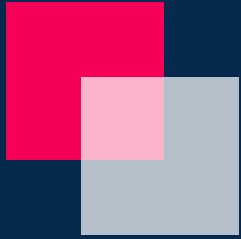# International Marketing

16th of December, 2019

# Contents of the session

1. Characteristics of Born Global firms

2. Global Branding

3. Why Customers Pick Global Brand

4. Review of key topics of 2nd half of the course
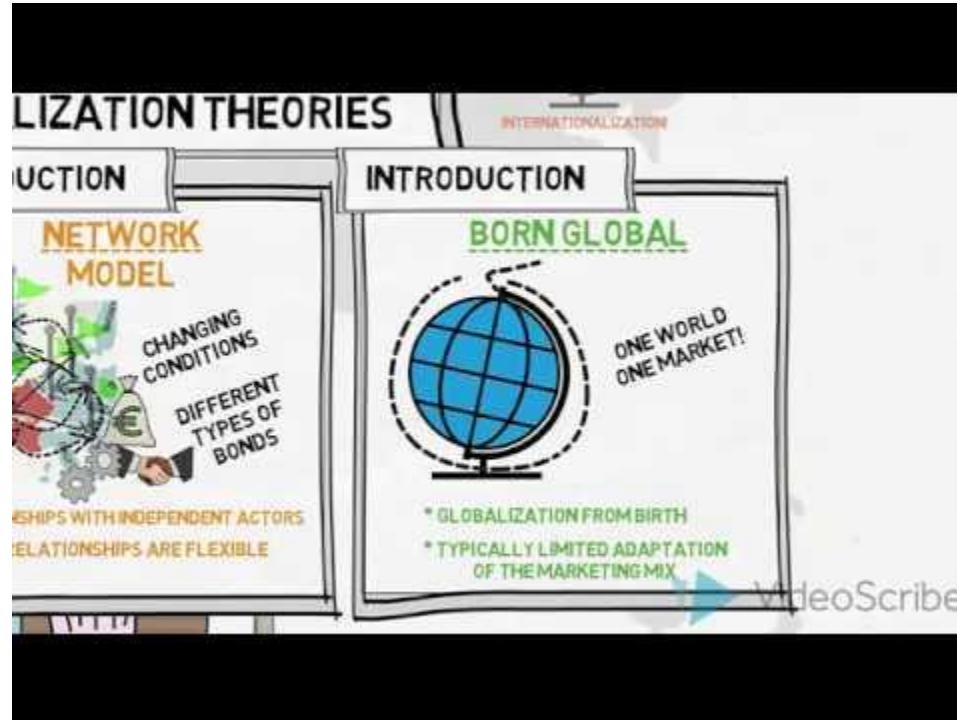
5. Closing the course

# Learning Objective 1

Born Global firms and international branding
Closing course

Prof. Antonio González Ph.D.

# 1. Characteristics of Born-Global firms

(Adapted from Tanev, 2012)

# Video introduction

Prof. Antonio González Ph.D.

# 1. Characteristics of Born-Global firms

- International activity since the beginning of operations

Technology and industry are the drives of early internalization process

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# 1. Characteristics of Born-Global firms

- Higher productivity rates

  Compared with international corporations they have less HR, higher productivity by employee and less capital intensive

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# 1. Characteristics of Born-Global firms

- <span style="color:red">Most of them are tech companies</span>

  Or they are leveraging latest technology since their foundation

1. **Characteristics of Born-Global firms**

- <span style="color:red">Startups across industries are going global quickly thanks to technology</span>

  Delocated resources, international suppliers, partners and collaborators since the beginning

1. **Characteristics of Born-Global firms**

- Global approach to business and entrepreneurial mindset

  Managing teams are internationally educated

1. **Characteristics of Born-Global firms**

- <span style="color:red">Emphasis on differentiation strategy</span>

  Focused on narrow segments compared with corporations
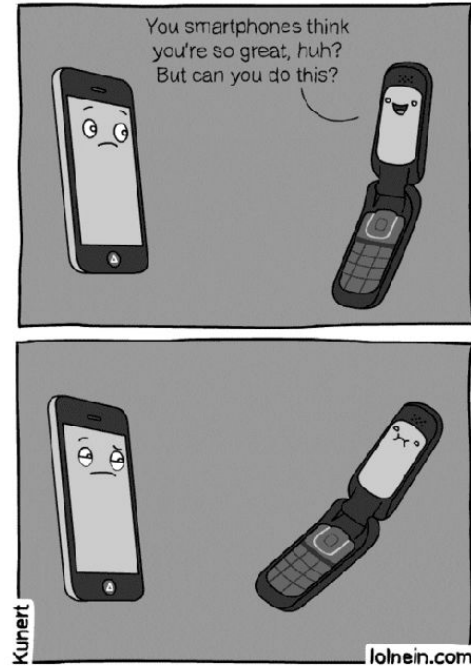  Boosting customer loyalty

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1. **Characteristics of Born-Global firms**

- <span style="color:red">Emphasis on superior experience</span>

   Normally they lead a product line or category

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# 1. Characteristics of Born-Global firms

- Leveraging latest technology

  To connect with a narrow segment or niche of the market

# 1. Characteristics of Born-Global firms

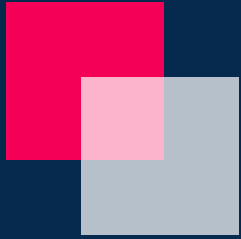- <span style="color:red">Collaborators and intermediaries that easily bring volumes</span>

   To get quick wins boos international presence

# 1. Characteristics of Born-Global firms

# 1. Characteristics of Born-Global firms

# 2. Global Branding

(An excerpt from Kluyver, 2010)

## 2. Global Branding - brand structures

Global branding evolves as firms enter in new markets or expand product offers→ 3 types of Global Brand structures:

A) Corporate dominant

B) Product focused

C) Hybrids

## 2. Global Branding - brand structures

3 types of Global Brand structures: Corporate dominant

- Companies with limited products or categories like Total, Toyota or Nike

## 2. Global Branding - brand structures

3 types of Global Brand structures: Product focused

- B2B: companies with multiple national or local brands

- B2C: firms that have expanded internationally by leveraging local "power" brands

# 2. Global Branding - brand structures

3 types of Global Brand structures: <span style="color:red">Hybrids</span>

- <span style="color:red">Most common brand structure consisting in a mix of global and national, regional and local product-brands or different structures for different product divisions</span>

# 2. Global Branding - brand architecture

*"Brand architecture"* is defined as *an organized structure of the company's brand portfolio that defines roles and relationships between brands and their markets* (Aaker, 2015)

Companies must formulate a coherent set of principles to guide Global Branding decisions in international markets

## 2. Global Branding - factors crafting structure

Factors driving international brand structure:

- Firm based characteristics

- Product-market characteristics

- Market dynamics

# 2. Global Branding - factors crafting structure

- Firm based characteristics

a) Company organization type (decentralized→ autonomy for managers)

# 2. Global Branding - factors crafting structure

- Firm based characteristics

b) .1 International expansion strategy (ie acquisition of local brands)

# 2. Global Branding - factors crafting structure

- Firm based characteristics

b) .2 Projection of corporate identity to influence brand structure (ie GE, Samsung and Apple)

Corporate identity as means of reassuring customers and distributors that the company is reliable and stands its products

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# 2. Global Branding - factors crafting structure

- Firm based characteristics

c) Diversity of the product that involves firm's business, when products are closely related: similar core competencies, product applications, common technology ...

# 2. Global Branding - factors crafting structure

- Product-market characteristics:

    *Nature and scope of the target market (ie luxury, when targeting the same segments and customers needs worldwide),

    *Product's cultural associations -remember CoO effect- (ie soccer teams or beer)

    *Competitive market structure (relative strength of local competitors vs. global companies)

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# 2. Global Branding - factors crafting structure

- Market dynamics:

*Political and economic integrations have been key drivers to craft brand structure

*Market infrastructure and globalization of retailing as catalyst to spread international brands at local and regional level

*Consumer mobility in form of increased international travelling and customers across boundaries

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# 3. Why Customers Pick Global Brands?

(Excerpt of Holt, Quelch & Taylor 2004)

# 3. Why Customers Pick Global Brands?

Only 1 out of 10 customers wouldn't choose a global brand if offered

64% of brand preference is explained by:

- Quality signal 44%

- Global mith 12%

- Social responsibility 8%

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# 3. Why Customers Pick Global Brands?

Customers prefer national brands when there is a *Country of Origin effect*, meaning that clients have the perception that certain skills belong to certain countries:

- Switzerland for chocolates
- French cosmetics
- Italy for fashion
- German cars
- Spanish food

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# 3. Why Customers Pick Global Brands?

Most customers fall in one of these 4 groups in terms of how they relate to global brands:

1. **Global citizens (45%)** that care about brands environmental behavior

2. **Dreamers (25%)** that accept brand myths and positioning

3. **Antiglobals (15%):** those that try to avoid buying transnational products

4. **Global agnostics (15%)** as those that think that global brands don't deserve consideration

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# Remember:

## *We r selling*

## *24/7!*

## Thanks for your attention

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