

Realizing Global Brand Leadership

By Doris Walczyk

The classification of marketing as either local or global is a practice that should be made obsolete. Even when strategies are directed and implemented for a local consumer audience, we should now view all brand-marketing efforts as global. The technological toys and tools of the information age have been creating a global community of potential consumers, enabling just about anyone to find anything, anywhere, at any time. As a result, whether companies mean to target certain groups of consumers or not, it is no longer always up to the marketer to decide who has access to a particular brand.

Colleagues who've been toiling away in smaller markets like Sweden and Finland – too small to sustain a competitive advantage solely within their own borders – understand better than most and can show us a great deal about integrative global thinking. By introducing brands that have become giants on the global stage: Nokia, IKEA and H&M, both countries have proven how successful a brand can become if it starts with a foundation of core values that resonate with multiple cultures.

Some recent global entrants, all in this case from Spain, have proven the model can work even for new brands delving into a highly competitive marketplace. Zara has hit the mark with a successful formula that combines high fashion with value pricing; and Chupa Chups has high-impact endorsements that have made it the number-one-selling brand of lollipops in the world. Mango, a fashion retailer that launched in Barcelona as a clothing street trader has grown to almost 600 stores in 68 countries.

According to marketing professor Diego Torres from ESADE, Barcelona, all these Spanish companies have one important element in common: they all started out with high goals, defining their market as the world. In other words, while they worked for many years to refine their business before launching internationally, their ambitions were always global.

A Need For Integrative Thinking

While the U.S. is still perceived by many global consumers to be the leader in most areas of pop culture, in reality Europe, Asia and Latin America all serve as new breeding ground for cutting-edge marketing, entertainment and fashion trends. Moreover, brands associated with American culture – once a considerable asset – are coming under increasing pressure; their once-golden images now inadvertently affected by associations to American corporate scandals and unpopular policies abroad.

As a result, some of these brands will have to fight much harder to maintain popularity among potentially new incoming brands that have been founded on a broader appeal.

Creating strategies in isolation, or within a narrow universe, is unlikely to generate ideas that resonate with the global consumer or have much of a chance in today's hyper competitive marketplace. A strategic understanding of a brand's potential global acceptance requires more than merely a piece of secondhand research. Engagement in the subject at a more holistic, deeper level is one of the most important conditions for success.

Sweet Success

Chupa Chups, a family owned Spanish company, is the world's largest manufacturer of lollipops. The 45-year-old company was able to reach this position in the past few years by looking at the world as its overall potential marketplace, and setting out to establish Chupa Chups as the premier brand of lollipops around the globe.

Though global in nature, the strategy is simple and very cost effective. Celebrities from all around the world are caught on photos or film while sucking on the Chupa Chups sucker, given to them for the purpose of product trial. The product placement does not cost the company anything and, while the footage can never be used in advertising, celebrity-obsessed media readily transmits it.

Another strategy that has contributed to the brand's global success is flavor customization. Lollipops flavored with jasmine and green tea are popular in China; others include mango and chili pepper in Mexico; orange with extra vitamin C in Russia and date in the Middle East. In developed markets the focus is on exotic flavors such as margarita, pina colada, cappuccino and mocha. Today 90% of sales for Chupa Chups come from outside of Spain and the brand currently sells in 170 countries with over 40 flavors.

Coming Out Ahead

There is no reason why U.S. brands should fall behind in taking advantage of untapped opportunities within the global marketplace. If, however, we do not take a broader approach to marketing, we might either miss some great opportunities or we'll have to spend greater amounts of money to stay ahead of more aggressive foreign competitors.

By widening the universe in which the brand will inevitably reside, marketers can be more proactive and avoid a narrow perspective that could potentially put their brand in a vulnerable or limited position.

References:

- (1) *Fast Company* December 2002, "These Lollies Are About to Go Pop", by Ian Wylie.
- (2) Mareike de Mooj et al. *Global Marketing and Advertising - Understanding Cultural Paradoxes*, 1998 Sage Publications.

Doris Walczyk, formerly Business Development Director, Latin America at DDB Worldwide is currently with Keck Garrett Associates, a Chicago-based brand strategy design firm. Doris has 10 years of domestic and international experience related to brand strategy and consumer research. She holds an MS degree from Northwestern University in Marketing Communication and is adjunct professor at Dominican University's School of Business in River Forest. She is fluent in four languages.