The first step is an international stock-taking exercise to see how brand management works at present.

■ Next, the company should identify the areas in which it could cooperate. It then creates

new standardized processes hand-in-hand with responsibilities. To gain acceptance at this early stage, it needs to keep processes simple and demonstrate to NSC what is in it for them.

■ As the plan progresses there should be built-in back-checks. The first time round, it is not so much about restructuring the organization as allowing people to adjust to the new way of thinking. Once the company has established common KPIs and fundamental planning procedures, it can move on to the higher, organizational structure and the allocation of responsibilities.

■ Once the project team has worked up first-stage guidelines and organizational structures, it can then use the launch of a new model to introduce the new approach to the other NSC. From now on, every time the company goes through the planning process, the standardization process can be spread out step-by-step to encompass all activities within the planning process.

When standardizing processes, it is particularly important to use the right management information system. A good example of this is the *Renault Trucks Media Center* which provides NSC with online access to a variety of information on global brand communication, such as competitive advertising, briefings, press ads and pictures (see figure 4). Next step would be to develop an internal social media platform. Introducing the Media Centre at Renault Trucks actually paved the way for the standardization of processes and content. Five years later, the database is used by 90 percent of Renault Trucks NSC. Indeed, prior to its introduction the company recognized that the dialogue with their NSC had not come about as a result of international brand management – it was a prerequisite. ◀

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