

**CHAPTER 14:
MANAGING BRANDS OVER GEOGRAPHIC
BOUNDARIES AND MARKET SEGMENTS**

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Regional Market Segments

- Regionalization is an important recent trend that, perhaps on the surface, seems to run counter to globalization.
- Reasons for regional marketing
 - Need for more focused targeting
 - The shift from national advertising to sales promotions
- Drawbacks
 - Production headaches
 - Marketing efficiency may suffer and costs may rise

Other Demographic and Cultural Segments

- For example, the importance for marketers to consider age segments and how younger consumers can be brought into the consumer franchise
- As another example, the 2000 census revealed that Asians and Hispanics accounted for 79 million of 281 million people in the United States and an estimated \$1 trillion in annual purchasing power.

Rationale for Going International

- Perception of slow growth and increased competition in domestic markets
- Belief in enhanced overseas growth and profit opportunities
- Desire to reduce costs from economies of scale
- Need to diversify risk
- Recognition of global mobility of customers

Advantages of Global Marketing Programs

- Economies of scale in production and distribution
- Lower marketing costs
- Power and scope
- Consistency in brand image
- Ability to leverage good ideas quickly and efficiently
- Uniformity of marketing practices

Disadvantages of Global Marketing Programs

- Differences in consumer needs, wants, and usage patterns for products
- Differences in brand and product development and the competitive environment
- Differences in the legal environment
- Differences in marketing institutions
- Differences in administrative procedures

Standardization vs. Customization

- According to Levitt, because the world is shrinking—due to leaps in technology, communication, and so forth—well-managed companies should shift their emphasis from customizing items to offering globally standardized products that are advanced, functional, reliable, and low priced for all.

Standardization vs. Customization

- Blending global objectives with local or regional concerns
- “Think global. Act local.”
- A global brand has a clear consistent equity across geographies: same positioning, same benefits plus local tailoring if needed

Global Brand Strategy

To build brand equity, it is often necessary to create different marketing programs to address different market segments.

- Identify differences in consumer behavior
 - How they purchase and use products
 - What they know and feel about brands
- Adjust branding program
 - Choice of brand elements
 - Nature of supporting marketing program
 - Leverage of secondary associations

Building a Global Brand

- How valid is the mental map in the new market?
 - What is the level of awareness?
 - How valuable are the associations?
- What changes need to be made to the mental map?
- By what means should this new mental map be created?

Global Customer-Based Brand Equity

- To build customer-based brand equity, marketers must:
 1. Establish breadth and depth of brand awareness
 2. Create points-of-parity and points-of-difference
 3. Elicit positive, accessible brand responses
 4. Forge intense, active brand relationships
- Achieving these four steps, in turn, requires establishing six core brand building blocks.

Core Brand Building Blocks

- Creating brand salience
- Developing brand performance
- Crafting brand image
- Eliciting brand responses. Example: positive brand judgments
- Creating brand feelings
- Cultivating resonance

Questions for Global Branding

Positioning

- How valid is the mental map in the new market? How appropriate is the positioning? What is the existing level of awareness? How valuable are the core brand associations, points-of-parity, and points-of-difference?
- What changes should we make to the positioning? Do we need to create any new associations? Should we *not* re-create any existing associations? Should we modify any existing associations?
- How should we create this new mental map? Can we still use the same marketing activities? What changes should we make? What new marketing activities are necessary?

Building Global Customer-Based Brand Equity

- In designing and implementing a marketing program to create a strong global brand, marketers want to realize the advantages of a global marketing program while suffering as few of its disadvantages as possible

Ten Commandments of Global Branding

1. Understand similarities and differences in the global branding landscape
2. Don't take shortcuts in brand building
3. Establish marketing infrastructure
4. Embrace integrated marketing communications
5. Cultivate brand partnerships
6. Balance standardization and customization
7. Balance global and local control
8. Define operable guidelines
9. Implement a global brand equity measurement system
10. Leverage brand elements