Introduction

Operating on the global market can be compared to a magnifying glass that enlarges all weaknesses and strengths a product and company have. Moreover, to operate globally, a company needs to have a scale and considerable brand value. It is limited in time, faces large amount of competitors, difficulties with adapting to consumer behavior and habits, and is often dependant on government environment, not to mention the necessity of maintaining brand unity throughout cultures and countries. Under these circumstances decisions are made quickly and considerately, but prior, grounded examination of macro and micro environment is made. This research paper focuses on decisions that are made in ongoing process of building a unitary brand within global market.

1. Product at the Heart

In the book *Global Marketing,* Warren J. Keegan and Mark C. Green hold that:

> The product *P* of the marketing mix is at the heart of the challenges and opportunities facing global companies today: Management must develop product and brand policies and strategies that are sensitive to market needs, competition, and company ambitions and resources on a global scale. (297)

Indeed, the first and foremost question one should answer is what qualities of a product influence consumer perception and whether they are ready to buy it. These qualities can be tangible and intangible attended by effective packaging they produce the first impression that can make consumer buy it, dislike it, or leave indifferent. Tangible qualities are physical characteristics that provide benefits for consumer in terms of their functionality. Intangible are those that are closely related to status, social expectations, and self-perception. For example, a *Mercedes Benz* or *Lexus* besides their functionality have earned a reputation of being Executive Class cars and are acknowledged globally as such.

Products are generally recognized as consumer and industrial goods, in their turn they are classified by customer orientation properties, such as accessibility, risk level associated with purchase, and interest in the later. Furthermore, there are also: convenience, preference, shopping, and specialty goods attributes. For example, McDonald’s on the global scale, when adapting new territories, chooses to locate its fast food restaurants primary in the cities with significant traffic of tourists and on major road conjunctions. This is due to several reasons, but primary, this way the company provides accessibility, convenience and is oriented on consumers that have a certain level of expertise with the brand.

1.1 Brands

David A. Aaker in his book *Building Strong Brands* states that

> Identity and brand itself is a unique set of brand associations that is created or supported by the developer of a brand. These associations represent the meaning of brand and promises, which the company gives to the consumer. (94)

Moreover, the brand is a number of attributes that differentiate one product or company from another. One way or another, consumers search and come across different information about products. This “puzzle” consists of different impressions about the product and as a whole generates a brand image. At some point it triggers the purchase, or negative review, or recommendation to a friend.

Brand equity or value is another important property of brand itself. There are different researches ongoing annually that measure brand equity, whether locally or globally. For example, Douglas A. McIntyre in his research *The Ten Most Successful Brands Of 2010* states that: “Most brand evaluation analysis focuses on dollar value, sales and earnings momentum, and how much an individual brand helps a company’s market capitalization”.

However, other brand intangible properties, such as image, recognition, and level of expertise with the brand are not taken into account, although they need to be considered. First of all, these are the attributes that differentiate one brand from another. Secondly, they bring certain benefits to the brand value: greater loyalty, less vulnerability to marketing actions, less vulnerability to marketing crises, larger margins, more inelastic consumer response to price increases, more elastic consumer response to price decreases, increased marketing communication effectiveness (Keegan 298). For example, Coca-Cola brand, besides its market capitalization that is expressed in billions of dollars, has a unique brand image that is understood globally as a carbonated drink despite language and cultural differences.

Fig. 1. Brand composite (Aaker 100).

Brands are generally classified as local, international, and global. The main criterion of attributing these qualities to a brand is geography of operation. In these terms, it can be argued that building a global brand is an evolutionary process that can not omit one or two stages in development.

First of all, local brands are those that achieved success in a single national market. Moreover, they can represent serious barriers to global brands entering new country markets. (Keegan 299). For example, Fei-Chang Cola, in China, with adapted packaging and specification for local market and Pepsi and Coca-Cola with their standardized global brands compete severely on the Chinese market. While some researchers suggest that it is due to consumer patriotism, others like Mary – Ann Twist from the University of Chicago holds that: “The inclination toward global or local mindsets is connected to people's desire for distinctiveness (local) versus their desire to be similar to others (global)”.

Secondly, international brands are those that operate on several markets in specific region. A good example of this could be “Volvo” XC70, a cross - over, that was developed for Scandinavian countries. Its functionality and abilities allow Volvo to withstand severe frosts and black ice, thus positioning this car on the markets where these conditions occur.

Finally, globalization is a final stage in evolutionary process for the brand. It strains the company making it operate in every country, and in every part of the world. Besides, the brands value, equity, and image should be controlled on the large scale. Three main qualities are implied by the global brand and are endorsed to it by consumers: quality signals, global myth, and social responsibility (Keegan 301). These signals are triggers for consumers to purchase.

2. Global Brand Development

Some marketing managers mistakenly think a brand success is fully dependent on the strategy, and thus involve into building enchanting strategies and promises without factual information about applicable tactics on the market. To build an effective strategy a marketer needs to go down-up, and not the other way down. Principal question one must answer is whether building a global brand fits with their company, product, and market. Secondly, one should consider whether global expansion plans will ever materialize and bring revenues. Third, a marketer should realize that managing human resources globally is difficult. Finally, as communication varies through cultures, one should be aware of the possibilities that “a single brand can not be imposed on all markets successfully”. (Keegan 304)

However, a solution to save the day is global brand leadership. First of all, an undeniable consumer value must be considered. It should be easy to remember and evoke visual brand image across cultures. Next, inter – company communication and information flow have to provide with knowledge about consumers, companies, competitors, recent developments. Third, one should analyze, evaluate and plan across markets and products. Fourth, hierarchy inside the company should be strongly developed and global practices on local markets applied. Finally, building brand should be correlated between global purposes and local differences.

3. Country of Origin Phenomenon

Historically, consumers attribute either positive or negative qualities to product lines, associated with certain countries. For example, Swiss watches are known for their durability and luxury style. Japanese electronics is known for high functionality and speed. French perfumes are known for their unique fragrance. In this sense, companies have advantage over domestic goods. Besides, they can benefit on established reputation and indict premium prices. These perceptions contribute to country of origin effect and become a part of brand's image and equity.

Furthermore, these perceptions can change over time. For example, previously negative image of Korea has improved with Samsung, Daewoo, and Hyundai brands emerging on global market. Moreover, country of origin properties can be compared to umbrella strategy: other companies from this location can receive a boost in emerging globally, and vice versa.

Still, some countries do not have a positive or negative reputation on the world scale. In fact, they are themselves "launch brands" as they have formed recently. Simon Anholt in his article *Across the Board* argues that:

> These countries lack centuries of tradition and foreign interaction upon which to build reputation. For a country like Slovenia to enhance its image abroad is a very different matter than for Scotland or China. Slovenia needs to be launched: Consumers around the world first must be taught where it is, what it makes, what it has to offer, and what it stands for. This in itself represents a powerful opportunity: The chance to build a modern country brand, untainted by centuries of possibly negative associations (qtd. in Keegan 310)

Additionally, it can be suggested that several Slovenian companies join forces in conquering global market, as it can produce a larger impact.

4. Packaging, Labeling, Aesthetics

Packaging, labeling, and aesthetics, are physical product properties, which, however contribute to the brand’s equity. First of all, packaging needs to serve its primary function – to protect a product from damaging. Nevertheless, packaging of some products contributes to the brand’s image or provides with competitive advantage. For instance, to compete with famous manufacturer of canned soup Campbell’s, rivals could pack their products into carton, plastic, or glass and then spread information that cans rust; or Coca-Cola distinctive bottle shape helps consumers to search for the right thing in supermarkets.

Secondly, labeling for its primary purpose informs consumer of a brand itself, the quality and quantity of content. It is designed to catch attention, support product’s positioning and persuade consumer to buy. Labeling must fulfill recommendations of local legislation, and has to be accurately translated.

Finally, aesthetics needs to satisfy tastes and expectation of native culture. A marketing manager should consider differences in perception of different colors, pictures, and shapes among cultures. For example, in some Arabic countries, photography and usage of human images are still forbidden. If you think of gestures, then “ok” sign which is appropriate in American culture, in Germany has an indecent meaning.

5. Expansion Strategies in Global Marketing

To profit on the opportunities outside the home country, managers need to consider creation, adaptation, or extension strategies that will fit in market environment of location they are emerging into. It depends on the company’s capacities, program, and policy whether to create a daughter brand for the specific region, or adapt products towards local market, or to extend them unchanged. It is notable that several countries have regulations concerning packaging, outlook, and content that make altering a product “a must”. For instance, “Ogilvy & Mather's "Real Beauty" campaign for Unilever's Dove, which in Western markets has featured images of everyday women in their underwear. In the Middle East, the concept was modified to simply reveal the face behind a woman's veil”, said Millward Brown Group CEO Eileen Campbell in his interview for *Advertising Week 2008*. (2)

Conclusion

To summarize, operating globally forces managers to overlook company’s strategy no matter how successful it was on the national scale. In this ongoing process, they are to decide whether capacities of the company can extend globally, whether their product can fit into new cultural environment, or it needs to be adapted, extended, or created. At the same time, some countries can benefit on the country of origin effect, while others may face difficulties with new market, rejecting it for the same reason. In this case decisions should be made of how to support company’s position on the market, and divest negative reputation. A manager should also be aware, that while some cultures accept easily new brands, some that are more conservative and authentic may be less flexible. Finally, globalization necessitates company with obligations of perfect product quality, unstained reputation, and social responsibility. In these terms, it should be considered whether a company can carry this burden or is it better to stay national.

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