Thinking locally, thriving globally

Brand expert Nigel Hollis explains what makes a brand truly global

by Natasha Nicholson

In his 2008 book *The Global Brand* (Palgrave Macmillan), Nigel Hollis, executive vice president and chief global analyst for the brand research firm Millward Brown in New York City, explored how brands can transcend their national and cultural origins to become truly global. CW Executive Editor Natasha Nicholson talked with Hollis about how companies can build their brands globally while staying relevant locally.

Natasha Nicholson: What makes a strong global brand? How do you define it?
Nigel Hollis: I define a strong global brand as one that has transcended its cultural origins to develop strong relationships with consumers across different countries and cultures. Inherent and universal appeal is rare, which perhaps helps explain why there are so few true global brands, let alone strong global brands.

To meet my definition of global, brands had to be measured by Millward Brown’s BrandZ equity study—a competitive comparison of more than 50,000 brands, based on the evaluations of consumers and professionals from categories in which they shop—in six or more countries. While these standards are not stringent by any means, by my calculations, only 4.5 percent of the brands surveyed could be characterized as global. On average, these global brands were measured in 13 different countries, representing a wide range of cultures. However, that does not mean that they are strong everywhere. Very few brands are strong in more than a few countries. As a result, brands like Google, Nokia, Colgate, Coca-Cola and McDonald’s are the exception, not the rule.

NN: What are the elements required to develop a strong global brand?
NH: The brands I just mentioned are clear examples of strong global brands. These brands stand for something. What they stand for may vary depending on the country and competitive context, but they stay true to their origins and promises. And they are not easily confused with their competition. They have special meaning in people’s
global branding

“...minds that cannot be easily duplicated.

It is difficult to generalize beyond this, because how a brand goes to market and how it crafts its communication depend on the brand itself, its competitive context and the culture in each country it enters. Management philosophy also plays a role. Traditionally, a company like Nestlé has allowed significant regional flexibility in how its brands are marketed, compared with a brand like Gillette, which has previously taken a more centralized approach to managing and marketing its brands.

NN: In your book you talk about identifying a global brand promise. Could you give some advice on how to do this in a way that resonates with a variety of cultures?

NH: Identifying a promise or positioning that will appeal across countries and cultures is difficult in the best of times. It requires the brand team to dig deep and not settle for superficial ideas. Research should be an integral part of the process, because you cannot assume that what resonates well in one culture will do so in another.

For example, since 2000, Johnnie Walker’s “Keep Walking” campaign has been credited with uniting perceptions of the brand and boosting sales around the world. The concept of progress allowed Johnnie Walker to transcend market differences to inspire men throughout the world. But that insight did not come overnight. The whisky category has always represented masculine success, but it took two years and qualitative research conducted on a global scale to identify that the definition of male success was shifting from attainment of overt status to self-improvement. By contrast, Dove’s Campaign for Real Beauty resonated well in independent-minded Western cultures but failed to engage women in China and Japan, where more traditional views of feminine beauty still hold strong.

NN: What are some examples you’ve seen of global brands successfully integrating into local markets? Are there some cases in which local brands will always prevail?

NH: First, I must mention that not every brand needs to integrate into the local culture to the same degree. Food brands are often the most embedded in local culture because some flavors and ingredients are so specific to their countries of origin that it can take a long time for a [non-local] brand to become truly integrated. On the other hand, technology brands are largely new to everyone and therefore may not need to adapt their products. A good example is Apple’s iPod, which is the same wherever you buy it.

However, when it comes to marketing communications, all companies benefit from considering the impact of culture on their products. Communication is an integral aspect of culture, and goes far beyond translations and idioms. Humor, values and references all differ. Apple, for instance, may not need to adapt its hardware, but it does produce country-specific versions of its “Mac versus PC” television ads.

McDonald’s has become a very successful brand around the world in the last decade. A couple of years ago, the then-CMO of McDonald’s, Mary Dillon, explained that success by saying, “People’s need for what we have to offer, convenience and value, has grown.... To truly connect with communities, you have to be local.” McDonald’s, therefore, has adapted its offering around the world. While it maintains the name, brand promise and logo, it adapts the rest of its offer to meet local needs. In Brazil it is an upscale delivery service, in Germany its coffee shops outsell Starbucks, and in India it sells the Chicken Maharaja Mac. Given time, there is a good chance that McDonald’s will be familiar to so many people around the world that they will not even think about its American heritage.

After 80 years, Coca-Cola is well on its way to such status in Mexico. One in two Mexicans are willing to agree that Coca-Cola is part of their national culture. But this is not just a function of time: Coca-Cola has become expert at blending globally successful campaigns with local executions, which are more culturally specific. A Coca-Cola ad featuring a young boy play-fighting a caped and masked Mexican wrestler is a clear example of this concept. Globally, the theatrical antics of the ad would not resonate. But in Mexico, it demonstrates knowledge of local culture and enhances the larger global campaign.

NN: What are some factors that can stand in the way of developing a successful global brand, and...
how can organizations overcome them?

NH: I’ve mentioned the challenge of local tastes when it comes to food, but there are many other differences that a brand might need to take into account when it comes to its product or service. Is it actually relevant to people’s needs and desires? For example, Proctor & Gamble expected that the fabric refresher Febreze would do well in Japan, because the Japanese are highly sensitive to odors. However, initial research results were disappointing. A positive response from a small minority of respondents encouraged P&G to try again, but substantial adaptation was required. The P&G team changed the viscosity of the product. They changed the fragrance to a very low-profile scent. They changed the bottle to a design in keeping with the Japanese aesthetic. They changed the spray pattern to a mist. Although only the core technology of the product remained the same, adaptation allowed the brand to become a success.

Another important element is the value equation. If a brand is content to market to the wealthy urban consumers within an emerging economy, then it may not need to adapt anything. If, however, the brand is to extend its appeal beyond that group, the company will need to find a way to make the brand more affordable. There are some tried-and-tested tactics, like making pack sizes smaller so that a unit costs less, but that only works in select categories. Other brands must develop more creative solutions. In India, for instance, Levi’s is a very popular but aspirational brand, costing at least five times what a local product might. In order to make the brand more accessible, they have introduced a three-month installment plan. Nokia has been incredibly successful producing very cheap phones with basic functionality, and this has allowed it to capture the lion’s share of the mobile-phone market in India and China.

NN: What advice would you give a global brand that’s trying to “go local”?

NH: Don’t assume that what worked at home will work abroad. All too often, small changes in expectation can make a big difference. The British retailer Tesco has not had great success with its Fresh and Easy stores in the U.S. Why? The layout, the product choice and even the definition of “fresh” were different from what people expected. Don’t trust your instinct. When dealing with consumers of a different culture, it is very easy for marketers to overlook critically important aspects of that culture simply because they do not relate to it. Research, listening and an appreciation of other cultures are vital components of an effective globalization program. Don’t assume everyone who works on the brand is on the same page. Distance breeds disinformation and distrust. It is all too easy to wonder about someone’s motives and understanding when they are based a thousand miles away and face a very different marketplace. You have to find ways to bridge that communication gap effectively if the brand is to thrive. Part of that comes down to making sure people on the brand team physically spend time together. Only when they know each other personally will they start to trust each other.

NN: How has the recession affected global brands that are trying to assert a local presence? Are local markets less trusting of global brands?

NH: In part, this is less a question about brands than it is about price point and the strength of the brand. McDonald’s was very well positioned to grow its sales and market share during the recession. Luxury brands did not fare so well.

NN: Given the fragmentation of audiences that trends like social media have brought about, and the sheer volume of information that customers have access to, is the global brand still relevant?

NH: I have argued that the global, one-size-fits-all brand is more a myth than a reality. Strong global brands that have discovered when to remain consistent and when to adapt ought to be well suited to the new digital world. After all, as the Internet becomes more localized, with more local content and local language sites, brands are going to be forced to adapt online and off. Strong brands often have iconic properties so that they stand out in a welter of information. Technology may have given consumers access to a wealth of information, but it has not given people the capacity to wield that power effectively. They need help finding their way through the morass of online content. As long as global brands remain shortcuts to meaning, they will remain very relevant.

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about the author

Natasha Nicholson is executive editor of Communication World.