Strategic Services Marketing
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Lecture - 43

Global Branding and Localization Strategies

Hello everyone. In this session, let's understand global branding and localization strategies for services. But before that, what is a global brand itself? So, let's understand what is a global brand from one of the world's leading academician and consultant Professor Steecamp from UNC or University of North Carolina. Have a look at this particular talk or kind of you know video. Global brands are really the name of the game these days. But what really is a global brand? Take Coca-Cola.

Coca-Cola is sweeter in the Middle East than it is in the States. In China, Coca-Cola uses both the Latin lettering as well as Chinese lettering. But it is very clearly identifiable as Coca-Cola. A global brand is a brand that is sold in multiple regions of the world that has more or less the same positioning in these different regions.

That is marketed with an integrated marketing strategy and is internationally coordinated and managed. The importance and the rise of global brands is a logical consequence of one of the most important developments that we have witnessed in the last decades. And that is the global integration of the marketplace. We see unparalleled flows of people, of capital, of information around the world and global brands fit in rightly in this important development. That what makes global brands so valuable to companies.

So what is global branding then? Global branding refers to the process of creating and promoting a consistent brand image, identity and messages across international markets. Global branding involves developing a unified brand identity, positioning and values that resonate with diverse cultural, linguistics and geographical audiences. Global branding aims to establish brand recognition, trust and loyalty on a global scale, leveraging economies of scale and standardize marketing strategies. But then what is localization

then?   Localization in services marketing involves adapting product, services and marketing strategies to suit the unique cultural, linguistic and market specific preferences of target international   markets.   It encompasses customization of product features, packaging, pricing, communication styles and promotional messages to align with local cultural norms, consumer behaviors and regulatory requirements.

  Localization aims to enhance the relevance, resonance and acceptance of services among international audiences, fostering deeper connections and engagement with local customers. So let's understand localization term better through this informative video. Have a look at this video. If you are looking to expand your product or your business to another country you probably heard the term localization business owners and marketers and product managers are always looking for new opportunities   to grow their audience and sales from more markets 75% of all users in Europe Asia and South America prefer interacting online with businesses in their native language this is where localization starts. Localization or L10N is the process where you take a piece of content in its original form and then convert it into something more suitable for another country, audience or city. It is all about making your content accessible and appealing to locals.

  For example, imagine launching a car in a new market without researching their local slang and despite your product being amazing, the name is shit, literally. A few years ago a Japanese car company launched in France a new, very futuristic car. Its name was an abbreviation that sounds like it merde have been spoken in French, which translation means shit. The car company had to adjust to the local market and change the car's name. But this is just a rare and funny case.

  Actually, when it comes to localizing a product, let's say software, you should pay attention to everything that could make your personal feel familiar with your product. Localization takes into account translation, legal requirements, formatting rules such as currency, units of measure or date formats and cultural distinctions. Take care not to confuse translation with localization. After all, translating content is nothing but a small part of localization. Localization is when you translate text into another language, while localization is the   entire process of adapting a product to a local market, including translation, of course.

  The ultimate goal is to make your audience understand that the content's product is originally made for them. The process of localizing a product is straightforward.

  1. First things first, research and analyze the new market.

2. Gather all of your product content for adaptation.

3. Get all text translated in proofread.

4. Run quality tests to make sure that layout format and words blend smoothly in the interface of your product.

5. Hit the button and publish your new localized content.

The basis of your product localization has been built. Now you should take into account and adapt things like cultural or religious conventions, graphic visualization and legal requirements, or even voiceovers from locals. Now you're ready to allure the new market or audience. You can localize your website, iOS or Android app, video game or any other software in general.

From a landing page to a help desk, localization applies in every aspect of your product. There are plenty of files you can localize, from text documents, images, videos, EPT presentations, or even subtitles. Localization is a team effort where multiple professionals need to pitch in to get things done. Managers, translators, engineers, designers working alongside in order to launch the localized product. To make this collaboration easily managed and less time consuming, you'll need a robust localization platform.

Now let's discuss the importance of global branding and localization for service firms which are trying to expand into international markets. The first important role of this global branding and localization is with respect to global branding. Establishing a consistent global brand identity helps service firms to create strong and recognizable presence across international markets. Global branding builds brand equity and trust, facilitating customer loyalty, preference and repeat purchases or businesses. A cohesive global brand image enhances brand visibility, credibility, and competitiveness in the global marketplace, attracting new customers and even differentiating the firm from competitors.

Second benefit or importance is with respect to localization. Adapting services to local preferences and cultural nuances through localization increases the relevance and acceptance of offerings in international markets. Localization fosters customer satisfaction, engagement, and loyalty by demonstrating understanding and respect for local customs, languages, and consumer behavior. Customizing marketing messages, communication channels, and service delivery to fit local contacts enhances the effectiveness of marketing campaigns and strengthens customer relationship. Now let's understand what are the global branding strategies are.

So we are going to discuss approaches, then the benefits of global branding, and a case study to understand the concept in a better way. So let's start with approaches. There are two approaches when it comes to global branding. Standardization and then adaptation. Standardization means or involves maintaining a consistent brand image, identity, and messaging across all international markets.

Whereas adaptation involves customizing brand elements, products and services, and marketing strategies to suit the preference, needs, and cultural nuances of individual international markets. Key elements of the brand such as logo, colors, tagline, and brand values remain uniform regardless of the market. Benefits of standardization include cost efficiencies, brand consistency, and streamlined marketing efforts. However, standardization may overlook cultural differences and fail to resonate with local audiences, leading to reduce effectiveness in certain markets. Brand elements such as messaging, product, features, packaging, and pricing are tailored to align with local cultural norms under adaptation.

Benefits of adaptation include increased relevance, resonance, and acceptance of the brand among diverse international audiences. However, adapting may lead to higher cost, complexity in managing multiple variations, and challenges in maintaining brand consistency across markets. Now let's discuss the benefits of global branding strategies, that is standardization and adaptation for that matter. There are three benefits global branding offers. First, brand consistency, brand recognition, and economies of scale.

With respect to brand consistency, global branding ensures consistent brand image, identity, and messaging across all international markets. Consistency builds brand trust, credibility, and familiarity among customers, leading to increased brand loyalty and preference. Whereas, a cohesive brand identity enhances brand recognition and strengthens the brand position in the global marketplace. When it comes to brand recognition, global branding increases brand visibility and recognition on a global scale. A strong and consistent brand presence across multiple markets enables customers to easily identify and recall the brand, driving brand awareness and recall.

Enhanced brand recognition facilitates customer acquisition, fosters trust, and supports brand differentiation in competitive markets. Coming to economies of scale, global branding allows service firms to leverage economies of scale in marketing, production, and distribution. Standardizing brand elements such as logos, packaging, and marketing materials reduces production costs and streamlines operational efficiencies. Economies

of scale enable firms to achieve cost savings, improve profitability, and reinvent resources in innovation and expansion initiatives. Now, let's discuss a case study, Marriott International.

Marriott International is a global hospitality company known for its successful branding strategies. Let's have a look at this particular video that talks about how different and very different brand operates under the umbrella of Marriott International, each one catering to specific customer segments in international markets. Have a look at this video. There are as many needs, desires, and aspirations as there are travelers. As the world's largest travel company, Marriott International has a brand for every trip, purpose, and travel need.

Our portfolio consists of two categories, classic and distinctive, each with three discerning tiers, a thoughtfully curated approach to hospitality. Did you know that our classic luxury brands bestow a legendary standard few can meet and none can forget? What would you say if we told you that our distinctive luxury brands offer iconic experiences elevated through a personal touch? What would you say if we told you that our classic premium brands create travel experiences as sophisticated as the guests who seek them? Did you know that our distinctive premium brands drive distinct and memorable experiences through a global lens on culture, design, and wellness, appealing to guests and locals alike? Did you know that our classic select brands, with our 4,000 global locations, offer comforts and amenities as affordable as they are inviting? What would you say if we told you that our distinctive select brands offer remarkable experiences at exceptional prices? With the world's finest portfolio of hotel brands, the most comprehensive global footprint, and the most extensive and preferred loyalty program, Marriott International has a place for you no matter where you go or what you seek. For every desire, there's a destination, and for every guest, there is a welcome. Where will your curiosity take you next? Let's talk about a brand consistency concept with respect to Marriott International. Marriott maintains a consistent brand image and identity across diverse portfolio of hotel brands, including Marriott Hotels, JW Marriott, Sheraton, and even the Ritz Carlton.

Each brand adheres to Marriott's core values of quality, hospitality, and customer service excellence. Coming to loyalty programs, Marriott's Bonvoy loyalty program is a key component of its branding strategy, offering rewards, benefits, and personalized experiences to frequent guests. The program enhances brand loyalty, increases repeat business, and drives customer engagement across Marriott's global properties. When it comes to personalized service experience, Marriott emphasizes personalized service experience tailored to the unique preferences and needs of individual guests. From customized room amenities to individual or personalized greetings and recommendations,

Marriott strives to create memorable experiences that resonate with guests and reinforce brand loyalty.

When it comes to brand extensions and partnerships, Marriott has expanded its brand presence through strategic partnerships and brand extensions, such as Marriott Vacation Club, Marriott Bonvoy Movements, and partnerships with leading travel brands like United Airlines and Delta Airlines. These initiatives enhance brand visibility, reach new customer segments, and reinforce Marriott's position as a global hospitality leader. As with global branding, let's discuss localization strategies with the same approach. We will discuss approaches first, then benefits, and then a case study. So what are the approaches for localization strategies? There are three approaches to localize your offerings.

First, product adaptation. Second, communication customization. And third, cultural integration. Product adaptation involves customizing product or services to meet the specific needs, preferences, and cultural nuances of target markets. Adaptations may include modifying product features, designs, packaging, sizes, flavors, or ingredients to align with local test regulations and consumer preferences. Examples of product adaptation include offering different menu items at McDonald's restaurant based on local dietary preferences, or introducing clothing sizes tailored to regional body types.

Then comes communication customization, which means tailoring marketing messages, advertising, campaigns, and even other promotional materials to resonate with cultural, linguistic, and social norms of target audiences. Customization may include translating content into local languages using culturally relevant imagery, symbols, and references, and adapting communication styles to match local preferences. Examples of communication customization include Nike's Just Do It campaign, which features culturally diverse athletes and narratives tailored to local markets, or even Coca-Cola's Share A Coke campaign, which incorporates popular local names on product labels. Third approach is of cultural integration, which involves embedding cultural insights, values, and sensitivities into all aspects of the service experience, including customer interactions, employee training, and even organizational practices. Integrations may involve incorporating local customs, traditions, and celebrations into service offerings, training employees to be culturally sensitive and competent, and fostering a culture of diversity and inclusion within an organization.

Examples of cultural integration include Starbucks' incorporation of local artwork, music,

and design elements in its coffee houses to reflect the cultural identity of each location, or even Airbnb's cultural immersion experiences that connect travelers with authentic local experiences and hosts. Now, let's talk about some benefits of localization strategies. The first benefit here is addressing cultural differences. Localization is essential for addressing cultural differences by adapting products, services, and marketing strategies to align with the unique values, beliefs, and customs of target markets. Cultural differences influence consumer behaviors, preferences, and expectations, making it imperative for service firms to understand and respect cultural nuances to effectively engage with local audiences.

By incorporating cultural insight into their offerings and communication strategies, service firms can bridge cultural gaps, minimize misunderstandings, and foster positive relationships with customers from diverse cultural backgrounds. Next benefit is with respect to catering to preferences. Localization enables service firms to cater to local preferences by tailoring products, services, and even experiences to meet the specific needs, tests, and expectations of target customers. Preferences may vary across regions in terms of product features, packaging, pricing, flavors, or design aesthetics. Necessitizing customization to resonate with local customer preferences and enhance market acceptance.

By offering localized solutions that address consumer preferences, service firms can differentiate themselves from competitors, increase customer satisfaction, and capture market share in a diverse cultural context. Third benefit is with respect to meeting market-specific needs. Localization is crucial for meeting market-specific needs by adapting services to comply with regulatory requirements, industry standards, and consumer demands in different markets. Market-specific needs may include legal regulations, technical standards, product certifications, or cultural insensitivities that vary from one market to another. By tailoring their offering to meet market-specific needs, service firms can demonstrate compliance, build trust with local stakeholders, and mitigate risk associated with non-compliance or cultural insensitivity.

So, let's discuss a case study with respect to localization. McDonald's McDonald's is a global fast-food chain that successfully implemented localization strategies in its expansion into Indian market. Here is how McDonald's effectively localized its offering and marketing strategies to cater to the unique preferences, cultural sensitivities, and market-specific needs of Indian consumers. So, let's have a look at some beautiful campaigns from McDonald's from Indian market, where they were launching their Rs. 179 max-hour meal. Let's have a look at these particular campaigns. We're here. What do you want? Shh! Shh! What will you have? Tell me, fast. Make chicken and fries with it.

Also, cook with no ice. Okay, okay. I got you. A lot can happen at 179. And this is the second one from again McDonald's. Have a look at this as well. Your Mac-Peggie meal. Okay, a lot can happen at just Rs. 179. So let's discuss how McDonald adopted localization strategies to serve Indian market. First here is vegetarian menu options. Recognizing India's diverse culinary landscape and significant vegetarian population, McDonald's introduced a range of vegetarian menu options tailored to local taste and preferences. The menu includes items such as McAloo Tiki Burger, Veg Pizza McPuff, and even Veg Maharaja Mac which incorporate popular Indian flavors and ingredients providing vegetarian consumers with a variety of choices.

Second strategy they adopted is cultural sensitivity. McDonald's demonstrated cultural sensitivity by respecting religious and cultural sensitivities prevalent in India such as abstaining from serving beef and pork products to cater to Hindus and Muslim dietary restrictions. The company also adhered to local customs and traditions by celebrating Indian festivals and occasions through limited time promotions, themed menus, and even festive marketing campaigns. Third strategy is about pricing and portioning. McDonald's adapted its pricing and portioning strategies to suit Indian market's affordability and consumption patterns. The company introduced value meals, combo offers, and affordable pricing to appeal to price-conscious Indian consumers while maintaining profitability.

Additionally, McDonald's offered smaller portion sizes and snack options to cater to Indian consumers' preferences for lighter meals and frequent snacking occasions. Then comes to communication and marketing. McDonald's localized its communication and marketing strategies to resonate with Indian consumers' cultural references, language preferences, and even lifestyle habits. We already seen those in those particular two commercials. The company launched advertising campaigns featuring local celebrities, cultural motives, and colloquial language to establish emotional connections with Indian audiences and reinforce the brand's relevance in the local context.

And then finally, community engagement initiatives. McDonald's actively engaged with local communities through corporate social responsibility or CSR initiatives, charity partnerships, and some community outreach programs. The company supported initiatives focused on education, health, and environmental sustainability,   demonstrating its commitment to social responsibility and fostering positive relationships with Indian consumers and stakeholders. In summary, McDonald's successful localization strategies in India showcase the importance of adapting products, services, and marketing approaches to meet the unique cultural, dietary, and economic preferences of local markets. By embracing localization, McDonald's effectively positioned itself as a relevant

and trusted brand in India, driving customer satisfaction, loyalty, and business growth in one of the world's fastest growing markets. Now let's discuss how one can balance global branding and localization.

The two seems opposite of each other, but there is a way to do that. First thing to do here is to establish clear brand guidelines. Develop comprehensive brand guidelines that outline the core brand identity values, messaging, and visual elements to maintain consistency across all markets. Clearly define the non-negotiable aspects of the brand that must remain consistent globally while allowing flexibility for local customization in other areas.

Second step, conduct cultural research. Invest in thorough cultural research to understand the nuances, preferences, and sensitivities of target markets. Identify cultural elements that resonate with local consumers and align with the brand's values to inform customization efforts while ensuring cultural appropriateness and authenticity. Third step, create modular brand assets. Develop brand assets and marketing materials that are modular and adaptable to accommodate local customization. Design templates, graphics, and messaging frameworks that can be easily modified to reflect local languages, cultural references, and market specific needs while maintaining brand consistency.

Next step is empowering local teams. Empower local teams and franchise partners to make informed decisions and adaptations that resonate with their specific market context. Provide training, resources, and guidelines to enable local teams to localize marketing campaigns, product offerings, and customer experiences while staying aligned with global brand standards. Next step involves fostering collaboration and communication. Facilitate collaboration and communication between global and local teams to ensure alignment on brand objectives, strategies, and execution. Establish regular communication channels, feedback mechanisms, and cross-functional meetings to exchange insights, share best practices, and address challenges in balancing global branding with local customization.

Next step is monitor and measure performance. Implement monitoring and measurement systems to track effectiveness of global branding and local customization efforts. Collect feedback from local markets, analyze performance metrics, and conduct market research to evaluate brand perception, customer satisfaction, and business outcomes. Use insights gained from these kinds of monitoring and measurement exercises to refine strategies, optimize localization efforts, and achieve a harmonious tolerance between global consistency and local relevance. Now, let's look at what are the challenges faced while going for global branding and localization.

The first challenge here is cultural misunderstandings. Cultural differences and nuances can lead to misinterpretations, misunderstandings, and cultural faux pas that impact brand perception and the effectiveness of localization efforts. Differences in language, customs, humor, and social norms may result in communication barriers, inappropriate messaging, and unintended offense to local audiences. The second challenge deals with coordination across markets. Coordinating branding and localization efforts across multiple markets with diverse cultural, linguistic, and regulatory environments can be very challenging. Ensuring consistency in brand messaging, visual identity, and customer experience while accommodating local customization requires effective communication, collaboration, and alignment among global and local teams.

The third challenge deals with balancing global consistency and local relevance. Finding the right balance between maintaining global brand consistency and adopting to local preferences and market-specific needs is a common challenge. Striking a harmonious balance that preserves the core brand identity while allowing for meaningful localization requires careful planning, flexibility, and decision-making. Another challenge deals with resource constraints. Limited resources, including budget, time, and expertise, can pose challenges in implementing effective global branding and localization strategies.

Investing in cultural research, language, translation, marketing adaptation, and training initiatives may strain resources, particularly for smaller firms. Another challenge deals with technology and infrastructure availability. Technological limitations, infrastructure constraints, and digital accessibility issues in certain markets may hinder the execution and effectiveness of global branding and localization efforts. Inadequate internet connectivity, limited access to digital devices, or even reliance on outdated technology may impact the reach, engagement, and measurement of digital marketing campaigns.

Another challenge is with respect to regulatory compliance. Navigating complex regulatory environments, legal requirements, and even cultural sensitivities in different markets poses compliance challenges. Adhering to local laws, regulations, and industry standards while maintaining brand integrity and consistency requires careful attention to detail and legal expertise as well. So let's discuss some examples of cultural missteps and brand inconsistencies. With respect to cultural missteps, we have two examples.

First Pepsi's Live for Now campaign in China. Pepsi faced backlash in China for its Live for Now campaign, which featured a TV ad depicting a Western model participating in a protest. The ad was criticized for its insensitivity to Chinese cultural values and political

sensitivities, leading to public outrage and calls for boycotts. Second example is with respect to KFC's Finger Lickin' Good slogan in China. KFC's iconic slogan, Finger Lickin' Good, was mistranslated into Mandarin as Eat Your Fingers Off in China, resulting in cultural confusion and unintended negative connotations. The misstep highlighted the importance of accurate translation and cultural adaptation in marketing campaigns.

With respect to communication errors, let's have an example of HSBC's Do Nothing campaign in US. HSBC launched a marketing campaign in the US with the slogan, Do Nothing, intending to convey the ease of banking with HSBC. However, the slogan was criticized for its negative connotations and lack of clarity, leading to confusion and ridicule among American consumers. Second example is about Chevrolet's Nova car named in Spanish-speaking markets. Chevrolet faced communication errors in Spanish-speaking markets with its Nova car model.

As Nova translates to It Doesn't Go in Spanish, the name was pursued negatively by consumers, hindering sales and brand perceptions in those markets. Coming to brand inconsistencies, let's have an example of Starbucks' size terminology in China. Starbucks faced brand inconsistencies in China with its size terminology as the traditional tall, grande and venti were pursued as confusing and irrelevant to Chinese consumers. Starbucks then introduced a simplified size system in China to align with local preferences and enhance brand clarity. Coming to Airbnb's Experiences campaign or platform in Japan, Airbnb experienced brand inconsistencies in Japan with its Experiences platform as the concept of sharing personal experiences with strangers was met with cultural resistance and privacy concerns.

Airbnb adapted its marketing approach and messaging to address cultural sensitivities and rebuild tasks with Japanese consumers. So finally, let's discuss some strategies for overcoming challenges in global branding and localization strategies. First here is Cultural Sensitivity Training. Provide cultural sensitivity training to marketing teams, employees and stakeholders involved in global branding and localization efforts. Training should include awareness of cultural differences, communication styles, taboos and best practices for effectively engaging with diverse cultural audiences.

Second, In-country Market Research. Conduct in-depth market research in target countries to understand local preferences, behaviors, trends and cultural nuances. Engage with local experts, consultants and focus groups to gather insights and validate branding and localization strategies before implementation. Third, Collaboration and Cross-functional Alignment. Foster collaboration and alignment between global and local teams,

departments and stakeholders to ensure consistency and effectiveness in branding and localization efforts. Establish clear communication channels, regular meetings and feedback loops to facilitate information sharing.

Next, Flexibility and Adaptability. Maintain flexibility and adaptability in branding and localization strategies to accommodate changing market dynamics, cultural shifts and consumer preferences. Continuosly monitor and evaluate performance metrics, consumer feedback and market trends to identify opportunities for refinement and optimization. Next, Technology and Automation. Leverage technology and automation tools to streamline and scale global branding and localization processes. Use translation management systems, content management platforms and digital marketing tools to facilitate content creation, translation, distribution and measurement across multiple markets.

Next comes Test and Iterate. Implement a test and learn approach to pilot branding and localization initiatives in select markets before full-scale roll-out. Gather feedback, analyze results and iterate on strategies based on performance data and customer insights to optimize effectiveness and minimize risk. Next comes Risk Management and Contingency Planning. Develop risk management plans and contingency strategies to anticipate and mitigate potential challenges, disruptions and crises in global branding and localization efforts. Establish protocols for handling cultural missteps, communication errors and brand inconsistencies including swift response mechanisms and crises communication strategies.

So, in this video we try to understand two important concept, global branding and localization strategies in the context of services. Thank you.