AAM
Business School

Product & Brand Management

III SEMESTER

(Approved by Alagappa University)

Table of Contents

Requirements of a Brand Manager: 6

Role of Brands: 6

Scope of Branding: 8

Strategic Brand Management Process: 8

The strategic brand management process involves the design and implementation of marketing programs and activities to build, measure, and message brand equity. Developing a strategy that successfully sustains or improves brand awareness, strengthens brand associations, emphasizes brand quality and utilization, is a part of brand management. 8

Strategic Brand Management Process 9

Identify and Establish Brand Positioning and Values 10

The role of a brand manager: 10

What activities are part of the brand manager role? 10

What qualifications are needed to become a brand manager? 10

What key attributes do brand managers typically have? 11

Co-branding - Meaning, Types and Advantages and Disadvantages: 11

What is Co-branding 11

Types of Co-branding: 11

Advantages and Disadvantages of Co-branding: 12

1.) Define Your Brand 13

2.) Differentiate and Position Your Brand 13

3) Build and Expose your Brand 14

4.) Personalize your Brand 14

Brand positioning – a simple definition: 15

How to find a powerful brand positioning (3 simple steps)? 15

Branding Gets Recognition 16

Branding Increases Business Value 16

Branding Generates New Customers 16

Improves Employee Pride And Satisfaction 16

Creates Trust within The Marketplace 17

Branding Supports Advertising 17

The Role of Packaging in Brand Identity—Not Just for Consumer Brands: 17

Brand Equity: 19
How Brand Equity Develops 19
Examples of Positive Brand Equity 19
Examples of Negative Brand Equity 20
Building Customer Loyalty 20
Overview 21
Top branding services that support marketing efforts 26
1. Logo design 27
2. Brand messaging 28
3. Brand positioning 30
4. Brand voice 31
5. Style guide 31
6. Social media branding 32
Types of Branding Strategies (7 Types) 34
Personal Branding 34
Product Branding 34
Corporate Branding 34
Service Branding 35
Co-Branding 35
Online Branding 35
No-Brand Branding 35
How Brand Extension Works: 38
Real World Examples of Brand Extension: 38
Benefits of Globalization: 41
1. Access to New Cultures 41
2. The Spread of Technology and Innovation 41
3. Lower Costs for Products 41
4. Higher Standards of Living Across the Globe 41
5. Access to New Markets 41
6. Access to New Talent 41
Challenges of Globalization: 42
1. International Recruiting 42

2. Managing Employee Immigration 42
3. Incurring Tariffs and Export Fees 42
4. Payroll and Compliance Challenges 42
5. Loss of Cultural Identity 42
6. Foreign Worker Exploitation 43
7. Global Expansion Difficulties 43
8. Immigration Challenges and Local Job Loss 43
How Globalization Changes Your Daily Businesses Operations: 43
1. Global Communication Challenges 43
2. International Employee Expectations 44
3. Supporting Foreign Customers 44
4. Increased Competition 44
5. Marketing and Communication Changes 44
Go Global with the Right Partner 44

35 A Product and Brand Management

Course Content:

Module I: Introduction : Role of Brands, Brand elements, Scope of Branding, ; Strategic Brand Management process; Role of Brand Manager : Budgeting& Planning, Co Branding in Brand Management

Module II: Brand Building: Sources, brand positioning, role of brand elements, IMC, Primary and Secondary brand association in building brands, Role of Packaging in building brands.

Module III: Measuring Brand Equity: Brand equity concept, Role of Brand equity in Marketing Metrics system, Brand equity models – Brand asset valuator, Customer based brand equity, Brand Dynamics Pyramid, Brand resonance Pyramid, Brand Value chain. Marketing Performance Management for Brands, CD/CI – Corporate Design and Corporate Identity Guidelines, Branding Services, ROI of a brand.

Module IV: Growing & Sustaining Brands: Branding strategies - Product Brand matrix, Brand hierarchies, Brand extension, Reinforcement and Revitalization

Module V: Global Branding : Rationale for Going International, Global Branding strategy, Challenges & opportunities for globalizing the Brand, Standardization versus Customization, Emerging versus Developed Markets, Building Global Customer-Based Brand Equity, Legal Issues in Branding – trade marks

Text Book:

KevinLane Keller, (2008) ," Strategic Brand Management, Building, Measuring and Managing Brand Equity", Pearson Publishing

MODULE 1

Brand management is a function of marketing that uses techniques to increase the perceived value of a product line or brand over time. Effective brand management enables the price of products to go up and builds loyal customers through positive brand associations and images or a strong awareness of the brand.

Developing a strategic plan to maintain brand equity or gain brand value requires a comprehensive understanding of the brand, its target market, and the company's overall vision.

Requirements of a Brand Manager:

A brand manager is tasked with managing the tangible and intangible properties of a brand. The tangible aspects of a company's brand include the product's price, packaging, logo, associated colors, and lettering format.

A brand manager's role is to analyze how a brand is perceived in the market by taking the intangible elements of a brand into account. Intangible factors include the experience that the consumers have had with the brand and their emotional connection with the product or service. The intangible characteristics of a brand build brand equity.

Brand equity is the price above the product's value that consumers are willing to pay to acquire the brand. Brand equity is an internally generated intangible asset in which its value is ultimately decided by consumers' perception of the brand. If consumers are willing to pay more for a brand than a generic brand that performs the same functions, the brand equity will increase in value. On the other hand, the value of brand equity falls when consumers would rather purchase a similar product that costs less than the brand.

Role of Brands:

A brand is a product or service which help the organisation differentiate their products or services from others. The role of brand come in critical for the organisation as it translates into loyalty and higher margins in the long run.

The differentiation of a brand can be:

1. Related to Product Performance : e.g. Gillette, Merck, Sony, 3M
    1. Functional
    2. Rational
    3. Tangible
2. Related to Brand Identity: e.g. Coca-Cola, Calvin Klein, Gucci, Tommy Hilfiger, Marlboro
    1. Symbolic
    2. Emotional
    3. Intangible

Building a Brand helps both the consumer and the manufacturer creating a win-win situation for both the parties.

Benefits of Brand for the consumer

1. It helps to identify the source of manufacturer of the product and simultaneously assigns a responsibility towards an organization for the branded product.
2. Experience of customers with products of same brand help them to quickly decide whether they will want to go with their purchase decision or not making their decision easier.
3. Brands bring with them a certain level of quality assurance.

Benefits of Brand for the firm

1. For a firm, the brand provides legal protection towards unique features or aspects of the product.
2. Brand loyalty helps organization to retain their existing customers when diversifying from one line of products to other. It provides security of demand and creates barrier for other manufactures to easily tap existing customers.
3. Firms can charge a premium for owning a brand boosting profit on every sale.
4. Product can be copied, but brand cannot. Once a brand is established, it's the invaluable asset for an organization.
5. A well established brand adds towards the overall value of the firm while calculating its net worth.

Scope of Branding:

A brand is a perceptual entity that is rooted in reality but reflects the perceptions and perhaps even the idiosyncrasies of consumers. Ultimately a brand is something that resides in the minds of consumers. Therefore the scope of branding expands beyond boundaries.

To successfully brand a product it is necessary to teach consumers:

1. Who the product is.
2. What the product does.
3. Why consumers should choose that particular brand.

A branding strategy shall be considered successful only when the consumers have an answer to the above three questions which is strong enough to make them believe that there are significant differences in the products or services provided by a brand than others. Making sure the above three takes deep understanding of consumer and therefore the scope of branding becomes critical

The concept of branding can be applied to:

1. Physical Goods – e.g. Parle-G biscuits, Tata Tea, Maruti SX4 etc-
2. Services – e.g. Indigo Airlines, ICICI Bank etc-
3. Stores – e.g. Future Retail, Central, 99 Store, Amazon etc-
4. Person – e.g. Sachin Tendulkar, Amitabh Bacchhan etc-
5. Place – e.g. Gujrat Tourism, Incredible India etc-
6. Organization – e.g. The Rolling Stones
7. Idea – e.g abortion rights, free trade, or freedom of speech
8.

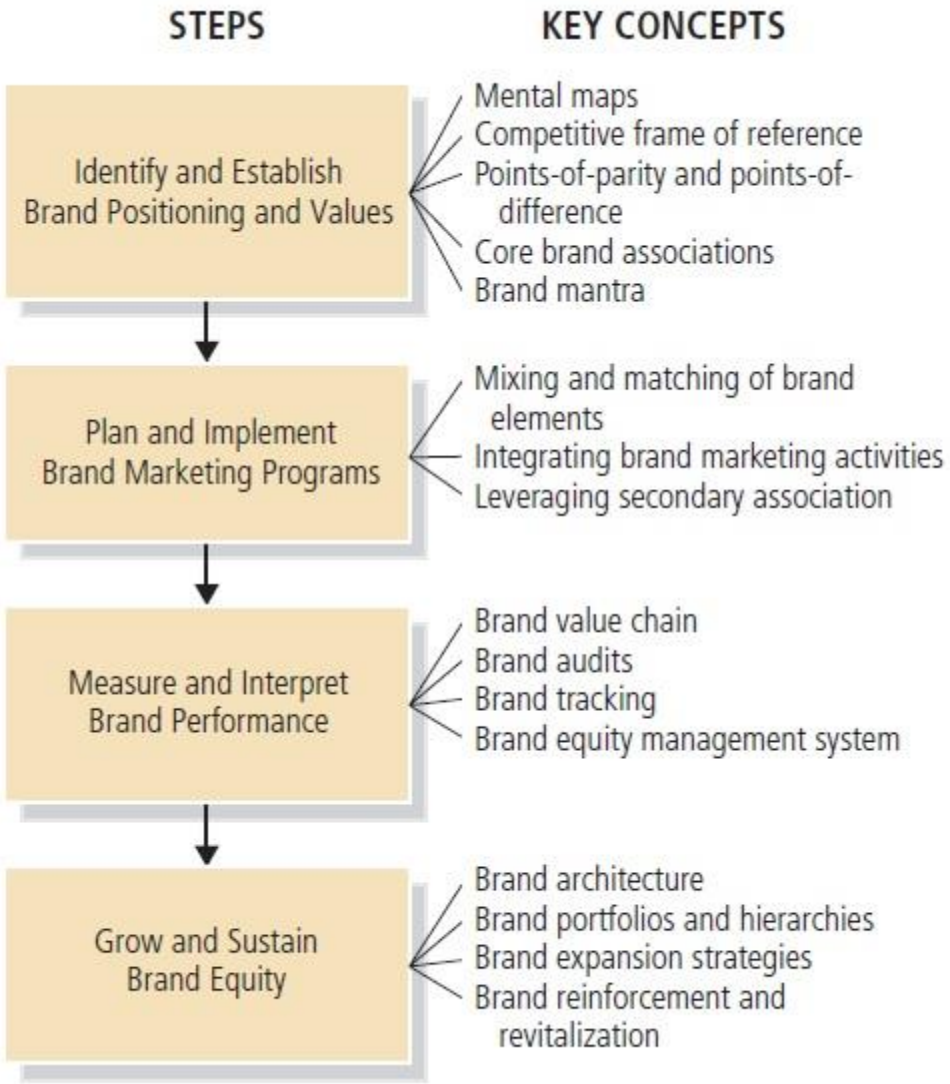
Strategic Brand Management Process:

The strategic brand management process involves the design and implementation of marketing programs and activities to build, measure, and message brand equity. Developing a strategy that successfully sustains or improves brand awareness, strengthens brand associations, emphasizes brand quality and utilization, is a part of brand management.

Strategic Brand Management Process

It is important for creating and sustaining brand equity. Developing a strategy that successfully sustains or improves brand awareness, strengthens brand associations, emphasizes brand quality and utilization, is a part of brand management.
Strategic Brand Management Process has four main steps:

1. **Identify and Establish Brand Positioning and Values**
2. **Designing and implementing brand marketing programs**
3. **Measuring and interpreting brand performance**
4. **Growing and sustaining brand equity**



Identify and Establish Brand Positioning and Values

The first step of the strategic brand management process starts with a clear and concise understanding of what the brand is to represent and how it should be positioned with respect to competitors.

Brand Positioning is defined as "the act of designing the company's offer and image so that it occupies a distinct and valued place in the target consumer's mind." - Philip Kotler

The role of a brand manager:

A Brand Manager is responsible for adapting a brand strategy for a company's target market.

As the 'brand guardian', brand managers maintain brand integrity across all company marketing initiatives and communications, and may manage a portfolio of products.
Brand managers have strong communication skills and need to maintain good relationships with colleagues and external contacts.

What activities are part of the brand manager role?

- Brand strategy, including the setting of style guides, brand guidelines, brand vision and value proposition for short as well as long term
- Planning and execution of all communications and media actions on all channels, including online and social media
- Assisting with product development, pricing and new product launches as well as developing new business opportunities
- Creating and managing promotional collateral to establish and maintain product branding
- Managing the budget for advertising and promotional items
- Competitor and customer insights analysis
- Analysis of sales forecasts and relevant financials and reporting on product sales

What qualifications are needed to become a brand manager?

Brand managers tend to be degree qualified with a relevant major and/or have several years' demonstrable marketing experience in a similar environment.

To achieve this position employers might expect you to have a degree in Business, Advertising and Marketing, Economics or Engineering from a first line school, be fluent in English and have a post-graduate qualification or MBA.

Brand managers have strong communication skills and need to maintain good relationships with colleagues and external contacts. They have a hands on attitude, and are analytical and ambitious. Possession of these qualities will assist you to obtain a brand manager position.

What key attributes do brand managers typically have?

Key personal attributes for a successful brand manager include:

- Brand awareness - a clear understanding of brands and the marketing mix
- Determination and perseverance
- Relationship management skills
- A strong focus on results
- A high degree of business acumen

Co-branding - Meaning, Types and Advantages and Disadvantages:

What is Co-branding

Co-branding is the utilization of two or more brands to name a new product. The ingredient brands help each other to achieve their aims. The overall synchronization between the brand pair and the new product has to be kept in mind. Example of co-branding - Citibank co-branded with MTV to launch a co-branded debit card. This card is beneficial to customers who can avail benefits at specific outlets called MTV Citibank club.

Types of Co-branding:

Co-branding is of two types: **Ingredient co-branding** and **Composite co-branding**.

1. **Ingredient co-branding** implies using a renowned brand as an element in the production of another renowned brand. This deals with creation of brand equity for materials and parts that are contained within other products. The ingredient/constituent brand is subordinate to the primary brand. For instance - Dell computers has co-branding strategy with Intel processors. The brands which are ingredients are usually the company's biggest buyers or present suppliers. The ingredient brand should be unique. It should either be a major brand or should be protected by a patent. Ingredient co-branding leads to better quality products, superior promotions, more access to distribution channel and greater profits. The seller of ingredient brand enjoys long-term customer relations. The brand manufacture can benefit by having a competitive advantage and the retailer can benefit by enjoying a promotional help from ingredient brand.
2. **Composite co-branding** refers to use of two renowned brand names in a way that they can collectively offer a distinct product/ service that could not be possible individually. The success of composite branding depends upon the favourability of the ingredient brands and also upon the extent on complementarities between them.

Advantages and Disadvantages of Co-branding:

Co-branding has various advantages, such as - risk-sharing, generation of royalty income, more sales income, greater customer trust on the product, wide scope due to joint advertising, technological benefits, better product image by association with another renowned brand, and greater access to new sources of finance. But co-branding is not free from limitations. Co-branding may fail when the two products have different market and are entirely different. If there is difference in visions and missions of the two companies, then also composite branding may fail. Co-branding may affect partner brands in adverse manner. If the customers associate any adverse experience with a constituent brand, then it may damage the total brand equity.

MODULE 2

Brand Building:

Brand building is the process of generating awareness and promotion of the services of a company through direct advertising campaigns or through sponsorship. Brand building strategies bring consumers closer to the brand and provide value for them so that they can know, feel and experience the brand.
There is no one definition that actually captures the essence of **brand building** in its entirety. Many people think that brand building is all about communicating and exposing your brand. That is just one side of it. The best way we can define it is that it is a ***process of creating value to consumers***. It encompasses all things that consumers know, feel, and experience about your business in its entirety.
Having defined brand building, we shall now look at 3 popular types of brands and what they stand for.

- **Service brand-** this brand is built on knowledge, culture, and experience that one has with the service delivering agency/company/people. Think of Geek Squad or Molly Maid.
- **Retail brand-** this brand is built on a mixture of products and service experience. Think of Chick-fil-a, Kroger, or KFC
- **Product brand-** is built on the experience that one has with a specific product. Think of Nike, Ford, or Sony.

Having looked at the 3 popular types of brands, we shall now proceed to look at steps involved in brand building.

1.) Define Your Brand

The first stage in brand building is defining your brand. This is a very critical step as it ultimately determines what your brand truly stands for. When defining your business brand, you should create a checklist of its core strengths. Similarly, if you're defining a personal brand, you should look at the skills and expertise that you possess especially those which stand out. On the same token, you also need to know what your brand stands for and what is important for your brand (brand values). Your values should in one way or another show that you are contributing to environmental, social, and economic well-being of consumers. You may not realize some of these important aspects of brand building immediately, until you look at them objectively.

2.) Differentiate and Position Your Brand
Before embarking on brand building, you have to take time to differentiate it so that you can attract attention and stand out from competitors. To differentiate your brand, you have to create a unique advantage in the mind of consumers not merely getting attention by brand building colors or logos or other superficial elements. Once you come up with a unique value

proposition, you should use a good branding strategy to position your brand in a way that will help consumers see and appreciate the greater value of your brand over competing ones in the market.

3) Build and Expose your Brand

As I indicated earlier, brand building is not a one off thing. Building a unique and powerful personal or business brand takes time and consistency. To build your personal brand, you have to keep reinforcing your values and skills by taking up new roles and assignments that will give you more exposure. Alternatively, you can use promotional channels, blogs, forums, and social media (LinkedIn, Twitter and Facebook) to create a voice for your personal or business brand.

When building your brand, you should also endeavor to develop brand personality (what people know, think, and say about you). This is what drives or motivates people to identify with and engage with your brand. The truth is; if you execute your **brand building** strategies consistently, then you will easily establish a pattern that will forever be associated with your brand name.

4.) Personalize your Brand

If you want your *brand building campaign* or brand to be successful, then you have to personalize it. It is important to give your brand an identity. Let consumers see and experience the personality of your brand in its entirety. Look at your brand as something that a consumer wants to identify with pretty much as they would with their favorite cars, cellphones, or computers.

As you engage in brand building, you should also invite customers to be co-creators of brand values so that they can feel that they also own it and relate with it. Top brands encourage consumer-brand interaction by personalizing products to meet the needs and preferences of consumers. When you personalize your brand, you give consumers reason to participate and engage with your brand for a lifetime.

5.) Review Your Brand

Your brand is not static; it will go through a range of motions in its lifetime. Depending on your brand strategies, your brand will either grow in strength, or remain dormant, or recede with time. In the brand cycle, new events, changes, and circumstances bring challenges and opportunities to enhance the value of your brand or re-establish it. All these possibilities should give you the impetus to take charge of your brand building activities.

As your brand name grows, so do the responsibilities and expectations to continue with brand building. The best way of ensuring brand growth is reviewing your activities and evaluating your successes through metrics such as levels of brand awareness and levels of engagements. Regular reviews will help you seize and exploit new opportunities while upholding your commitment to remain true to your vision and brand strategy. It will also help you steer your brand in the right direction and keep it relevant as you move into the future.

As you can see, brand building is not a one off thing. You have to define your brand, differentiate, present it, and review what your brand stands for from time to time. It is very important to be clear about your branding strategies and how you're going to implement them. You should also adopt brand strategies that will add value to your consumers and help them develop the right impression of your company and what it truly stands for.

Brand positioning – a simple definition:

Brand positioning has been defined by Kotler as "the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market". In other words, brand positioning describes how a brand is different from its competitors and where, or how, it sits in customers' minds.

A brand positioning strategy therefore involves creating brand associations in customers' minds to make them perceive the brand in a specific way.

Why is brand positioning important?

By shaping consumer preferences, brand positioning strategies are directly linked to consumer loyalty, consumer-based brand equity and the willingness to purchase the brand. Effective brand positioning can be referred as the extent to which a brand is perceived as favorable, different and credible in consumers' minds.

How to find a powerful brand positioning (3 simple steps)?

Step 1: In order to create a unique and successful positioning for your brand, you need to analyze the following:

1. Understand what your **consumers** want
2. Understand what your company's and brand **capabilities** are
3. Understand how each **competitor** is positioning their brand

Step 2: Once you've done that, you will need choose a positioning statement that:

1. Will resonate with your **consumers**
2. Can be delivered by your company (**capabilities)**
3. That is different from your **competitors**

An easy way to define a brand positioning statement is to summarize it in three words. For example, "vegan, traditional & feminine". Try not to choose generic words such as "quality-products, unique, successful" because this is the aim of every brand.

Step 3: The remaining challenge is to then reflect this brand positioning in everything that you do (brand personality, packaging design, product, service, visual identity design, communications, etc).

IMPORTANCE OF BRANDING:

Branding is absolutely critical to a business because of the overall impact it makes on your company. Branding can change how people perceive your brand, it can drive new business and increase brand awareness.

Branding Gets Recognition

The most important reason branding is important to a business is because it is how a company gets recognition and becomes known to the consumers. The logo is the most important element of branding, especially where this factor is concerned, as it is essentially the face of the company.

This is why a professional logo design should be powerful and easily memorable, making an impression on a person at first glance. Printed promotional products are a way of getting this across.

Branding Increases Business Value

Branding is important when trying to generate future business, and a strongly established brand can increase a business' value by giving the company more leverage in the industry. This makes it a more appealing investment opportunity because of its firmly established place in the marketplace.

Branding Generates New Customers

A good brand will have no trouble drumming up referral business. Strong branding generally means there is a positive impression of the company amongst consumers, and they are likely to do business with you because of the familiarity and assumed dependability of using a name they can trust. Once a brand has been well-established, word of mouth will be the company's best and most effective advertising technique.

Improves Employee Pride And Satisfaction

When an employee works for a strongly branded company and truly stands behind the brand, they will be more satisfied with their job and have a higher degree of pride in the work that they do. Working for a brand that is reputable and help in high regard amongst the public makes working for that company more enjoyable and fulfilling. Having a branded office, which can often help employees feel more satisfied and have a sense of belonging to the company, can be achieved through using promotional merchandise for your desktop.

Creates Trust within The Marketplace

A professional appearance and well-strategised branding will help the company build trust with consumers, potential clients and customers. People are more likely to do business with a company that has a polished and professional portrayal.

Being properly branded gives the impression of being industry experts and makes the public feel as though they can trust your company, the products and services it offers and the way it handles its business.

Branding Supports Advertising

Advertising is another component to branding, and advertising strategies will directly reflect the brand and its desired portrayal. Advertising techniques such as the use of promotional products from trusted companies such as Outstanding Branding make it easy to create a cohesive and appealing advertising strategy that plays well into your branding goals.

The Role of Packaging in Brand Identity—Not Just for Consumer Brands:

Packaging design is a critical component in building a brand's image and identity. Anyone marketing to consumers already operates from this paradigm. The same holds true though for the commercial marketplace. Whether it's a cosmetic product, or a 5-gallon pail of commercial paint, the packaging offers a huge opportunity to positively impact a brand's image. But what we frequently hear from many business-to0business companies is, "the packaging doesn't really matter, our customers place their orders via catalog". Or in other words, they don't need the package to sell the product on a retail shelf.

But selling is only one function that a package offers. In addition to selling, packaging serves four other purposes, all of which influence how a brand is perceived:

1. Brand Identity Expression. If a product or brand is a leader in the industry or category, the design of the packaging—from sleek health & beauty products to utilitarian chemical drums— should reflect that position. High-quality printing, distinctive design that supports the brand strategy and unique materials can help engage users and differentiate a brand in today's crowded markets.

2. Relationship Building. Packaging is a core part of building a relationship between a brand and the end user, in some cases, long after the sale has been made. For example, packaging for products like toothpaste or commercial office supply products will impact how the brand is perceived every time the product is used. Is it aesthetically pleasing? Does the package make life easier (or more difficult)? A positive user experience can

encourage loyalty and even increase the amount end users are willing to pay for a product.

3. Communication. Good package design makes information easy to find. If necessary information is difficult to locate, read or otherwise use, the package is likely not living up to the expectation of the end user. Consider commercial cleaning products—the packaging doesn't need to sell the product on a retail shelf. But it absolutely must communicate (frequently in more than one language) what the product is, how it's different from other products in the line and how it should be used. Creating an experience with your brand that makes life easier and minimizes frustration will go a long way toward building loyalty.

4. Selling. If your products are marketed through consumer channels, you know the package is your last opportunity to convince someone to buy your product. But when it comes to commercial packaging, the role of selling is more subtle—you're selling the next purchase. If the primary package is one that end users interact with regularly, you have an opportunity to build favorability between your brand and the user every time they use your product.

5. Protection. The appearance and condition of a product when it reaches the customer impacts their perception of your brand. If the package is torn, crushed or otherwise defective it won't build confidence. This holds true whether it's a box of cereal, can of fruit, tube of adhesive or a toner cartridge. And it's especially important as we consider the repackaging and shipping of products sold online. So, in the quest to design unique packaging that stands out from the competition, it's important not to sacrifice function for the sake of aesthetics. Both are critical.

Packaging design offers a unique opportunity in both the consumer and business-to-business markets to influence end user and customer brand perceptions. Leveraged to its fullest, it can work hard to create and maintain a brand's competitive advantage.

MODULE 3

Brand Equity:

Brand equity is a marketing term that describes a brand's value. That value is determined by consumer perception of and experiences with the brand. If people think highly of a brand, it has positive brand equity. When a brand consistently under-delivers and disappoints to the point where people recommend that others avoid it, it has negative brand equity.

Positive brand equity has value:

- Companies can charge more for a product with a great deal of brand equity.
- That equity can be transferred to line extensions – products related to the brand that include the brand name – so a business can make more money from the brand.
- It can help boost a company's stock price.

How Brand Equity Develops

Brand equity develops and grows as a result of a customer's experiences with the brand. The process typically involves that customer or consumer's natural relationship with the brand that unfolds following a predictable model:

- Awareness – The brand is introduced to its target audience – often with advertising – in a way that gets it noticed.
- Recognition – Customers become familiar with the brand and recognize it in a store or elsewhere.
- Trial – Now that they recognize the brand and know what it is or stands for, they try it.
- Preference – When the consumer has a good experience with the brand, it becomes the preferred choice.
- Loyalty – After a series of good brand experiences, users not only recommend it to others, it becomes the only one they will buy and use in that category. They think so highly of it that any product associated with the brand benefits from its positive glow.

Examples of Positive Brand Equity

Apple, ranked by one organization as "the world's most popular brand" in 2015, is a classic example of a brand with positive equity. The company built its positive reputation with Mac computers before extending the brand to iPhones, which deliver on the brand promise expected by Apple's computer customers.

On a smaller scale, regional supermarket chain Wegmans has so much brand equity that when stores open in new territories, the brand reputation generates crowds so large that police have to direct traffic in and out of store parking lots.

Examples of Negative Brand Equity

Financial brand Goldman Sachs lost brand value when the public learned of its role in the 2008 financial crisis, automaker Toyota suffered in 2009 when it had to recall more than 8 million vehicles because of unintended acceleration, and oil and gas company BP lost significant brand equity after the U.S. Gulf of Mexico oil spill in 2010.

Achieving positive brand equity is half the job; maintaining it consistently is the other half. As Chipotle's 2015 food poisoning crisis indicates, one negative incident can nearly eliminate years of favorable brand equity.

The Brand Pyramid:

Building Customer Loyalty

When you shop in your local grocery store, there may be some brands that you don't feel any connection with.

On the other hand, you might be really passionate about other brands. For example, perhaps you drink only a certain brand of coffee, cook with a particular brand of olive oil, or use a certain brand of cell phone because, perhaps subconsciously, these products help to define "who you are."

If you're in marketing, then you'll know how important it is that your brand speaks to your customers on an emotional level. When someone feels a strong positive emotional tie with a product, that emotion creates brand loyalty, and this inspires repeat purchase.

You can use the metaphor of a journey to describe how customers move from just knowing about your brand to feeling loyal to it. So, how do you know where your customers are on this journey, and how do you encourage them along it? Do most of your customers just recognize your brand and drop it as soon as competitors put similar products on sale? Or, does your brand create a sense of personal identity and loyalty with your customers?

The "Brand Pyramid" is a useful tool that can help you identify where your customers are on this journey to loyalty. In this article, we'll explore how you can use it to increase people's loyalty to your brand, product, or organization.

Note:

According to marketing expert Seth Godin, a brand is a "set of expectations, memories, stories, and relationships that, taken together, account for a consumer's decision to choose one product or service over another."

Brands can distinguish products, services, and even entire organizations.

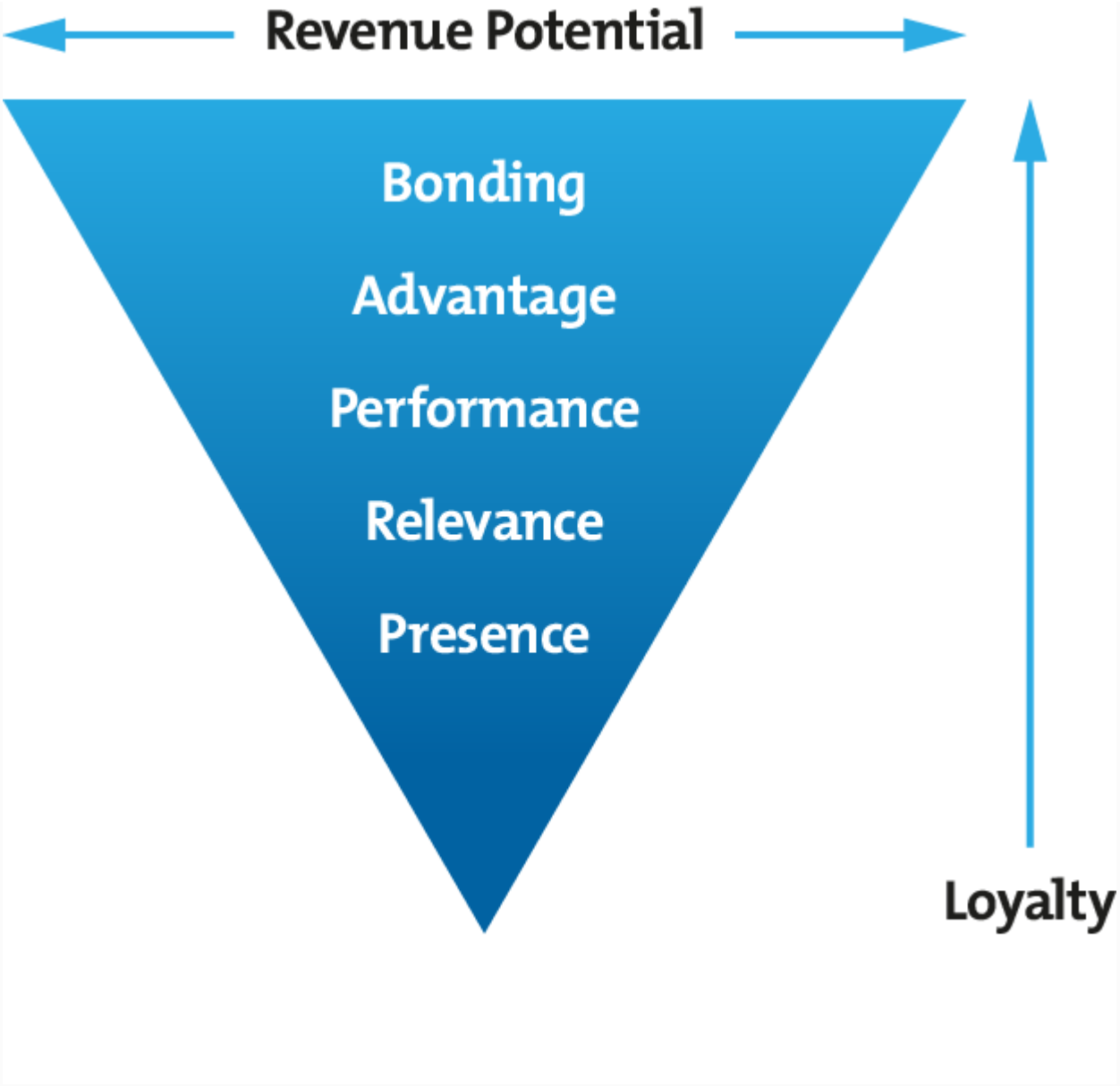
Overview

There are several different versions of the Brand Pyramid, but most are based on the model originally created by Millward Brown, a global marketing research and consulting firm, in the mid-1990s.

The firm spent 30 years tracking brand-health studies from thousands of organizations. It then used this research to create its original model.

While Millward Brown is now part of Kantar, and has since updated and simplified its brand equity framework, the original model is still a useful way to think about building customer loyalty.

The pyramid, as shown in figure 1, illustrates the five key stages that customers go through with a brand, starting with basic awareness and finishing with complete loyalty.



Clearly, your goal is to get as many of your customers as possible to the higher levels of the pyramid. After all, the higher people are up the pyramid, the more money they're likely to spend with your brand. (This is why the pyramid is inverted.)

Let's look at each level in more detail:

Level 1: Presence

At this level, customers are aware of your brand, but little else. They may have tried your products and services before, but they have little or no emotional attachment to them.

Level 2: Relevance

At this level, customers start to think about whether the brand meets their wants and needs. It's here that they begin comparing the cost of your products with respect to the value these provide.

Customers begin asking questions like:

- "Does this brand fit my needs?"
- "Is it in the right price bracket for me?"
- "Is it worth it?"
- Level 3: Performance

Here, customers begin comparing the brand with others, to see whether it delivers on its potential.

They're also starting to associate the brand with a specific identity, and they're beginning to recognize it and associate with it.

By now, the brand is on the customer's "short list" of brands to choose from.

Level 4: Advantage

At this level, customers have determined that there is a distinct advantage to using the brand, compared with others. They're also beginning to associate the brand with their emotions and with their sense of self.

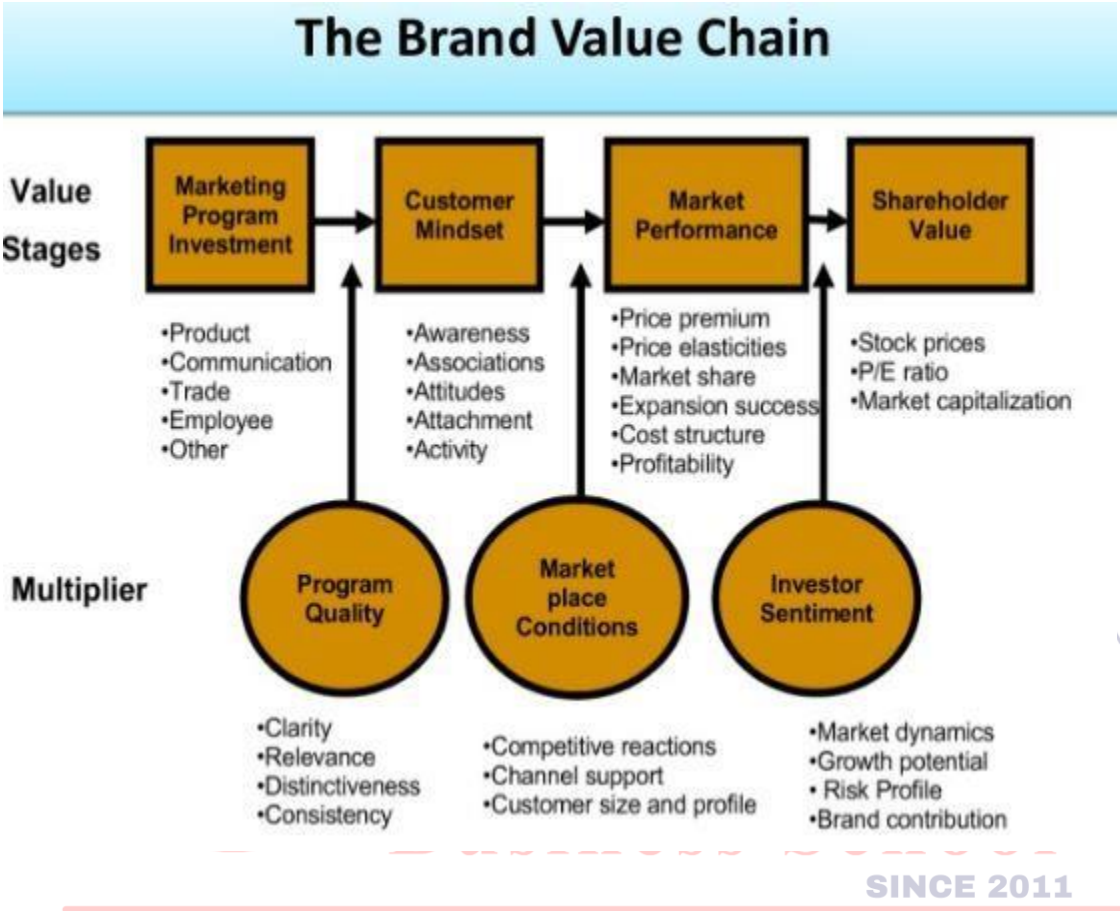
Level 5: Bonding

Here, customers have established a bond with the brand. They've determined that cost, advantage, and performance are all at levels that they're happy with.

They've also formed a strong emotional attachment to the brand; the brand has become an integral part of their self-image, and helps represent who they are. This, in turn, encourages them to exclude other brands in favor of this one.

Customers at this level are also likely to be vocal advocates of the brand, which helps build further awareness within their family, social, and professional circles.

BRAND VALUE CHAIN:



Brand Value Chain is a structured approach to assessing the sources and outcomes of brand equity and the way marketing activities create brand value. It is based on several premises. **#brandvalue #marketing #brandbuilding**

FIRST:
Brand value creation begins when the firm targets actual or potential customers by investing in a marketing program to develop the brand, including product research, development, and design; trade or intermediary support; and marketing communications.

SECOND:
We assume customers' mindsets, buying behavior, and response to price will change as a result of the marketing program; the question is how.

THIRD:
The investment community will consider market performance, replacement cost, and purchase

price in acquisitions (among other factors) to assess shareholder value in general and the value of a brand in particular.

The model also assumes that three multipliers moderate the transfer between the marketing program and the subsequent three value stages.

A) The program multiplier determines the marketing program's ability to affect the customer mindset and is a function of the quality of the program investment.

B) The customer multiplier determines the extent to which value created in the minds of customers affects market performance. This result depends on competitive superiority (how effective the quantity and quality of the marketing investment of other competing brands are), channel and other intermediary support (how much brand reinforcement and selling effort various marketing partners are putting forth), and customer size and profile (how many and what types of customers, profitable or not, are attracted to the brand).

C) The market multiplier determines the extent to which the value shown by the market performance of a brand is manifested in shareholder value. It depends, in part, on the actions of financial analysts and investors.

BRANDING SERVICES

Dedicated brand agencies can provide a wide variety of services depending on their clients' particular needs.

Branding agency offerings can include:

- Building a brand identity from the ground up.
- Rebranding established businesses.
- Establishing brand positioning and messaging.
- Creating a branding strategy.
- Designing company logos.
- Formulating brand guidelines for design, style and tone.
- Mapping out a social media strategy that aligns with the company's brand identity.
- Writing copy for websites and other digital assets that accurately reflect the brand voice.

It's a lot of ground to cover, and the only way that branding agencies can get the job done is to fully immerse themselves in every aspect of their clients' brand identities. That includes their core values, mission statements, messaging, voice and more.

Not all businesses have a firm grasp on who they are as a brand, or even where to begin figuring that out. Branding agencies need to define the key principles and intangible qualities that set those companies apart from the competition. What makes them different and special? How can they sell that vision to their target audience? Those are the questions a brand agency can help answer.

Top branding services that support marketing efforts

Branding agencies approach branding services from numerous angles, helping businesses establish, maintain or expand their brand in every possible way. These six, in particular, can

elevate your marketing strategy with a clearer focus on who you are and what you have to offer.

1. Logo design

First impressions are important, and for many potential customers, your logo will provide the initial glimpse of your brand. A company logo is essentially the face of the organization, and it should tell prospective customers everything they need to know about your business right up front.

A well-designed logo supports marketing efforts in a variety of ways:

Brand awareness

Think of virtually any consumer brand – what immediately pops into your mind? Most likely, it's their logo. For the top brands, logos cross cultural boundaries and international borders, becoming readily recognizable around the globe.

Take Coca-Cola, for instance. By all accounts, it's one of the most recognizable brands in the world. It doesn't matter that the logo is written in English – or that it uses a cursive script that reached peak popularity 150 years ago – 90% of people around the world know it **when they see it**.

That may be an extreme example, but it shows how important a good logo is to catching the eye of customers in crowded markets.

Brand identity

Logos can tell potential customers a great deal about your business without having to say anything. Coca-Cola's Spencerian Script reflects the company's long history and a core product that has remained virtually unchanged for more than 100 years. People choose Coca-Cola because it's a dependable product. They know what they're getting from it. Past attempts to mess with the formula have become cautionary tales about brand mismanagement.

Sticking with an old-fashioned logo year after year helps sell the message that the product has stood the test of time and that there's no need to fix what isn't broken.

FedEx is another good example of a logo that subtly tells customers quite a bit about the brand. The logo famously hides an arrow within its second syllable suggesting speed, accuracy and reliability in delivering packages to their destinations.

Shortening the company's original name – Federal Express – to simply FedEx was also a deliberate move to appeal more to consumers rather than government agencies and organizations.

Branding agencies can help design logos that do more than just catch someone's eye – they establish a clear identity and demonstrate core business values. Whether a company wants to stress its historic legacy, cutting-edge and disruptive ideas or no-nonsense professionalism, logo design services can craft a perfect visual representation of those principles.

2. Brand messaging

What can you offer customers? How do your services or brand experience compare with the competition's? What do customers get from your business that they can't get anywhere else?

Your brand messaging should account for these questions and more. It defines what your company is, permeating everything from marketing materials to tag lines to product descriptions.

There a lot of factors that are wrapped up in brand messaging, including:

- Value proposition.
- Key differentiators.
- Brand principles.
- Organizational culture.
- Target audience.
- Product positioning.

Everything your company says should have meaning, and that meaning should always reflect your brand messaging.

Look at Subway. For decades, it ran a fairly popular – if unremarkable – fast-food business. Today, it's the largest fast-food chain in the country, representing **18.5% of the total market**. A big reason for Subway's success has been its shift in messaging to appeal to health-conscious consumers.

Every branding change and development that has come about over the past couple of decades has stressed fresh food and healthy eating. The brand's tagline, "Eat fresh," is an obvious example. Even redefining employees as "sandwich artists" demonstrates a commitment to food quality.

Working with a brand agency, businesses can receive expert guidance on how to craft the right message for their audience, their industry and their organization. In some cases, an existing approach may only need a slight tweak, whereas in others, a full-scale **rebranding is necessary**.

Subway essentially rebranded itself as the healthy alternative to the most popular fast-food chains, such as McDonald's and Wendy's. Now, those same brands are trying to follow Subway's lead, pushing healthier food items in their marketing.

3. Brand positioning

Brand positioning could easily be considered a subset of brand messaging, but it's important enough to warrant its own discussion.

In short, brand positioning is how you set yourself apart from the competition. What do you bring to the table that's wholly distinct from other players in your market? If you don't have a clear answer to that question, it's going to be difficult to convince potential customers to choose your business over another one.

Branding agencies can help with that, though. Through market research and organizational analysis, they're able to determine what customers want, what your business can realistically provide and how those offerings compare with your competitors.

Creating an effective branding strategy is all about matching your capabilities with your customers' expectations and desires. Brand agencies are not looking to exaggerate or overpromise. They simply want to drill down into what makes your business unique, and find an effective way to showcase those strengths.

4. Brand voice

Brands are like people: Each one has its own particular way of expressing itself. Some are friendly, some are irreverent, some are unflaggingly professional and some are aspirational. **Establishing a brand voice** and adhering to it across all touch points, marketing campaigns and customer interactions is extremely important. Having a strong brand voice solidifies your company's identity, and any deviation could negatively impact the perception of your organization.

Many companies need help identifying what exactly their brand voice should be, and how to create it. Again, branding agencies thoroughly analyze your industry, customer base and company culture to determine what the right approach should be. For instance, a playful, conversational brand voice probably wouldn't be appropriate for the financial services market where customers are looking for expert support and guidance.

5. Style guide

Once you've defined your brand voice, you need to codify it so every employee and stakeholder knows how to follow your branding guidelines. That's where a style guide **comes into play**.

Style guides can lay out your brand voice, messaging, design principles and more in precise detail. They instruct your staff members and business partners on the exact language to use in different scenarios, what color schemes to incorporate into design layouts and how to most effectively communicate with your core audience.

In short, it's your branding bible. Brand agencies will help create detailed style guides so there's never any confusion about how to best represent your business.

6. Social media branding

Many companies struggle with social media branding. On one hand, you want to have the same consistent branding across all channels. On the other hand, social media platforms like Twitter often lend themselves to more irreverent and playful content.

Businesses need to find a way to stay true to their brand messaging, voice and values while still taking advantage of **social media's inherent strengths**. It's a tricky balancing act, and a lot of organizations wind up falling flat on their faces.

That's why working with an expert branding agency can be so helpful. They have a keen understanding of what content works on different social media networks and how to effectively use those platforms without sacrificing brand integrity.

You are your brand. If you can't clearly articulate what your brand stands for, then you're probably going to struggle to convince prospective customers to buy from your business over the competition. Branding services can help you identify your core principles and package those values in a message that resonates with your audience.

The ROI of Branding:

Some business leaders think that building a strong brand is an unnecessary luxury. That it's enough to focus on tactical marketing initiatives alone, without considering long-term brand building strategies.CEOs like this fail to appreciate the ROI of branding because it's not always easy to draw a short, straight line between branding and the bottom line.Ignoring branding in favor of marketing may work in short-term, isolated cases, but the fact is every modern company that has driven above-average profitable growth has invested heavily in building their brand.As we often say, your brand is your company's most valuable asset. Brands are business tools that drive commercial value. A strong brand increases the chances of customers choosing your product or service over your competitor's. It attracts more customers, at a lower cost per acquisition, who are happy to pay a little more, and will buy a little more often.

The backbone of cult-like customer loyalty, a strong brand will deliver more revenue and profit, more efficiently, year after year, generating more shareholder value along the way. A strong brand will also help attract, motivate and retain your second most valuable asset: employees. And it can work as a barrier to entry for future competitors, in effect creating a legal monopoly.

MODULE 4

BRAND STRATEGY:

A brand strategy can be hard to define but encompasses:

- What your brand stands for.
- What promises your brand makes to customers.
- What personality your brand conveys through its marketing.

As you can see, many of these things are intangible. How do you measure how successful you are at conveying a certain personality? How do you measure if you've successfully stood for what your brand represents, or if you could be doing it better?

The one main metric for successful brand strategy is brand sentiment. And just because it's hard to measure, it doesn't mean that you should dismiss it. It may not be as easy to quantify, but it's too easy for analytical CEOs to dismiss the qualitative work involved in branding. As Airbnb CEO Brian Chesky made so clear:

The designing of experience is a different part of your brain than the scaling [of] your experience. It's a different skill set. The scaling experience is a highly analytical, operations-oriented, and technology-oriented problem. The designing of experience is a more intuition-based human, empathetic, end-to-end experience.

It seems almost trivial, but in a larger company, these two different skill sets would be handled by two entirely different teams that probably don't often commingle, let alone agree on everything. That's how you waste time, money and energy. In a small startup, you might be missing a "creative" angle altogether.

Types of Branding Strategies (7 Types)

There are several types of branding that may add value to your company depending on your target audience, industry, budget, and marketing campaigns. Here are seven types of branding strategies that have the potential to build brand equity for your business.

Personal Branding

Personal branding describes branding that is used for an individual person, instead of branding for a whole business. This type of branding is often used to establish a person's character, personality, or work as a brand.

Celebrities, politicians, thought leaders, and athletes often use this form of branding to present the best version of themselves to the public.

For example, Seth Godin, entrepreneur and author of over 20 marketing books, positioned himself as a business and marketing expert. Seth has a recognizable personal brand, and individuals now associate him with his short blog posts that pinpoint one idea at a time. People want to hear from Seth Godin rather than a company or organization due to the effectiveness of his personal brand.

Product Branding

This is one of the most popular branding types. Product branding focuses on making a single product distinct and recognizable. Symbols or designs are an essential part of product branding to help your customers identify your product easily.

For example, Monster Energy drinks have distinct packaging and logos that make it easily distinguishable from Red Bull energy drinks.

Corporate Branding

Corporate branding is a core value of business and a philosophy that a business develops to present itself to the world and its own employees.

Effective corporate brands often seek to display the company's mission, personality, and core values in each point of contact it has with prospective customers, current customers, and past customers.

For example, Nike's core values and mission are recognizable across all of their platforms and products. Nike's mission statement is "To bring inspiration and innovation to every athlete in the world." And its slogan, next to their famous swoosh check mark logo, is "Just do it".

As a corporate brand, Nike positions themselves as a brand for athletes, sports enthusiasts, and anyone who is passionate about fitness. They also make it clear that they believe anyone can be an athlete.

Service Branding

Service branding leverages the needs of the customer. Companies that use service branding seek to provide their customers with world-class service. They aim to use excellent customer service as a way to provide value to their customers.

For example, Chick-fil-A is known for its excellent customer service – making it now synonymous with its brand.

Co-Branding

Co-branding is a form of branding that connects companies together. Essentially, co-branding is a marketing partnership between two or more businesses. This helps brands impact each other positively, and it may result in one growing its business, spreading brand awareness, and breaking into new markets.

For example, Frito Lay and Taco Bell came together and made the Doritos Locos Taco that appealed to both audiences.

Online Branding

Online branding, also known as internet branding, helps businesses to position themselves as a part of the online marketplace. This type of branding includes a company's website, social media platforms, blogs, and other online content.

Most companies use some aspect of online or internet branding in today's marketplace.

No-Brand Branding

This type of branding is also known as minimalist branding. These brands are often generic brands that seek to let their products speak for themselves without all the extras many others provide their consumers with.

Some of the most noteworthy no-branding branding examples include Brandless and m/f people. As you can see on Brandless' website, their packaging, colors, and overall aesthetic is very simple. This aligns with their mission of providing fairly priced food to people without a typical brand.

Despite the fact that Brandless recently announced its closure, it is an excellent example of no-brand branding that saw great success for several years.

m/f people adopts simplicity in everything, from their branding and packaging to their product designs. For example, their skincare products are packaged in bottles with black and white colors and a simple font.

This decision to opt for simplicity aligns with their commitment to making gender-neutral products and pursuing their overall mission: “We aim to make life simple, so you can focus on what matters most.” They don’t need loud colors and flashy font. They want minimalistic appeal.

Product – Brand Matrix:

To characterize the product and branding strategy of a firm, one useful tool is the brand-product matrix, a graphical representation of all the brands and products sold by the firm. In the brand-product matrixall products offered under different brands are represented by columns. This helps marketers understand the current brand line and explore further opportunity in expanding the product line. In the brand-product matrixall current existing brand are represented in form of rows referred to as brand portfolio. The brand portfolio analysis is essential to design and develop new marketing strategies to target a given product category

Brand hierarchy:

It means of summarizing the brand strategy by displaying the numbers and nature of common and distinctive brand elements across the firms product revealing the explicit ordering of brand elements.

A ***brand hierarchy*** is a useful means of graphically portraying a firm’s branding strategy by displaying the number and nature of common and distinctive brand elements across the firm’s products, revealing their explicit ordering. It’s based on the realization that we can brand a product in different ways depending on how many new and existing brand elements we use and how we combine them for any one product.

For example, a Dell Inspiron 17R notebook computer consists of three different brand name elements, “Dell,” “Inspiron,” and “17R.” Some of these may be shared by many different products; others are limited. Dell uses its corporate name to brand many of its products, but Inspiron designates a certain type of computer (portable), and 17R identifies a particular model of Inspiron (designed to maximize gaming performance and entertainment and including a 17inch screen).

We can construct a hierarchy to represent how (if at all) products are nested with other products because of their common brand elements. Figure 11-5 displays a simple characterization of ESPN’s brand hierarchy. Note that ESPN is owned by Walt Disney Company

and functions as a distinct family brand in that company's brand portfolio. As the figure shows, a brand hierarchy can include multiple levels.

There are different ways to define brand elements and levels of the hierarchy. Perhaps the simplest representation from top to bottom might be:

1.Corporate or company brand (General Motors)
2.Family brand (Buick)
3.Individual brand (Regal)
4.Modifier (designating item or model) (GS)
5.Product description (midsize luxury sport sedan automobile)

BRAND EXTENSION:

A brand extension is when a company uses one of its established brand names on a new product or new product category. It's sometimes known as brand stretching. The strategy behind a brand extension is to use the company's already established brand equity to help it launch its newest product. The company relies on the brand loyalty of its current customers, which it hopes will make them more receptive to new offerings from the same brand. If successful, a brand extension can help a company reach new demographics, expand its customer base, increase sales, and boost overall profit margins.

How Brand Extension Works:

A brand extension leverages the reputation, popularity, and brand loyalty associated with a well-known product to launch a new product. To be successful, there must be a logical association between the original product and the new item. A weak or nonexistent association can result in the opposite effect, brand dilution. This can even harm the parent brand.

Successful brand extensions allow companies to diversify their offerings and increase market share. They can give the company a competitive advantage over its rivals that don't offer similar products. The existing brand serves as an effective and inexpensive marketing tool for the new product.

Apple (AAPL) is an example of a company that has a history of effectively using a brand extension strategy to propel growth. Starting with its popular Mac computers, the company has leveraged its brand to sell products in new categories, as can be seen with the iPod, the iPad, and the iPhone.

Real World Examples of Brand Extension:

Brand extension can be as obvious as offering the original product in a new form. For example, the Boston Market restaurant chain launched a line of frozen dinners under its own name, offering similar fare.

Another form of brand extension combines two well-known products. Breyers ice cream with Oreo cookie chunks is a matchup that relies on consumers' loyalty to either or both original brands.

Brand extension also may be applied to a different product category. Google's core business is a search engine, but it has an assortment of other non-advertising related products and services including the Play Store, Chromebooks, Google Apps, and the Google Cloud Platform.

In the best examples, the brand extension is natural and arises from a recognized positive quality of the original product. Arm & Hammer produces a deodorizing cat litter under its brand name. Black & Decker makes a line of toy tools for children. Ghirardelli Chocolate Company sells a brownie mix. The creation of complementary products is a form of brand extension. The many varieties and flavors of Coca-Cola are an example.

MODULE 5

GLOBAL BRANDING:

Global brands are **brands that are recognized throughout much of the world**. **Companies intending to create global brands need to do the following**:

- Identify the relative attractiveness of each market for your brand
- Conduct attitude and usage studies in each country in which you are considering entering
- Identify the sequence of brand launch by country/region of the world
- Know the category and brand indices in each country in which your brand operates
- Establish a branding scorecard that can be applied country by country
- Agree to which decisions are made centrally and which ones are made locally
- Through research, understand if there are any part's of your brand's identity that won't work in a given country or for a give language. Consider the name itself, the symbols, the colors, the tagline, etc.

To some small degree, with the pervasiveness of the Internet, all brands that are in cyberspace **have the potential to become global brands**, however being on the Internet does not guarantee top-of-mind awareness or distribution ease. A comprehensive, well-funded and well-executed global marketing plan is required for successful global brands.

Strategies of Global Branding:

1. Understand customer behavior.
Just because consumers have certain buying preferences or habits in one culture, doesn't mean that such preferences are universal. "It's astonishing how many retailers haven't made it because they haven't studied how consumers shop," she says.

In her book, *Global Brand Power* (Wharton Digital Press, 2013), Kahn cites Walmart's mistake in choosing locations in China that were near industrial parks when consumers were used to shopping closer to home instead of near work.

2. Position yourself properly.
Good brand positioning includes truly understanding your competition and then looking at your competitive advantage. Who are the providers of similar products and services that you sell in this country? They may not be the same providers as in the U.S.

For example, if you sell athletic clothing, look at where people are buying their athletic clothing. It could be from specialty stores, online retailers, or sporting goods stores. If you have a high-end brand and you're going into a market where the preferred buying location is discount retailers, it may take a different strategy from the one you use in the U.S. "You need to understand how people shop and how your brand will fit into that mix," she says.

3. Know how your brand translates.
A clever brand or product name in one language may translate into an embarrassing misstep in another. For example, the French cheese brand Kiri changed its name to Kibi in Iran because the former name means “rotten” or “rank” in Farsi -- not exactly the association you want for cheese.

In addition to ensuring that your brand translates well into other languages, consider which colors are favored in various markets. In the U.S., blues and greens are favored, while reds and yellows are frequently used in some Latin American countries and may be appealing and familiar to audience members from those areas.

4. Think broadly.
Since your company may need to expand into offering new products based on regional market demands, it's important that your company name be broad enough to accommodate those changes.

"Boston Chicken changed its name to Boston Market because it had expanded into other foods," Kahn says. If your company name is Brian's Computers for example, consider whether that will be limiting in other markets if you also sell peripherals and services, she says.

5. Find good partners.
Work with your attorney to protect your intellectual property overseas, filing the appropriate trademark and patent protections in the U.S. and elsewhere, if applicable. Find trade representatives who come recommended from colleagues or state or federal trade offices, since they're more likely to be reputable.

If you decide to license your product or service name to a manufacturer or provider overseas, exercise tight controls to make sure that the provider is reputable and won't misuse or misappropriate your name and will adhere to your quality control standards. "When you put your brand name on [a product or service], you want a consistent experience so that every time, people have it, they understand the values of the brand," Kahn says.

Globalization:

Before discussing the benefits and challenges of globalization, it’s essential to have a strong understanding of what the term means.
The official definition of “globalization” is the process by which businesses or other organizations develop international influence or start operating on an international scale. More simply, globalization refers to an open flow of information, technology, and goods among countries and consumers. This openness occurs through various relationships, from business, geopolitics, and technology to travel, culture, and media.
Because the world is already so connected, most people don’t notice globalization at work every single day. But the world is getting smaller, and companies need to understand what this means for the future of doing business. Companies that don’t embrace globalization risk losing

a competitive advantage, which allows other businesses to take over new opportunities in the global marketplace.

Benefits of Globalization:

Globalization impacts businesses in many different ways. But those who decide to take on international expansion find several benefits, including:

1. Access to New Cultures

Globalization makes it easier than ever to access foreign culture, including food, movies, music, and art. This free flow of people, goods, art, and information is the reason you can have Thai food delivered to your apartment as you listen to your favorite UK-based artist or stream a Bollywood movie.

2. The Spread of Technology and Innovation

Many countries around the world remain constantly connected, so knowledge and technological advances travel quickly. Because knowledge also transfers so fast, this means that scientific advances made in Asia can be at work in the United States in a matter of days.

3. Lower Costs for Products

Globalization allows companies to find lower-cost ways to produce their products. It also increases global competition, which drives prices down and creates a larger variety of choices for consumers. Lowered costs help people in both developing and already-developed countries live better on less money.

4. Higher Standards of Living Across the Globe

Developing nations experience an improved standard of living—thanks to globalization. According to the World Bank, extreme poverty decreased by 35% since 1990. Further, the target of the first Millennium Development Goal was to cut the 1990 poverty rate in half by 2015. This was achieved five years ahead of schedule, in 2010. Across the globe, nearly 1.1 billion people have moved out of extreme poverty since that time.

5. Access to New Markets

Businesses gain a great deal from globalization, including new customers and diverse revenue streams. Companies interested in these benefits look for flexible and innovative ways to grow their business overseas. International Professional Employer Organizations (PEOs) make it easier than ever to employ workers in other countries quickly and compliantly. This means that, for many companies, there is no longer the need to establish a foreign entity to expand overseas.

6. Access to New Talent

In addition to new markets, globalization allows companies to find new, specialized talent that is not available in their current market. For example, globalization gives companies the opportunity to explore tech talent in booming markets such as Berlin or Stockholm, rather than Silicon Valley. Again, International PEO allows companies to compliantly employ workers overseas, without having to establish a legal entity, making global hiring easier than ever.

Challenges of Globalization:

While globalization offers many benefits, it's not without challenges. Velocity Global's 2020 State of Global Expansion™ Report: Technology Industry reveals some of the top challenges that U.S. and UK tech leaders face when taking their companies global, and leaders of other companies likely face the same obstacles.

Some of the hurdles companies face when going global include:

1. International Recruiting

It's not surprising that 30% of U.S. and UK tech leaders cited international recruiting as their most common challenge. Recruiting across borders creates unknowns for HR teams. First, companies create a plan for how they will interview and thoroughly vet candidates to make sure they are qualified when thousands of miles separate them from headquarters. Next, companies need to know the market's demands for salaries and benefits to make competitive offers. To ensure successful hires, HR teams must factor in challenges like time zones, cultural differences, and language barriers to find a good fit for the company.

2. Managing Employee Immigration

Immigration challenges cause a lot of headaches internally, which is why 28% of U.S. and UK tech leaders agreed it was one of their top challenges. Immigration laws change often, and in some countries, it is extremely difficult to secure visas for employees that are foreign nationals. The U.S., for example, is getting stricter with granting H-1B visas, and Brexit makes the future of immigration to the UK uncertain.

3. Incurring Tariffs and Export Fees

Another challenge both U.S and UK tech leaders said they face in the report is incurring tariffs and export fees—29% agreed this is a challenge for their global businesses. For companies looking to sell products abroad, getting those items overseas can be expensive, depending on the market.

4. Payroll and Compliance Challenges

Another common global expansion obstacle is managing overseas payroll and maintaining compliance with changing employment and tax laws. This management task gets even more difficult if you're trying to manage operations in multiple markets.

5. Loss of Cultural Identity

While globalization has made foreign countries easier to access, it has also begun to meld unique societies together. The success of certain cultures throughout the world caused other countries to emulate them. But when cultures begin to lose their distinctive features, we lose our global diversity.

6. Foreign Worker Exploitation

Lower costs do benefit many consumers, but it also creates tough competition that leads some companies to search for cheap labor sources. Some western companies ship their production overseas to countries like China and Malaysia, where lax regulations make it easier to exploit workers.

7. Global Expansion Difficulties

For businesses that want to go global and discover the benefits of globalization, setting up a compliant overseas presence is difficult. If companies take the traditional route of setting up an entity, they need substantial upfront capital, sometimes up to $20,000, and costs of $200,000 annually to maintain the business. Additionally, global businesses must keep up with different and ever-changing labor laws in new countries. When expanding into new countries, companies must be aware of how to navigate new legal systems. Otherwise, missteps lead to impediments and severe financial and legal consequences.

8. Immigration Challenges and Local Job Loss

The political climates in the United States and Europe show that there are different viewpoints on the results of globalization. Many countries around the globe are tightening their immigration rules, and it is harder for immigrants to find jobs in new countries. This rise in nationalism is mainly due to anger from the perception that foreigners fill domestic jobs or at companies moving their operations abroad to save money on labor costs.

For example, the Economic Policy Institute reports that the U.S. trade deficit with China (or the amount by which our imports exceed our exports) cost Americans 3.4 million jobs since 2001.

How Globalization Changes Your Daily Businesses Operations:

Both the benefits and challenges of globalization change how a business operates in different ways. When companies decide to go global, they must be ready and willing to change internal processes. This helps to accommodate new markets and make their global workforce feel comfortable and accepted at work.

Companies see many aspects of their businesses change once they enter the global marketplace. For example, globalization makes the workforce more diverse. This diversity is an overall positive change, but it creates some challenges, such as language barriers and differences in cultural expectations.

Some operational changes companies should expect from globalization include:

1. Global Communication Challenges

Before starting to branch out from headquarters, firms have to put an established internal communication plan in place since global employees likely work in a different time zone and have a different native language.

Software and other digital tools help smooth global communication hurdles and allows teams to connect easily. Zoom, Slack, and Google all provide valuable tools for companies trying to manage employees in multiple offices, countries, and time zones.

2. International Employee Expectations

Foreign employees have different expectations when it comes to things like salary and benefits, as well as how they manage their daily work schedules. Companies that want to take advantage of globalization and hire foreign workers need to accommodate them as much as possible. HR teams must also ensure their offers are competitive and on-par with local expectations during the hiring process.

3. Supporting Foreign Customers

Similar to communication changes with employees, companies must also plan for how they run customer service and support in new countries. Customers in the new market where you offer your products or services might not speak your native language or be close to your time zone.

4. Increased Competition

International companies have to adjust more than internal operations. Going global opens up new revenue streams and increases availability to talent. Because of these attractive benefits, and the ease of going global due to services like International PEO, the global marketplace is competitive. As globalization becomes the norm, many companies often seek the same foreign markets, which increases competition for businesses.

5. Marketing and Communication Changes

Just like hiring employees in different countries creates internal communication challenges, marketing your products or services to a completely new audience creates obstacles for companies. Businesses need to adjust their marketing strategies to communicate the benefits of their product in a way that resonates with a foreign audience. You cannot assume that a marketing campaign targeting an American audience (or wherever your HQ location is) attracts consumers in Europe, Asia, or any other popular market, as the consumers there have very different wants and needs.

NOTE:

Go Global with the Right Partner

In the past, cost and regulatory challenges were massive barriers to companies going global in search of the benefits of globalization.

Now, partnering with a globalization expert helps firms navigate any challenge that comes their way—while successfully setting up an overseas presence. Our International PEO solution helps organizations establish a presence in new international markets, without the time and costs associated with entity establishment.

EMERGING Vs DEVELOPED MARKET (DIFFERENCES)

	Specific characteristic	Emerging markets	Developed markets
Aggregate-level market differences	Population	Larger populations, estimated at 40 %–60 % of the global population	Smaller population, estimated at 15 % of the global population
	Economic growth rate (GDP at purchasing power parity)	Fast (6 %–12 % per annum since 2000)	Slow or negative (−3 to 3 % per annum since 2000)
	Heterogeneity of population	Large income disparity, very heterogeneous in income, education, individual buying behavior	Relatively homogenous population
Individual consumer differences	Price sensitivity	Relatively high	Relatively low
	Brand importance	Very high for higher income segments, but intense unbranded competition at lower end	Relatively less brand importance disparity across consumers
	Social norms	Collectivist purchasing behavior, but wide variation across population in level of influence	Individualistic purchasing behavior
	Age	Relatively younger consumers	Aging population
Institutional environment differences	Legal system	Evolving, opaque, slow legal system	Stable, transparent, fast legal system
	Political environment	Volatile, not always democratic	Stable, democratic
	Hard infrastructure	Poor hard infrastructure (transport, roads, connectivity, banking, etc.)	Well-developed hard infrastructure
Business context differences	Business to business relationships	Large number of informal business relationships	Relatively formal contractual relationships
	Business to government relationships	Largest buyers are often government-owned enterprises	Dispersed set of B2B buyers

Legal Issues in Branding:

As important as it is to use a strategic business model, it is equally as critical to develop a ***brand***. A brand can convey many things: quality, consistency, reliability, aspirations, identification with a lifestyle, or values. A well-developed brand will tell a compelling story about your company in an instant.

Many business owners know how important branding is to their business. They go to great lengths to develop a great name, taglines, signage, packaging, and design of websites and storefronts to build a brand. Yet all of that investment is often for naught if designers, developers, and the other architects of a brand fail to work hand-in-hand with experienced intellectual property attorneys.

Investing in legal advice during brand development can be inexpensive compared to retaining an attorney to clean up the legal mess caused by legally sloppy branding. So what legal issues should businesses consider when developing or building a brand?

Trademarks

Trademarks, and their related cousin, trade dress, are the core of an effective brand protection strategy. I have never seen an effective trademark portfolio put together or enforced without the advice and assistance of good attorneys with trademark experience.

Do a clearance search

Begin by finding out whether a brand name, symbol, logo, tagline, or image you intend to use in commerce is not already being used by a competitor or registered as a trademark at the federal or state level. You also need to ensure that your intended branded material is not confusingly similar to

something else already in use. “Confusingly similar” is a legal term of art. Your best bet is working with an experienced attorney to do this search.

File trademark registrations to protect your brands

Once you perform a search on each item of your core brand identity, file for trademark registration. In most cases you will want a federal registration to maximize the legal defensibility of your brand. Skipping to this step first, without an adequate clearance search or the advice of counsel can often lead to the waste of hours and thousands of dollars spenton non-refundable registration fees with nothing to show for it.

Protect your portfolio

Registering your trademark is a great start, but ensure that your name is also protected in the most value channels of commerce, including getting your social media handles secured at Facebook, Instagram, Twitter, Pinterest, and Snapchat. Keep securing your handles as new social networks become popular. Attempt to secure the best .com domain name for your brand as possible, as .com extensions continue to convey the greatest level of trustworthiness to consumers even as hundreds of domain name extensions (.guru, .lawyer, and so on) continue to be added. If someone buys your .com name after you have registered your trademark, you may be able to get it back from them through litigation or a process through ICANN, the domain name registrar.

Obtain assignments

Did a creative agency, logo designer, or friend help to devise one of your brand assets? Do not make the mistake of thinking that your payment for services or even your continued friendship means that the asset is now all yours. For every piece of creative work someone creates for you, have an attorney draw up a simple assignment agreement form to secure 100% of the intellectual property rights in that asset.

Enforce your trademarks

If you have a word, symbol, or sound indicating the origin of your goods or services that you use in commerce, you have a trademark whether it is registered or not. To maintain the full strength of your trademark, you must take steps to stop others from infringing: such as issuing cease-and-desist letters and filing litigation when appropriate. A good trademark protection lawyer can often find creative ways to protect your brand without you incurring out-of-pocket expenses along the way.

Consider trade dress

When you think of Tiffany’s blue packaging, Coca Cola’s bottles, or Apple’s white packaging, you are probably thinking of distinctive elements that comprise those brands’ trade dress. Trade dress is a subset of trademark law that protects the characteristics of a product or its packaging that signify the source of the product to consumers. While developing your brand, first consider the importance of developing beautiful, visually appealing, and distinctive packaging design (whether you sell goods or services). Then ensure that your proposed packaging, store interior design, or website does not infringe

on any other well-known trade dress, and discuss with a trademark lawyer how you can best protect your own trade dress.

Copyrights

While trademarks succinctly convey your brand identify, copyright law protects the way you speak your message to the world. Although many businesses assume copyright only applies to musicians, filmmakers, and book authors, its impact on your brand selling goods and services, if you make the most out of your branding, can be just as important.

Mark your ownership

For anything published on the web or more generally in print, mark your ownership with a copyright marker or the word "copyright" along with the year of publication. For anything intrinsically valuable as copy, such as guides, maps, articles, or designs, consider with the advice of a lawyer the registration of the copyright with the U.S. Copyright Office. Each individual work can be filed for about $35.

Avoid infringement by defining ownership and liability

Similar to trademarks, you must ensure anyone with input into or ownership in the development of photography, writing, music, sounds, or anything similar used by your business has given you the right to use that creative work. You can do so with assignment or license agreements, among other options. When an agency or design firm is producing materials for your business, such as a website, ensure that they are contractually liable and will indemnify you (pay you back) for any damages caused by copyright infringement due to their work. A good practice is to have an attorney quickly review any agreement you sign when developing creative materials or a website.

Patents

Think patents are just for scientists and engineers? Think again. Have you developed a product with a unique design as part of your branding? You may be eligible for a design patent. You may wish to speak to attorney about protecting your novel design before you release it to the public.

Before you build a shining, towering brand, ensure that it is not built on a shaky legal foundation. Consider engaging an experienced intellectual property attorney and brand counselor that could save your business tens of thousands, or even millions of dollars in legal liability later on.

This book is published by

AAM Business School

The Only B School in South India to offer

PAY AFTER PLACEMENT

50+ Companies recruit from our campus every year

Inviting new-age companies looking for great talent for accelerating their growth

AAM Students are certified in the following domains

- Recruitment & Selection
- Compensation & Benefits (Payroll)
- Investment Banking & Capital Markets
- NISM Certification
- MIS
- Emotional Intelligence
- Corporate Communication
- Personality Development
- Leadership Development
- Entrepreneurship
- G Suite
- MS Office Suite
- Digital Marketing
- Art of Networking
- Tally ERP 9 Certification
- HR Analytics

AUTHOR OF THIS BOOK

Manikandan J MBA (HR)

HR Professional

Avidus Academy Of Management

No 64, 35, Josier St, Tirumurthy Nagar,
Nungambakkam, Chennai 600034

www.avidus.net

Follow us on

aamindia aambusinessshool244