

**MARKET-DRIVEN**

**POSITIONING**

**KEY TO SUCCESS IN GROWTH  
MARKETS**

**At globeone, we are specialists for growth markets.**

**We believe in good process, thorough research, and a hands-on spirit from strategy to implementation.**

**This discussion paper is made to inspire. To encourage leaders to see the world in all its differences. To understand these differences, and address them right. To fully leverage their potential for market success.**

**This means embarking on a journey to discover the untapped potential of exciting markets and customer segments.**

**At globeone, we believe that this journey will be a fruitful one.**

## The battle for global market leadership

Driving to work in a BMW, having a Starbucks coffee during lunch, carrying the latest Louis Vuitton bag to dinner – what used to be a distant dream for almost all consumers in China, India, and other emerging markets has become daily routine for many of them. The emerging market boom of recent years has resulted not only in hundreds of millions of people joining the middle class, but also in the widespread distribution and awareness of Western brands.

These brands are critical in people's desire to communicate their upward mobility and social status. They are visible manifestations of the economic progress made within less than a generation. Having become an essential part of consumers' daily lives in emerging markets, Western brands are now there to stay.

As Western markets slow down, reach saturation, or even contract, being active in emerging markets is not only

an option. It is a necessary pillar of sustainable business success for any global brand.

**Trade between advanced and emerging economies has long surpassed trade solely between advanced economies. Yet 56% of senior business executives believe that lack of local business practice still is one of the biggest barriers preventing organizations from expanding into emerging markets.**

Source: FT, 2013; London Business School, 2013; Referring to Brazil, Russia, India, China, South Africa

At the same time, consumers all over the world watch their favorite series on Samsung TVs and check their mails on Lenovo laptops. Emerging market brands have successfully gained Western market share – and share of voice. While these brands used to be

associated with a low-cost image, some have started to increasingly compete on quality rather than price – attacking established brands on their home turf.

It is therefore clear that the real battle for global market leadership will and must be fought in the world's growth markets. To win it, smart market-driven positioning is key.

## Market leadership through...

- #1 Reducing cultural barriers
- #2 Increasing attractiveness
- #3 Staying relevant and meaningful in a changing environment
- #4 Being memorable, emotionally likable, and unique

## One size does not fit all anymore – the need for market-driven adaptation

It used to be a one-way road: products, strategies, campaigns – even the guys in charge – originated in the West, and were simply rolled out into emerging markets. There they were eagerly awaited by new

consumers, with more and more people joining these ranks every day.

Those days are gone. Emerging markets have now become drivers of global approaches for product development, corporate and marketing strategies, creative execution, and HR management. These markets have not only grown,

but their consumers have been educated at a speed that is almost incomprehensible.

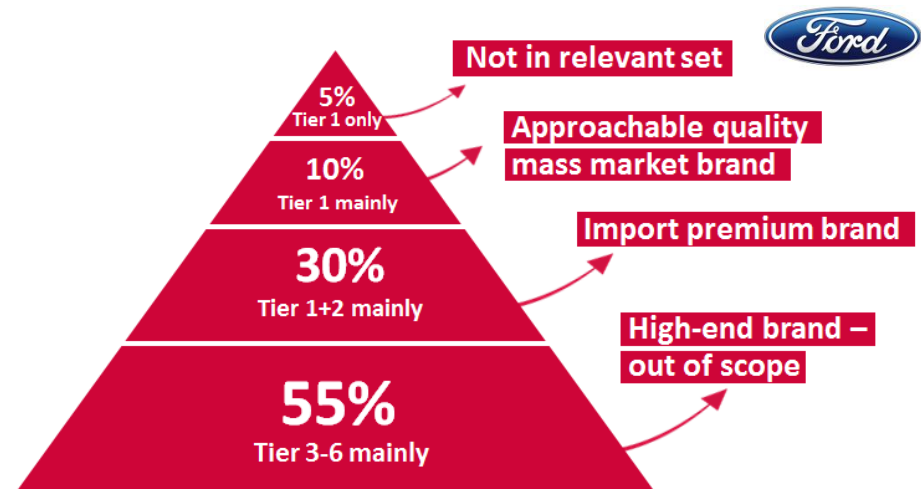
This new consumerism has taught sharpened perceptions and expectations. For brands, this means a huge potential to succeed – or to fail.

## Brand perception in emerging markets – perspective matters

The times of focusing marketing efforts only on tier 1 and 2 cities are coming to an end. It's time to set eyes on tiers that have been neglected so far: lower-tier cities are home of many more tens of millions of potential consumers.

Consumers in lower tiers might have a very different perception of a brand. The ideal market-driven positioning will have to take that into consideration.

## Different levels of brand perception – the example of Ford in China



Source: globeone research, 2013

# globeone Market-Driven Positioning Process® – the path to success

## #1 Screening the market:

Evaluating existing internal data and combining it with pragmatic external research produces initial insights and a thorough overview of the market.

## #3 Aligning your brand:

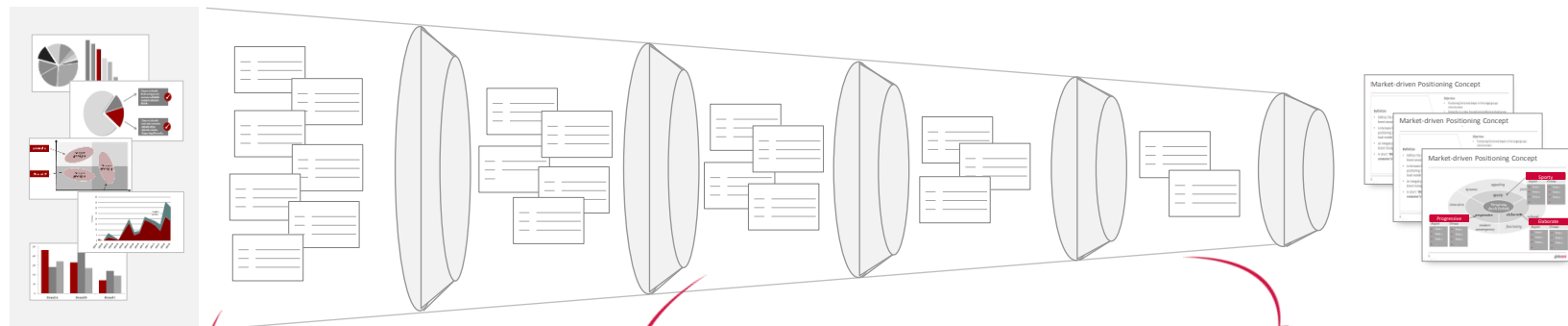
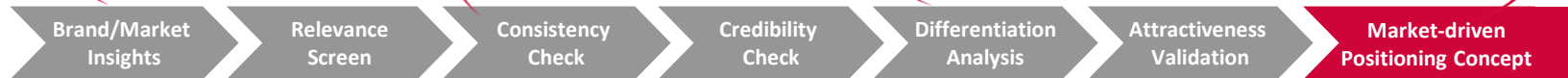
Local positioning options are matched with the brand's global value proposition to filter out concepts that would over-stretch the brand.

## #5 Setting your brand apart:

Based on a thorough competitor analysis, only the truly unique positioning concepts remain in this phase – the 'blank spots' for the brand.

## #7 Proposing the ideal values:

The optimal market-driven positioning enables the brand to become and stay highly relevant in the local market.



## #2 Relevance comes first:

Understanding what people really care about and what makes them buy a product points the way to potential positioning routes.

## #4 Making your brand credible:

Finding out what internal and external target groups already think of the brand helps to identify the most convincing positioning concepts.

## #6 Finding the best positioning

The ideal concept for the brand is chosen through detailed testing and validation.

## Emotional key decision drivers of target groups in emerging markets – know them well, use them wisely



Fact is: more and more brands fight for relevance from many more consumers with increased access and purchasing power.

The battle of brands will be decided somewhere between the young entrepreneur in Guangzhou and the recently promoted secretary in Recife.

And exactly these consumers defy the old one-size-fits-all strategy. Wanting them all on board calls for a smart one-world approach that balances both global brand power and local consumer needs.

***The positioning challenge:  
64% of consumers from key  
growth markets find it  
important to buy local  
products.  
60% consider owning a  
foreign brand as  
desirable.***

Source: globeone BRIC  
Branding Survey, 2012

Brands that want to fully tap into the potential of these markets need to face the consumer paradox of local sentiment versus foreign leverage. They need to figure out the perfect degree of local adjustment as part of the one most promising market-driven positioning.

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## Finding the right level of local adjustment

- #1 Definition of environmental factors
  - #2 Basic decision for a more global, a more local, or a hybrid-strategy
  - #3 Strategy-based adaptation of brand elements and market approach to maximize brand acceptance, desire and profitability
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## Strategic brand adaptation possibilities



<b>Brand name</b>	Global name	Translated name	Local name
<b>Brand design</b>	Global design	Mix of elements	Local design
<b>Logo</b>	Global logo	Translated logo	New local logo
<b>Symbolism</b>	Global symbols	Mix of symbols	Local symbols
<b>Brand promise</b>	Global prestige	Mix of global and local	Locally adapted promise
<b>Slogan</b>	Global slogan	Translated global slogan	Fully adapted slogan
<b>Country of origin</b>	Clear foreign origin	Overall global appeal	Local origin emphasis
<b>Brand ambassadors</b>	Foreign testimonials	Mix of testimonials	Local testimonials
<b>Product functions</b>	1:1 global product export	Selected local features	Adapted/new development
<b>Packaging</b>	Global packaging	Local feature added	Fully adapted packaging
<b>Price positioning</b>	Global price premium	Limited price adjustment	Fully adjusted local price
<b>Distribution channels</b>	Global channel approach	Mix of channels	Completely localized approach
<b>Communication channels</b>	Same channels as global	Mix of channels	Solely use of local media





## The best of both worlds – Coca-Cola's hybridized positioning in India

Coca-Cola is usually considered a truly global brand. But a closer look at its communication in emerging markets shows that the standardized elements are limited to its name, color, design elements, and core product. Beyond that, in India the brand is interpreted in an Indian way, including special adverts for the Diwali festivities and featuring testimonials from popular Bollywood stars.

Coke is using elements of Indian culture throughout its communication – deeply connecting with local consumers while still making them feel sophisticated. The same hybrid strategy applies to China, Russia, and most other emerging markets.





## Playing it local – Unilever positions ALA as a local detergent brand in Brazil



**PROMOÇÃO ALA**

*Perfume da sua Vida*

SUA HISTÓRIA PODE VIRAR  
UMA MÚSICA DO  
REGINALDO ROSSI.

1. Você está com vontade de ALA? Localize o ponto de venda no site [www.ala.com.br](http://www.ala.com.br) e peça para trazer sua história para o seu próximo perfume.

2. A melhor história vai virar uma música do Reginaldo Rossi e será tocada nos rádios.

3. As histórias viram músicas para outros perfumes. É assim que a ALA se torna uma verdadeira família.

Key visual da campanha

**ALA**

O perfume da alegria que dura todo o São João

RECOMENDADO POR Consul

NA FESTA DE SÃO JOÃO  
VOCE NÃO PODE FALTAR  
TRAZ SUA ALEGRIA ENTÃO  
PRO NOSSO DIA PERFUMAR

Produto de perfumação: 9/16/2011 a 30/10/2011. Resultado a divulgação: 31/10/2011. Regimento e regras de participação: [www.ala.com.br](http://www.ala.com.br). Promoção válida para moradores das regiões Norte e Nordeste. Certificado de Autenticidade 02

When asking Brazilians about the origin of detergent brand ALA, many of them would respond “Brazil”. This is mainly due to the branding route Unilever chose for the brand: a fully localized positioning, customized to the special needs of the lower middle class of Brazil’s northeastern regions.

Messages, testimonials, and imagery are full of Brazilian flavor: playful, dynamic, friendly, and natural. A focus on family while featuring more traditional clothes, common housing, and Brazilian music allows the target group to identify with the product. Fully in line with the communication strategy, ALA’s adapted characteristics and pricing are the reason for its successful positioning.

## 5 insights on market-driven positioning in key growth markets

- 1 { Global, local, hybridized – the agony of choice**

Successful brands find the right level of local adaptation in key growth markets. Relying too much on a global position with limited local relevance is just as inefficient as dysfunctional over-localization.
- 2 { Knowledge is power**

Successful brands get inside the minds of local customers. They are fully aware of the strengths of their local competitors. The right positioning requires information, sound decisions, and reliance on true market experts.
- 3 { Appreciate the difference**

Successful brands have learned: a market is not just one market. For them there is no “the Brazilian”, not “one Chinese consumer mindset”. They understand the wide range of local differences within each market – often different languages, cultures, symbols – and leverage it.
- 4 { Origin matters**

Successful brands know how to ‘play’ their origin. Even though this sounds paradoxical: over-highlighting foreign roots can be the right way forward in status-driven markets. Neglecting this origin opportunity can mean missing out on huge potential.
- 5 { Why bother?**

Successful brands are aware of the huge benefits of an optimized market-driven positioning: improved image factors, significantly higher market acceptance, boosted sales, and increased customer retention are just a few of the many rewards.

# Who are we?

globeone is a **management consultancy** with a **focus on the world's key growth markets**. From our offices in Germany, South America, and across Asia, we combine global strategy and local opportunity to help brands with **market-driven positioning** where it matters most.

With special competence in **brand management, marketing strategy, communications and research**, we help ambitious leaders outsmart the competition.



# Want to know more?

We're looking forward to hearing from you! Or visit us at [www.globe-one.com](http://www.globe-one.com)



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Niklas Schaffmeister advises many German DAX and MDAX listed corporations on how to boost their brand and business performance in key growth markets. He spent seven years in China, is fluent in Chinese, and has conducted major consulting projects in India, Russia, Brazil and South-East Asia.



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Christian Titze has guided major global brands from a variety of B2B and B2C industries in brand positioning and brand adaptation processes. During his four years of extensive consulting experience in China, he has become a passionate expert in supporting global brands going East – as well as emerging market brands going global.

*Interested in our BRIC Branding Survey?*

*Download the study for free at: <http://www.globe-one.com/news-insights/publications/>*

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Note: registered trademark application for globeone Market-Driven Positioning Process pending

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