



## **The role of local context in the local strategies of global brands**

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A research project submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Business Administration.

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# Abstract

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The greatest task of many international marketing practitioners in host organisations, entails understanding the factors that influence the localisation or standardisation of marketing programmes. The purpose of this paper is to gain insight into the role of local context in the local strategies of global brands. This paper uses a qualitative case study design of two global brands.

**Findings** – The findings show that the role that emerging macro-level factors of local context play in the local strategies of global brands is in determining the levels at which marketing programs will be standardised or localised.

Micro-level factors of local context play the role of a) setting the preconditions for product development and b) determining the extent of productivity that can be achieved in the local context

The strategic implications that must be considered at the local level when applying a global brand include brand identity standards as well as making specific choices about global or local consumer culture positioning.

**Practical implications**- For practitioners, the practical implications encompass strategic considerations in the course of making decisions to standardise or localise marketing programs.

**Originality/value** – This paper highlights new variations in contextual factors within-countries. It also provides an international perspective that is rooted in local context regarding global marketing intermediaries. Lastly, it explores the strategic implications considered when applying a global brand.

**Keywords**- International marketing, localisation, standardisation,

# Declaration

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I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other university. I further declare that I have obtained the necessary authorisation and consent to carry out this research

Nthabiseng Hlophe

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07 November 2012

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And there by His grace go I.

# Dedication

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This research report is dedicated to two special women who have played an integral part in my journey here.

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# Table of contents

---

## Chapter 1: Introduction to Research Problem

<b>1.1 Purpose of the study .....</b>	<b>1</b>
<b>1.2 Context of the study .....</b>	<b>1</b>
1.2.1 Macro Level Factors of Local Context.....	2
1.2.2 Micro-level factors of local context .....	3
1.2.3 Strategic Approach and Decision-Making.....	4
<b>1.3 Originality and value of this research study .....</b>	<b>5</b>
<b>1.4 Problem Statement .....</b>	<b>5</b>
1.4.1 Sub-Problem 1 .....	6
1.4.2 Sub-Problem 2 .....	6
1.4.3 Sub-Problem 3 .....	6
<b>1.5 Significance of the study.....</b>	<b>6</b>
<b>1.6 Delimitations of the study .....</b>	<b>6</b>
<b>1.7 Definition of terms .....</b>	<b>7</b>

## Chapter 2: Literature Review

<b>2.1 Introduction .....</b>	<b>8</b>
<b>2.2 International marketing strategies.....</b>	<b>9</b>
2.2.1 The role of context in determining tactical behaviour.....	9
2.2.2 Towards standardisation or adaptation .....	10
<b>2.3 Strategic approaches and marketing decision-making.....</b>	<b>12</b>
2.3.1 The degree of authorisation as a predictor of standardisation .....	12
2.3.2 Strategy and structure approaches .....	13
<b>2.4 Applying a global brand locally .....</b>	<b>14</b>
2.4.1 Global brand identity standards .....	15
2.4.1.1 Brand identity standards .....	15
2.4.1.2 Brand image .....	16
2.4.1.3 Towards a theory of co-creation .....	17
2.4.2 Global consumer culture positioning.....	18
2.4.3 Mobile consumers .....	19

<b>2.5 Conclusion .....</b>	<b>20</b>
-----------------------------	-----------

## **Chapter 3: Research Questions**

<b>3.1 Introduction .....</b>	<b>21</b>
<b>3.2 Definition of topic .....</b>	<b>21</b>
3.2.1 Sub- problem 1.....	21
3.2.2 Sub-problem 2.....	21
3.2.3 Sub-problem 3.....	21
<b>3.3 Research question 1 .....</b>	<b>22</b>
<b>3.4 Research question 2.....</b>	<b>22</b>
<b>3.5 Research question 3.....</b>	<b>22</b>
<b>3.4 Conclusion .....</b>	<b>23</b>
<b>4.1 Introduction .....</b>	<b>24</b>
<b>4.2 Research design .....</b>	<b>24</b>
<b>4.3 Population and sample.....</b>	<b>25</b>
4.3.1 Population .....	25
4.3.2 Sample and sampling method .....	26
<b>4.4 The research instrument .....</b>	<b>27</b>
4.4.1 Documentation.....	27
4.4.2 Archival records.....	27
4.4.3 Unstructured interviews .....	27
<b>4.5 Procedure for data collection.....</b>	<b>28</b>
4.5.1 Documentation.....	29
4.5.2 Archival records.....	29
4.5.3 Unstructured interviews .....	30
<b>4.6 Data analysis and interpretation .....</b>	<b>30</b>
4.6.1 The unit of analysis .....	30
4.6.2 Analysing qualitative text data.....	30
<b>4.7 Limitations of the study.....</b>	<b>31</b>
4.7.1 Methodological approach.....	31
4.7.2 Sampling .....	31
4.7.3 Data collection and analysis process.....	32
<b>4.8 Validity and reliability .....</b>	<b>32</b>
4.8.1 External validity .....	32
4.8.2 Reliability.....	32
<b>4.9 Conclusion .....</b>	<b>32</b>

## Chapter 5: Results

<b>5.1 Introduction .....</b>	<b>33</b>
<b>5.2 Sample description .....</b>	<b>33</b>
5.2.1 Respondents by work function .....	33
5.2.2 Respondents by job level.....	34
5.2.3 Respondents by tenure in the organisation.....	34
5.2.4 Key to excerpts from unstructured interviews .....	35
<b>5.3 Results from unstructured interviews- Global Brand A .....</b>	<b>35</b>
5.3.1 Results pertaining to question 1.....	35
5.3.2 Results pertaining to question 2.....	37
5.3.3 Results pertaining to question 3.....	40
<b>5.4 Results from document reviews- <i>Global Brand A</i> .....</b>	<b>43</b>
5.4.1 Results pertaining to question 1.....	43
5.3.2 Results pertaining to question 2.....	45
5.3.3 Results pertaining to question 3.....	47
<b>5.4 Conclusion of results Global Brand A.....</b>	<b>47</b>
<b>5.5 Results from unstructured interviews- Global Brand B .....</b>	<b>49</b>
5.5.1 Results pertaining to question 1.....	49
5.5.2 Results pertaining to question 2.....	51
5.5.3 Results pertaining to question 3.....	53
<b>5.6 Results from document reviews- <i>Global Brand B</i> .....</b>	<b>55</b>
5.6.1 Results pertaining to question 1.....	55
5.6. Results pertaining to question 2.....	57
5.6.2 Results pertaining to question 3.....	58
5.7 Conclusion of Results Global Brand B .....	58

## Chapter 6: Discussion of Results

<b>6.1 Introduction .....</b>	<b>61</b>
<b>6.2 Profile of respondents .....</b>	<b>61</b>
<b>6.3 Analysis of results- Global Brand A .....</b>	<b>61</b>
6.3.1 Discussion of research question 1 .....	61
6.3.2 Conclusion of research question 1.....	64
6.3.3 Discussion of research question 2.....	64
6.3.4 Conclusion of research question 2.....	65
6.3.5 Discussion of research question 3.....	66
6.3.6 Conclusion of research question 3.....	67
<b>6.4 Analysis of results- Global Brand B .....</b>	<b>68</b>
6.4.1 Discussion of results for research question 1.....	68



6.4.2 Conclusion of Research Question 1 .....	69
6.4.3 Discussion of results for Research Question 2.....	70
6.4.4 Conclusion of research question 2.....	70
6.4.5 Discussion of results for research question 3.....	71
6.4.6 Conclusion of research question 3.....	72
<b>6.5 Cross Case Analysis.....</b>	<b>72</b>
6.5.1 Discussion of results research question 1 .....	72
6.5.2 Discussion of results for research question 2.....	73
6.5.3 Discussion of results for research Question 3 .....	73
<b>6.6 Conclusion .....</b>	<b>74</b>
<b>Chapter 7: Conclusion</b>	
<b>7.1 Introduction .....</b>	<b>75</b>
<b>7.2 Conclusions of the study .....</b>	<b>75</b>
<b>7.3 Implications and recommendations .....</b>	<b>77</b>
<b>7.4 Recommendations and suggestions for further research ..</b>	<b>77</b>
<b>8. References .....</b>	<b>78</b>

## List of Tables

---

Table 1: Coded reference of respondents .....	35
Table 2: Summary of findings for research question 1, Global Brand A.....	35
Table 3: Findings 1 and 2, research question 1 (unstructured interviews) Global Brand A.....	36
Table 4: Findings 3 and 4, research question 1 (unstructured interviews) Global Brand A.....	36
Table 5: Finding 5, research question 1 (unstructured interviews) Global Brand A .....	37
Table 6: Summary of findings (unstructured interviews), research question 2 Global Brand A .....	38
Table 7: Finding 1, research question 1 (unstructured interviews) Global Brand A .....	38
Table 8: Finding 2, research question 2 (unstructured interviews) Global Brand A .....	39
Table 9: Summary of findings, research question 3 (unstructured interviews) Global Brand A .....	40

Table 10 Findings 1 and 2, research question 3 (unstructured interviews) Global Brand A.....	41
Table 11: Finding 3, research question 3 (unstructured interviews) Global Brand A .....	41
Table 12: Findings 4 and 5, research question 1 (unstructured interviews) Global Brand A.....	42
Table 13: Findings 5- 7, research question 1 (unstructured interviews) Global Brand A.....	42
Table 14: Summary of findings, research question 1 (document review) Global Brand A.....	43
Table 15: Finding 1, research question 1 (document review) Global Brand A.....	44
Table 16: Finding 2, research question 1 (document review) Global Brand A.....	45
Table 17: Summary of findings, research question 2 (document review) Global Brand A.....	45
Table 18: Finding 1, research question 2 (document review) Global Brand A.....	45
Table 19: Finding 2, research question 2 (document review) Global Brand A.....	46
Table 20: Finding 3, research question 2 (document review) Global Brand A.....	47
Table 21 Supplier type for Global Brand A (Source: Marketing supplier list) .....	47
Table 22 Summary of findings, research question 1 (unstructured interviews) Global Brand B .....	49
Table 23: Findings 1 and 2, research question 1 (unstructured interviews) Global Brand B.....	50
Table 24: Finding 3, research question 1 (unstructured interviews) Global Brand B .....	50
Table 25: Finding 4, research question 1 (unstructured interviews) Global Brand B .....	51
Table 26 : Summary of findings, research question 2 (unstructured interviews) Global Brand B.....	51
Table 27: Finding 1, research question 2 (unstructured interviews) Global Brand B .....	52
Table 28: Findings 2 and 3, research question 2 (unstructured interviews) Global Brand B.....	52
Table 29: Summary of findings, research question 3 (unstructured interviews) Global Brand B .....	53
Table 30: Finding 1 and 2, research question 3 (unstructured interviews) Global Brand B.....	53
Table 31 Finding 3, research question 3 (unstructured interviews) Global Brand B .....	54
Table 32: Finding 4, research question 3 (unstructured interviews) Global Brand B .....	54
Table 33 : Summary of findings, research question 1 (document reviews) Global Brand B.....	55
Table 34 : Finding 1, research question 1 (document review) Global Brand B.....	55
Table 35 Finding 2, research question 1 (document review) Global Brand B .....	56
Table 36: Summary of findings, research question 2 (document review) Global Brand B.....	57
Table 37: Finding 1, research question 2 (document review) Global Brand B.....	57
Table 38 Supplier type for Global Brand B.....	58

# List of figures

---

<b>Figure 1 Structure of literature review .....</b>	<b>8</b>
<b>Figure 2: Levels of comparison within country (Douglas &amp; Craig, 2011, p. 151)..</b>	<b>10</b>
<b>Figure 3 Reasons towards standardisation and adaptation (Vrontis, Thrassou, &amp; Lamprianou, 2009, p. 492).....</b>	<b>11</b>
<b>Figure 4 Brand image model (Vukasovic, 2009, p. 168).....</b>	<b>17</b>
<b>Figure 5 Conclusion of literature review .....</b>	<b>20</b>
<b>Figure 6 Multiple case design (Yin, 2009, p. 46).....</b>	<b>Error! Bookmark not defined.</b>
<b>Figure 7 Convergence of evidence (Yin, 2009, p. 117).....</b>	<b>29</b>
<b>Figure 8 Number of respondents by work function .....</b>	<b>33</b>
<b>Figure 9: Respondents by job level .....</b>	<b>34</b>
<b>Figure 10: Respondents by tenure in the organisation .....</b>	<b>34</b>
<b>Figure 11: Extract from the <i>Business Day Live</i> (Kahn, 2012).....</b>	<b>44</b>
<b>Figure 12: Local production and media contribution (Source: Marketing A&amp;M Invoices Tracker).....</b>	<b>46</b>
<b>Figure 13: Production and media contribution .....</b>	<b>46</b>
<b>Figure 14: Social Media Footprint of Global Brand B (LM&amp;P, 2012).....</b>	<b>57</b>
<b>Figure 15: Marketing program type contribution .....</b>	<b>58</b>

# Chapter 1:

## Introduction to research problem

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### 1.1 Purpose of the study

The purpose of this study is to gain insight into the role of local context in the local strategies of global brands.

**Key Issues:** International marketing, global brands

### 1.2 Context of the study

South African organisations are accountable for, and act as custodians of, many major global brands (Millward Brown, 2012). Achieving the balance between “what is local and what is global and standard” is critical for their continued success (IBM Institute for Business Value, 2012, p. 2). In light of this, international marketing practitioners must seek to deliver appropriate brand propositions and experiences to people across multiple societies (Gelder, 2007). Dave Tomlinson - CEO of advertising agency ‘Hardy Boys’ - described this mission as “filling in the gaps between local nuance and broad global brushstrokes” (Tomlinson, 2011, p. 309). Notwithstanding their core business, leading global consumer goods firms in this century will be those “that execute flawlessly in connecting with consumers” (IBM Institute for Business Value, 2012, p. 2). Furthermore, they must be able to manage global, regional and in-market brand value chain efficiencies against the backdrop of dynamic macro and micro-level factors of the host/ local market (IBM Institute for Business Value, 2012).

Some of these organisations are multi-tiered and lead both local and global brands (Meyer, Mudambi, & Narula, 2011). For example, organisations like SABMiller operate in six different continents, brewing a number of beers and are responsible for at least four global brands in South Africa (Davie, 2010). Unilever South Africa (Pty) Ltd, a subsidiary of Unilever PLC, is one of the largest FMCG companies in South Africa, with global product development and marketing expertise (Introduction to Unilever, 2010). Even with millions invested in global programmes and consumer research worldwide, there is a place for strong local roots and fine-tuning global brands to suit local needs

(Introduction to Unilever, 2010). In doing so, various factors at the macro-level, micro-level of the local context of a global brand influence the choice to adapt or standardise the marketing mix elements (Bengtsson, Bardhi, & Venkatraman, 2010). Traditional brand management theories and assumptions require re-thinking that integrates the complexities brought about by this business environment (Iglesias, Singh, & Casabayo, 2011).

### **1.2.1 Macro Level Factors of Local Context**

Multinational organisations create value by “leveraging tangible and intangible resources across national borders” (Meyer, Mudambi, & Narula, 2011, p. 10). In this pursuit, their brands encounter business settings in host locations that may be different from those out of which they emanate. In order to identify opportunities and alleviate threats, organisations need to have a keen sense of the marketing environment in which they operate (Kotler & Keller, 2009). Marketing literature often cites six major factors of the macro environment of businesses impacting organisations and the strategies of their brands (Kotler & Keller, 2009). Prior research has used the “PEST (Political, economic, social, technology) framework” to analyse the macro-level factors that impact the international marketing environment (Wilkinson, McAlister, & Widmier, 2007, p. 151). The context, within which these dimensions are considered, encompasses their impact in the process of developing and implementing brand strategy (Marketing Minefield, 2012).

In the case of global brands in a developing economy like South Africa, the pertinent factors of the local economic environment that have often been reported on include a growing middle class, changes in domestic consumer demand, strong price competition and wage inflation (Deloitte, 2012). The technological environment encompasses the use of technology in product, market, and marketing innovation (Kotler & Keller, 2009). Existing and new technologies in international organisations often play a role in product development and manufacturing. Furthermore, within the context of marketing, technology can provide analytics and insights that deliver “successful and relevant consumer and customer engagement” (Deloitte, 2012, p. 14). The dynamism of these macro-level factors has also been noted by businesses with regards to the unparalleled reach/ brand messaging speed and scale that digital marketing channels are now availing to marketing practitioners (Levine, 2012).

Although macro-environmental factors have received a lot of attention from international marketing scholars, a “PEST environment is not static” (Wilkinson, McAlister, & Widmier, 2007, p. 34). In addition, it is important to gain insight into these

factors in developing economies. Developing economies have received very little attention in international marketing studies versus developed markets in the American and European regions (Leonidou, Barnes, Spyropoulou, & Katsikeas, 2010). It is essential to continue research in this area, in order to highlight new “variations in contextual factors across and within countries” (Douglas & Craig, 2011, p. 151). Furthermore, in the last decade, international marketing literature has afforded wide attention to the socio-cultural environment, whilst the political and economic environments have not received the same level of attention (Leonidou, Barnes, Spyropoulou, & Katsikeas, 2010).

### **1.2.2 Micro-level factors of local context**

In contrast to the macro-environment in marketing, the micro-level factors encompass those things that an organisation is able to influence or exert control over (Kotler & Keller, 2009). The micro-level factors are also known as the “task environment” (Leonidou, Barnes, Spyropoulou, & Katsikeas, 2010, p. 505). Some of the key components of the micro-environment include a firm’s internal environment (across functions), suppliers, its marketing channel firms, customer markets, competitors and public groups/ stakeholders that influence it (Kotler & Keller, 2009). In the case of global brands, brand leaders are often required to establish standard global systems at the micro-level of leading brands in order to deliver operational efficiency (Millward Brown, 2012). At the same time, they must provide localised offerings in local markets (IBM Institute for Business Value, 2012).

Multinational organisations conclude global agreements for services such as advertising, media planning and buying with various marketing channel intermediaries. In recent years, there has been an emergence of global advertising and marketing communications services companies (Bradshaw, 2012). This involves making decision whether to “invite advertising agencies to serve product accounts on a multi-country or even global basis” (McKinsey Quarterly, 2007). Recently, digital media journalist Tim Bradshaw wrote about Unilever “striking international, multimillion-dollar partnerships with media groups Viacom and News Corp” (Bradshaw, 2012, p. 3). Unilever’s global chief marketing officer Keith Weed was quoted as saying: “What digital has enabled more than anything else is the globalisation of the media world” (Bradshaw, 2012, p. 3). One of the better-known firms in the marketing fraternity with a footprint in South Africa - Omnicom - has more than 500 clients spread across over 100 countries (Omnicom Group Inc., 2012). “As a strategic holding company, Omnicom manages a portfolio of global market leaders comprised of three global advertising agency networks, BBDO,

DDB and TBWA; numerous leading national advertising agencies; a global network of more than 175 marketing services companies; and a media group, Omnicom Media Group” (Omnicom Group Inc. , 2012, p. 1).

Prior research of the micro-environment in international marketing has highlighted that by standardising marketing channel intermediaries, organisations can deliver operational efficiencies and cost reduction relative to the scope of business awarded to a global service company (Douglas & Craig, 2011). However, a review of international marketing literature in the last decade shows that further research is required at two levels. Firstly the literature is limited in providing an international viewpoint that is “domestically oriented” regarding global intermediaries (Leonidou, Barnes, Spyropoulou, & Katsikeas, 2010, p. 508). Secondly, in the local context, there is a gap in knowledge primarily pertaining to the “preconditions required for new product development”, and the effects of these on the localisation or standardisation of marketing programs (Leonidou, Barnes, Spyropoulou, & Katsikeas, 2010, p. 505).

### **1.2.3 Strategic Approach and Decision-Making**

A key factor of local context often encompasses establishing global standards through set marketing decision making structures (Chung, 2009). The extent of authorisation to lead a global brand’s strategy in a local market has previously been explored by many international marketing researchers (Chung, 2009). Some have even tried to corroborate a relationship between the nature of this relationship and global brand standardisation strategies (Laroche, Kirpalani, Pons, & Zhou, 2001).

A contingency theory approach by authors Chung, Wang, and Haung, (2012) have advanced international marketing literature in this regard. The authors have a) integrated the international marketing notion of “standardisation and adaptation of marketing strategy” with that of “centralised and decentralised decision-making”, and b) revealed that “cultural distance” plays a role in the decision of an organisation to adopt a particular approach (Chung, Wang, & Haung, A contingency approach to international marketing strategy and decision making structure among exporting firms, 2012, p. 54). What remains unexplored is a “domestically oriented” viewpoint of the strategic implications of cultural distance in the local context of global brands (Leonidou, Barnes, Spyropoulou, & Katsikeas, 2010, p. 508).

## 1.3 Originality and value of this research study

This research study makes a contribution in international marketing literature by:

- a) Highlighting at the macro-level of local context, new “variations in contextual factors across and within countries” that play a role in the local strategies of global brands (Douglas & Craig, 2011, p. 151). This includes paying more attention to the political and economic environments- which have not received the same level of attention as the socio-cultural environment (Leonidou, Barnes, Spyropoulou, & Katsikeas, 2010).
- b) Providing, at the micro-level of local context, an international viewpoint that is “domestically oriented” regarding global intermediaries (Leonidou, Barnes, Spyropoulou, & Katsikeas, 2010, p. 508). Furthermore, it will add to the body of knowledge regarding the “preconditions required for new product development”, and the effects of these on the localisation or standardisation of marketing programs (Leonidou, Barnes, Spyropoulou, & Katsikeas, 2010, p. 505).
- c) Exploring the strategic implications considered when applying a global brand in the local context, taking into account the relevance of global culture positioning.

## 1.4 Problem Statement

In the local context, multinational organisations are accountable for, and act as custodians of, many major global brands (Millward Brown, 2012). In order to remain globally competitive and locally relevant, organisations must strategically position themselves to best serve within a dynamic environment (IBM Institute for Business Value, 2012). At the macro-level, this marketing environment is not static. It calls for practitioners to stay abreast of existing and new “variations in contextual factors across and within countries” and their strategic implications on the localisation or standardisation of marketing programs (Douglas & Craig, 2011, p. 151). Furthermore, as it pertains to marketing infrastructure (at the micro-level of the marketing environment), practitioners must understand the “preconditions required for new product development”, and their implications on the localisation or standardisation of marketing programs (Leonidou, Barnes, Spyropoulou, & Katsikeas, 2010, p. 505). For those in charge of local operations in a host location, the cultural distance in relation to the country of origin of the global brand may also have strategic implications on the



localisation or standardisation of marketing programs (Leonidou, Barnes, Spyropoulou, & Katsikeas, 2010).

#### **1.4.1 Sub-Problem 1**

Understanding variations in contextual factors at the macro-level of local context that play a role in the localisation or standardisation of marketing programs

#### **1.4.2 Sub-Problem 2**

Understanding variations in contextual factors at the micro-level of local context that play a role in the localisation or standardisation of marketing programs

#### **1.4.3 Sub-Problem 3**

Understanding the strategic implications considered when applying a global brand locally

### **1.5 Significance of the study**

Most research studies in international marketing focus on the perspective of headquarters' managers who are responsible for global operations (Whitelock & Fastoso, 2007). The focal point of this study, however, is aimed at an organisation/brand teams in charge of local operations outside the bounds of the global brands' country of origin. In addition, the strongest attention to international marketing studies, geographically, has been paid in Europe, North America and the Asia-Pacific regions (Whitelock & Fastoso, 2007). This study aims to concentrate on South Africa, a country of economic significance in the African continent. Although international marketing studies have been conducted on consumer goods before, this research aims to contextualise new variations in the cases of global brands within the same multinational organisation.

### **1.6 Delimitations of the study**

In its scope, this study does not include organisations for which South Africa is the country of origin. Only global brands that have been in existence in the local market for a minimum of ten years have been considered. In addition, this study has not delved into all aspects of the role of local context in the business environment that are of significance to all organisations. It will only focus on those that are relevant within the

sphere of international marketing in the context of the specific case scenarios. Furthermore, this study focuses on the fast moving consumer goods sector.

## 1.7 Definition of terms

Below follows definitions of key terms used throughout this research proposal:

<b>Brand-</b>	A brand is a set of associations linked to a product by its prominent features, name, trademark or symbols (Kotler & Keller, 2009)
<b>Globalisation</b>	“The tendency toward an international integration of goods, technology, information, labour, capital, or the process of making this integration” (Dumitrescu & Vinerean, 2009, p. 151)
<b>Localisation</b>	“The process of adapting a product or service to a particular culture, language, developing a local appeal and satisfying local needs” (Dumitrescu & Vinerean, 2009, p. 151)
<b>Glocalisation</b>	“Providing a global offer (brand, idea, product, service) while taking local related issues into account” (Dumitrescu & Vinerean, 2009, p. 151)
<b>Standardisation</b>	“Consistent execution of brand strategy across markets, which includes a consistent brand name, symbols, and positioning themes” (Bengtsson, Bardhi & Venkatraman, 2010, p. 520)
<b>Misappropriation-</b>	“Hi-jacking” or seizure or misuse of a brand (key features, name, trademark or symbols) (Adjei, Noble, & Noble, 2010)

# Chapter 2:

## Literature review

---

### 2.1 Introduction

This literature review encompasses a critical evaluation of key works in top academic journals and papers in the sphere of international marketing. More specifically, it is a review of the role of local context in the local strategies of global brands. Firstly, international marketing strategies will be reviewed. This will include investigating the role of context in determining tactical behaviour. Furthermore, significant and peripheral reasons pulling towards standardisation or adaptation that has been highlighted in traditional brand management theories and assumptions will be discussed. Secondly, the review will highlight the works of researchers who have looked at marketing decision-making structures against the backdrop of international marketing strategic approaches. Following from this, topics of brand identity standards and global consumer culture positioning will be examined. Finally, the literature review will be concluded through the synthesis of key themes pertaining to the role of local context in the local strategies of global brands. Figure 1 below illustrates the structure of the literature review.

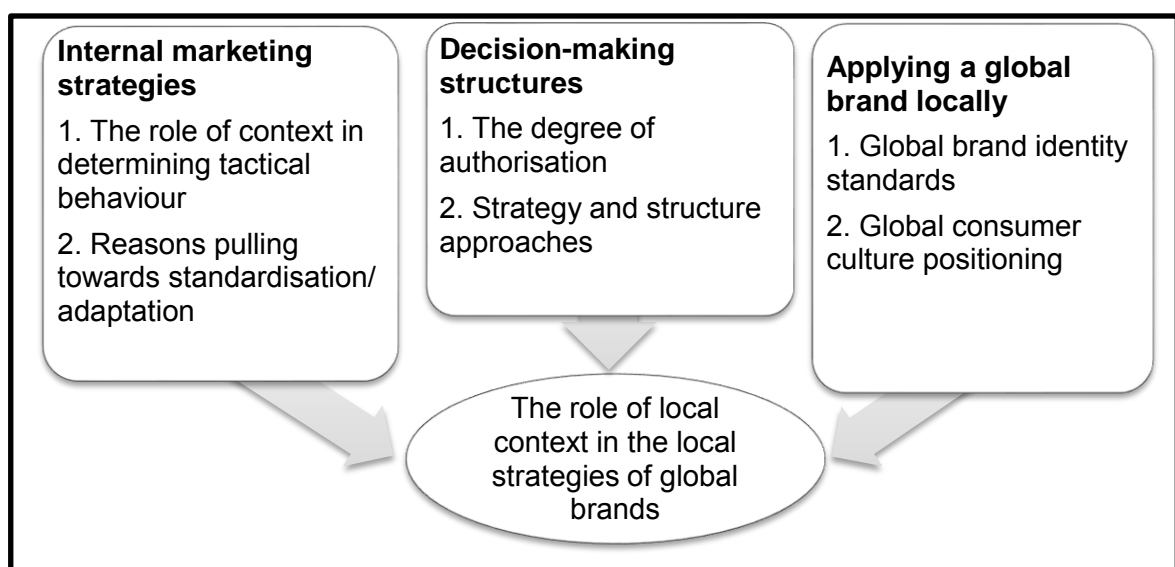


Figure 1 Structure of literature review

## 2.2 International marketing strategies

Authors Iglesias, Singh, & Casabayo (2011) stated that a single brand can exist in different parts of the world with “different cultural heritages, traditions and consumer mind sets” (p. 438). In line with this, a significant facet of managing a global brand pertains to the extent to which it can and should be standardised in different markets (Bengtsson, Bardhi & Venkatraman, 2010). In this section the role of context at the macro and micro-levels within a country is reviewed. This will include a discussion regarding categories of significant and peripheral reasons pulling towards standardisation or adaptation of brand strategies. The degree of authorisation given to international marketing practitioners in host countries will also be reviewed against the backdrop of these marketing standardisation and/ or adaptation assumptions.

### 2.2.1 The role of context in determining tactical behaviour

Recent years have seen researchers demonstrate that context or place has an effect on consumer derived brand meaning (Bengtsson, Bardhi, & Venkatraman, 2010). This challenges traditional brand management theories that had, in earlier years, argued for standardisation of global brand activities as being tantamount to standardised consumer connotations of the brand around the world (Bengtsson, Bardhi, & Venkatraman, 2010). Although Bengtsson, *et al* (2010) introduced this element of divergence of the meaning of a global brand in different markets, the study was limited in its ability to contextualise the conditions in local markets that lead to this divergence.

In their article assessing the role of context in assessing international marketing opportunities, Douglas and Craig (2011) uncovered contextual factors underlying this process. The authors went beyond the understanding of context as asserted by Bengtsson, Bardhi and Venkatraman (2010), instead categorising context at three levels. The factors of context are said to occur at three levels (a) the “macro and/ or meso-level” - which includes elements of within-country differences in topography, culture and lifestyle, (b) the “micro” level - which encompasses local level information on economic, demographic and socio-cultural factors, and (c) the “situational” level - which constitutes elements of the specific situation in which consumption occurs (Douglas & Craig, 2011, p. 50). The value of this study entails more than just developing “a deeper understanding not only of the role of context in shaping consumption and purchase behaviour, but also to understand the variations in contextual factors across and within countries” (Douglas & Craig, 2011, p. 151). Figure

2 below illustrates the lenses or categories of the various levels of contextual factors within a country that are discussed by (Douglas & Craig, 2011).

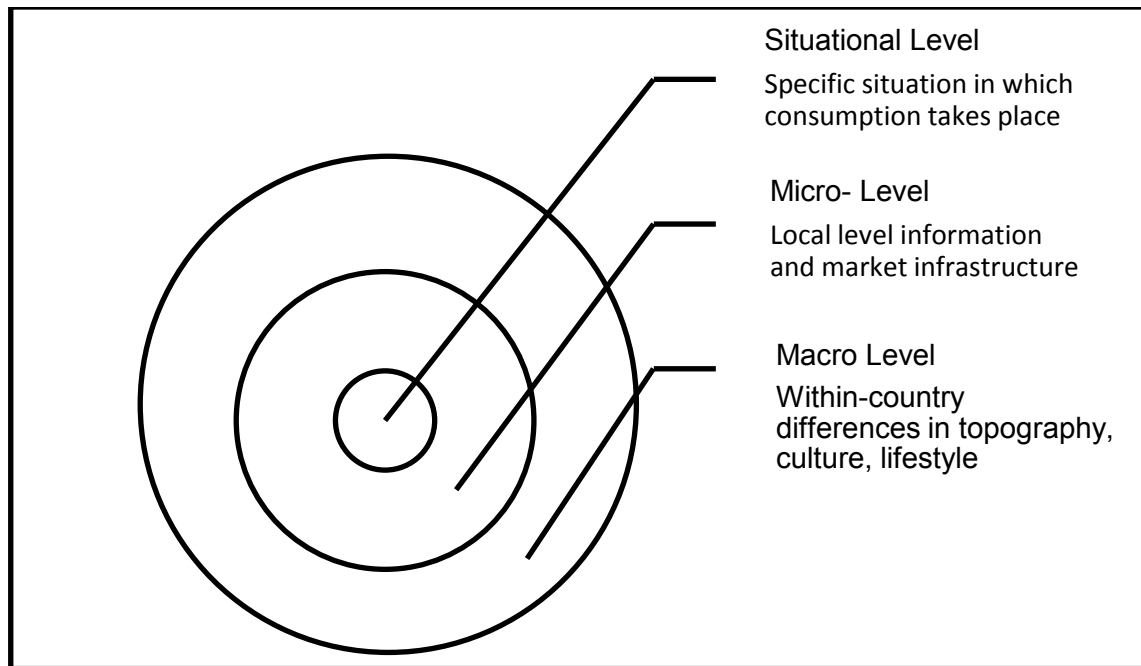


Figure 2: Levels of comparison within country (Douglas & Craig, 2011, p. 151)

This illustration of the work of authors Douglas and Craig (2011) painted a comprehensive picture of traditional brand management theories. Iglesias, Singh, and Casabayo, (2011) also made a contribution to this realm of international marketing by examining key changes and challenges for brands in an uncertain environment. These support assumptions have been discussed by other researchers cited in this review - such as Kotler and Keller, (2009), Bengtsson, Bardhi, and Venkatraman, (2010) - however these authors did not show in their studies what an organisation's inclination to select particular local strategies for their global brand was against the backdrop of international marketing strategies for global brands.

### **2.2.2 Towards standardisation or adaptation**

Within the domain of international marketing, the perennial debate over the levels to which organisations or brands should standardise or adapt their strategies and activities, has been a sizeable focus of past research (Vrontis, Thrassou, & Lamprianou, 2009). In their study, authors Vrontis, Thrassou and Lamprianou (2009) positioned multinationals on a "linear continuum" in a bid to show what their overall inclinations towards standardisation or adaptation were (p. 477). The authors focused

more on identifying and categorising the reasons why multinational companies make decisions to standardise or adapt particular elements of their marketing mix (Vrontis, Thrassou, & Lamprianou, 2009). The motivations for an organisation to develop an overall attitude towards either standardisation or adaptation were categorised into “significant and peripheral reasons” (Vrontis, Thrassou, & Lamprianou, 2009, p. 492). Some of the macro/ meso-level, micro-level and situational-level factors of local context as reported by Douglas and Craig (2011) in Figure 2 are mapped onto the continuum that these authors put forth. However, the illustrative model by authors Vrontis, Thrassou and Lamprianou (2009) tied this closer to define the actual contextual factors to an organisation’s inclination towards standardisation and/ or adaption. Figure 3 below illustrates the significant and peripheral factors that play a role in determining local strategies for a global brand.

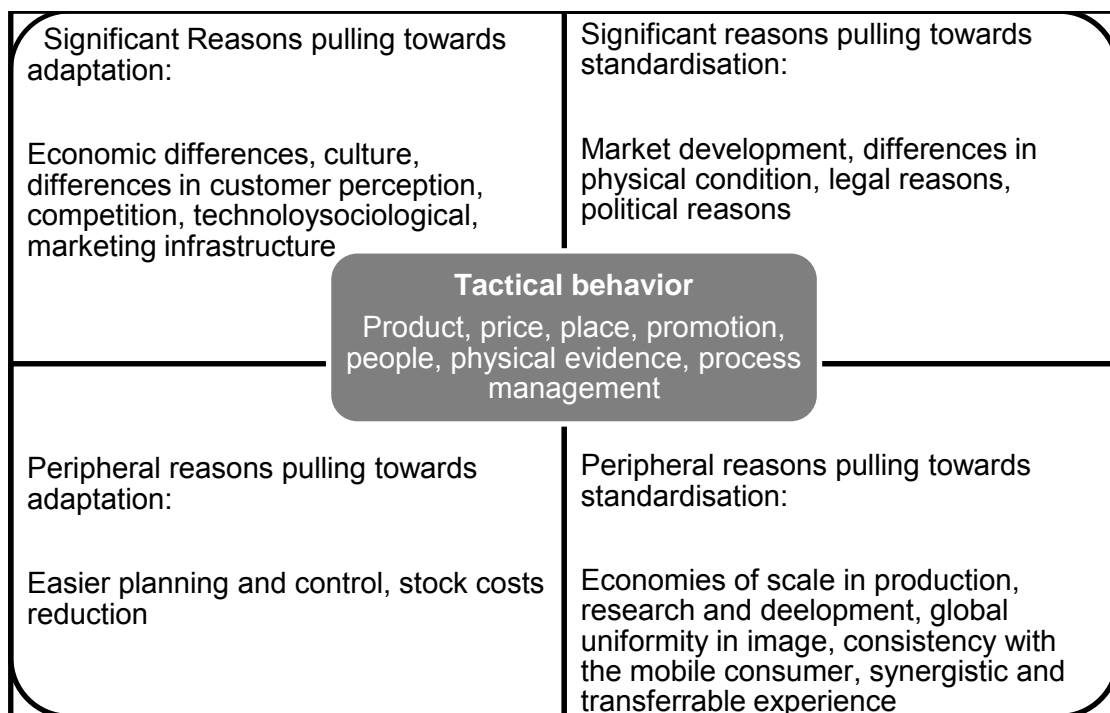


Figure 3 Reasons towards standardisation and adaptation (Vrontis, Thrassou, & Lamprianou, 2009, p. 492)

Following from this, it is clear that there are multiple factors constituting what can be defined as the local context of global brands. The authors have shown how these play a role in shaping a multinational organisation’s overall attitude towards either standardisation or adaptation of key elements of a brand’s marketing mix. The limitations in these works are that they did not focus on the perspective of a host country of a global brand; hence they did not overlay these models with other possible moderating factors such as contextualising how decisions are made. This is important

to understand, in particular when attempting to gain insight from the perspective of teams in charge of local strategy and operations outside of a global brand's country of origin.

## **2.3 Strategic approaches and marketing decision-making**

In this section, the role of local context is reviewed under the research streams of strategic approaches and marketing decision-making structures. Although the trajectory of the various schools of thought has developed insights that link decision-making structures to marketing strategies, they are mostly inconclusive. A step-change in the advancement of this debate is seen in more recent studies examining various approaches to international marketing strategy decision-making structures. However, further research in this area may reveal new contingency variables that may have an impact on strategic approaches and marketing decision-making structures in the standardisation versus adaptation continuum.

### **2.3.1 The degree of authorisation as a predictor of standardisation**

Research themes advocating that the structure of marketing decision-making can be a factor of international marketing strategies have developed over the years (Chung, 2009). According to Solberg (2000), the marketing decision-making structure defined refers to “the degree of authorisation which a firm’s local representation is given when formulating their own marketing strategy” (as cited in Chung, 2009, p. 795). In his study using the experience of 78 international firms doing business in the European Union (EU), Chung (2009) generated a framework for future research. In this framework, it was suggested that even without “direct influence, the structure of decision making is still likely to have an indirect effect on marketing standardisation strategy” (Chung, 2009, p. 794). However in this study, Chung (2009) only enhanced findings of earlier research, which can be summarised in four key themes.

1. The first group of researchers studied only the marketing decision-making structure as an aspect of strategies aimed at standardising an organisations’/ brands’ marketing. Examples of key works in this area include Duncan and Ramaprasad (1995), who were proponents of this school of thought, as well as others such as Quester and Conduit (1996) who failed to corroborate such a relationship (as cited in Chung, 2009). These researchers contributed to the

subject of standardisation strategies by attempting to ascertain whether or not “the degree of authorisation is a predictor of marketing standardisation” (Chung, 2009, p. 795).

2. The second group of researchers such as Solberg (2000) advanced this area of research by delving into the interaction effect (for example a high risk environment) of the marketing decision-making structure on standardisation (Chung, 2009). However, most of the research in this school of thought was limited in scope, as well as deficient in empirical evidence (Chung, 2009).
3. The third school of thought, with works of authors such as Laroche, Kirpalani, Pons and Zhou (2001), encompassed research aimed at examining whether the extent of authority exerted by multinational companies (MNCs) on teams in charge of local operations influences marketing factors and marketing standardisation strategies (Chung, 2009).
4. The fourth group of researchers advanced this by including performance in the framework and linking it to the degree of control exerted on local operations by multinational headquarters (Chung, 2009).

### **2.3.2 Strategy and structure approaches**

A study by Chung, Wang and Haung (2011) utilised a contingency theory approach to unearth moderating factors in marketing strategy and structure combinations. The authors did this by focusing on four strategy and structure approaches, namely “the global approach (standardisation-centralisation); the glocal approach (standardisation-decentralisation); the regcal approach (adaptation-centralisation); the local approach (adaptation-decentralisation)” (Chung, Wang, & Haung, A contingency approach to international marketing strategy and decision making structure among exporting firms, 2011, p. 54). The originality attributable to this study encompasses pioneering the revelation of the moderating role of factors - such as firm size, level of experience in a local market, characteristics of consumers, the legal environment as well as cultural factors and the nature of products – on marketing strategy and decision-making structures (Chung, Wang, & Haung, A contingency approach to international marketing strategy and decision making structure among exporting firms, 2011). Furthermore, it took into account the relevant marketing value creation elements of product, price, promotion and place (Chung, Wang, & Haung, A contingency approach to international marketing strategy and decision making structure among exporting firms, 2011). The value that can be seen from this school of thought is that it integrated the notion of standardisation and adaptation in marketing strategy with the concept of centralised and decentralised marketing decision-making. (Chung, Wang, & Haung, A contingency



approach to international marketing strategy and decision making structure among exporting firms, 2011).

Attributable to the review of prior findings, a number of conclusions can be drawn to amplify the need for further research in this area. Firstly, new types of contingency variables that might have an impact on strategic approaches and marketing decision-making structures need to be explored and contextualised in real life environments. Secondly, Chung *et al.*, (2011) have pointed out that the contingency approach variables revolve around “global, glocal, regcal and local” (p. 82) . However, the robustness of these across the key elements of the marketing mix in the event of multinational companies with both global and local brands dynamic has not been explored. Thirdly, the tactical behaviour of firms with regards to the elements of the marketing mix only emphasises the main product, price, place and promotion. A limited number of studies like those of authors Vrontis, Thrassou and Lamprianou (2009) expand the marketing mix of multinational companies to include people, physical evidence and process management. Lastly, matters of global consistency and image - although cited by (Bengtsson, Bardhi, & Venkatraman, (2010) as two of the factors inclined to standardise - could benefit from being explored more closely in determining overall attitude of MNCs to standardise or adapt. Vrontis, Thrassou and Lamprianou (2009) also categorised matters of “global uniformity and identity” as a peripheral reason for standardisation (p. 492). This is a surprising, considering that “look and feel”, symbols and typography are readily commented on factors in how corporate and product brands “communicate their philosophy and personality” (Jorda-Albinana, Ampuero-Canellas, Vila, & Ignacio, 2009, p. 173).

## 2.4 Applying a global brand locally

In section 2.2 of this review, the broad macro-level and micro-level factors of local context were discussed. Additionally, the significance of their role in an organisation’s overall inclination towards standardisation or adaptation was also reviewed. In section 2.3, contingency variables in the strategic approaches and marketing decision-making structures were also introduced in the context of various inclinations. When discussing limitations of some of these prior works, the lesser significance attributed to global identity standards and positioning was highlighted. Below follows a review concerning the application of global brand identity standards, global consumer culture positioning and consumer mobility. It is argued that these are factors that contribute to local context – and ultimately its role in the local strategies of global brands.

## 2.4.1 Global brand identity standards

### 2.4.1.1 Brand identity standards

In the event that companies gain a global presence, the standardisation versus adaptation debate often involves determining how to convey the brand “without losing its identity” (Jorda-Albinana, Ampuero-Canellas, Vila, & Ignacio, 2009). This is important considering that the extent of decision-making that local representatives of multinational companies make also involves how a brand’s symbols and typography will be applied in local markets (Bengtsson, Bardhi, & Venkatraman, 2010). The conundrum regarding whether to standardise or adapt brand names has been reviewed in several international marketing studies (Whitelock & Fastoso, 2007 as cited in Jorda-Albinana, Ampuero-Canellas, Vila, & Ignacio, 2009). More recent studies such as those by Jorda-Albinana *et al.*, (2009) have advanced earlier work by moving beyond brand names and graphics towards trying to understand the sets of rules that direct how brands should be applied in host countries (Jorda-Albinana, Ampuero-Canellas, Vila, & Ignacio, 2009).

By analysing identity standards manuals of 341 brands and analysing key characteristics, the authors were able to uncover core and peripheral features, as well as differences in manuals of companies as a result of culture, product or service orientation, among multinational or local brands (Jorda-Albinana, Ampuero-Canellas, Vila, & Ignacio, 2009). What the results of this study confirmed is that firstly, the “core contents” of identity standards manuals have titles such as “introduction”, “basic elements of visual identity” and “rules for using the brand” (Jorda-Albinana, Ampuero-Canellas, Vila, & Ignacio, 2009, p. 191)., Items such as “application of brand” and “technical complements”, however, constitute the “peripheral contents” (Jorda-Albinana, Ampuero-Canellas, Vila, & Ignacio, 2009, p. 191). Secondly, they amplified the role of “context”, which seems to be a common theme in international marketing strategies. In their findings, evidence of this lay in how “the classical differentiation between high- and low-context cultures” suggested that identity standards manuals reflected cultural characteristics” (Jorda-Albinana, Ampuero-Canellas, Vila, & Ignacio, 2009, p. 191). Thirdly, the factors that each culture held in higher regard tended to influence the rules indicated in the area of “applying the brand” (Jorda-Albinana, Ampuero-Canellas, Vila, & Ignacio, 2009, p. 192). Lastly, the key disparities in manuals of local and multinational companies related to content (Jorda-Albinana, Ampuero-Canellas, Vila, & Ignacio, 2009). This was seen as an indication of how multinational companies were more concerned about “applications of the brand”- which extends to

matters of exerting control and influence over what local subsidiaries must “merely copy” and not “create themselves” (Jorda-Albinana, Ampuero-Canellas, Vila, & Ignacio, 2009, p. 192).

What is clear is that the trigger for this seemingly myopic concern with identity standards often rests in transmitting a “coherent, coordinated image that reinforces and enhances a company’s communication with its public” (Jorda-Albinana, Ampuero-Canellas, Vila, & Ignacio, 2009, p. 192). Although studies such as those by Jorda-Albinana *et al.* (2009) make headway in describing contents of identity standards manuals, they are limited in their ability to show the effectiveness of these manuals in “maintaining coherence in the use of the brand” (p. 103). In other words, it would be valuable to measure how consistently brand identity standards are used in order to gain a richer understanding of how they improve or heighten global uniformity (Jorda-Albinana, Ampuero-Canellas, Vila, & Ignacio, 2009). Furthermore, it would be of value to understand and put into context the reasons why some brand custodians choose to standardise or adapt global brand identity standards.

#### **2.4.1.2 Brand image**

The distinction between brand identity and brand image is distilled in the research study by Vukasovic, (2009). The former is said to encompass the task of the sender in the determination of “meaning, purpose and ability of the brand” (Vukasovic, 2009, p. 168), while the latter is said to constitute the task of the community in the determination of the way in which signals emerging from the sender will be received, decoded and conveyed (Vukasovic, 2009). In essence, when deciding the extent to which a global brand will be standardised or localised, the marketer would be focusing on the extent to which signals sent regarding the brand’s identity would be the same in different regions globally. This echoes what Vrontis, Thrassou and Lamprianou (2009) denoted in their study as a peripheral component driving standardisation in international marketing decisions. Furthermore, in the study by Jorda-Albinana *et al.* (2009) the aim (by multinational organisations or brands) to transmit a “coherent image” is highlighted as significant in the rules laid out in global identity standard manuals. Figure 4 below illustrates how these factors of identity and image of brands correspond.

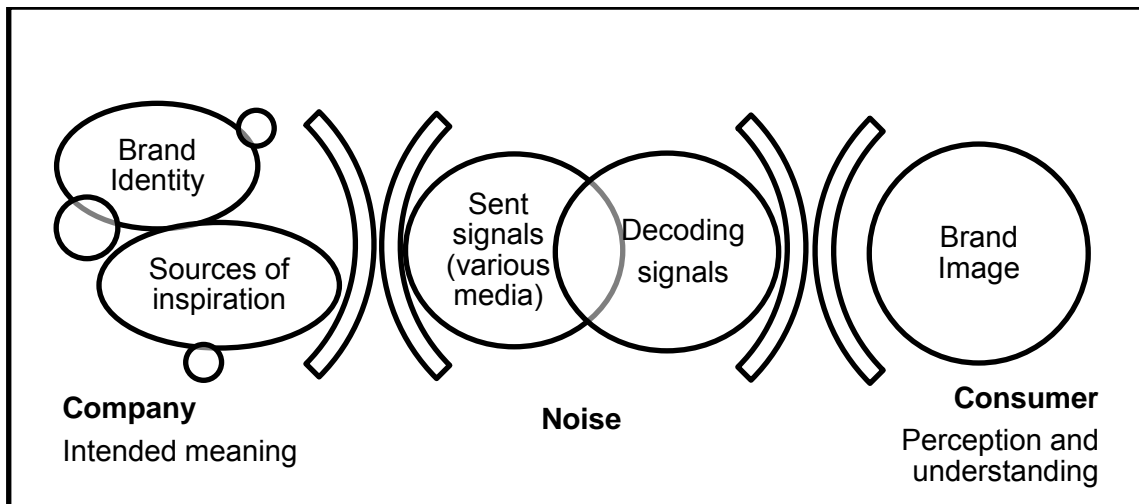


Figure 4 Brand image model (Vukasovic, 2009, p. 168)

In keeping with the brand image model by Vukasovic (2009), it is well defined that consistent “brand meaning” is achieved when there is a fit between intended brand identity on the part of the marketer, and brand image attained in the minds of consumers. This brings to mind a recurring criticism of the ‘local strategy of global brands debate’ regarding its inclination to focus on the supply (organisation) side advantages in determining international marketing strategies - as in the study by Bengtsson, Bardhi and Venkatraman (2010). In addition, Jorda-Albinana, Ampuero-Canellas, Vila and Ignacio (2009) highlighted that multinational companies are more likely to be concerned with the manner in which a brand is applied in different markets. According to Vukasovic, (2009), “meaning” is a result of the degree of fit between the “perception and understanding” of the brand on the part of the consumer, as well as the identity of the brand as set out by the organisation (p. 168). This highlighted that the process of building a brand is not just the task of the marketing practitioner, but a more dynamic process that includes the end consumer as a key actor in the process.

#### **2.4.1.3 Towards a theory of co-creation**

Marketing researchers have often referred to the process whereby consumers are involved in generating ideas, brand identity and meaning as co-creation (Hatch & Schultz, 2010). However, O’Guinn, Muniz and DePaul (2009) rejected this concept, arguing that it assumes that a brand has some sort of static fictive nature, with distinct marketer and consumer paradigms. However, ‘co-creation’ is the *de facto* description of this process, and like Hatch and Schultz, (2010), it is used by many authors in this knowledge area- including Chi, (2011); Lee, Lee, Taylor, and Lee, (2011); as well as Sasinovskaya and Anderson, (2011).

Of strategic importance to practitioners is to understand how to influence the “perception and understanding of the brand” by consumers (Vukasovic, 2009, p. 164). Hatch and Schultz, (2010), in their study evaluating theories for moving towards a theory of brand co-creation, amplified four key thrusts - dialogue, access, transparency and risk. Dialogue encompassed enhancing the predisposition to engage from both the organisation as well as the consumer (Hatch & Schultz, 2010). Access related to the implications brought about by the extent of influence to change granted to various stakeholders (Hatch & Schultz, 2010). Transparency concerned greater accessibility of information relating to products and brands (Hatch & Schultz, 2010). Lastly, risk inculcated safeguarding the brand against issues of misrepresentation and misappropriation. What Hatch and Schultz (2010) were limited in integrating were aspects of segmenting the users/ consumers and identifying those who appear to share more on behalf of the brand. A recent study by Marchia, Giachettia, and Gennaro, (2011) argued that there is value in identifying lead users, their propensity to collaborate, knowledge of an organisation’s products, as well as strategic alignment to intended identity of the brand.

#### **2.4.2 Global consumer culture positioning**

Alden, Steenkamp and Batra (1999) described a global consumer culture positioning (GCCP) strategy as “one that identifies the brand as a symbol of a given global culture - for example the post second world war, cosmopolitan segment” (as cited in Gammoh, Koh, & Okoroafo, 2011, p. 49). Alden, Steenkamp and Batra (1999) also went on to define local consumer culture positioning (LCCP) as “a strategy that associates the brand with local cultural meanings, reflects the local culture’s norms and identities, is portrayed as consumed by local people in the national culture, and/or is depicted as locally produced for local people” (as cited in Gammoh, Koh, & Okoroafo, 2011, p. 49).

The foremost mechanisms used in consumer culture positioning strategies often encompass “language, aesthetic styles, and story themes” (Gammoh, Koh, & Okoroafo, 2011, p. 49). In their study, Gammoh, Koh and Okoroafo, (2011) used an experimental method to evaluate the influence of GCCP in comparison to LCCP strategies on how consumers evaluate new and unknown brands. What they found is that the evaluations of consumers (“as measured by four variables - brand attitudes, purchase intentions, word of mouth, and brand image”) for GCCP strategies were higher in comparison to LCCP strategies (Gammoh, Koh, & Okoroafo, 2011, p. 53). In particular, the study found that international marketing practitioners should utilise

GCCP strategies when encountering consumers who identify with a global identity - often shared with similarly minded people (Gammoh, Koh, & Okoroafo, 2011).

Although the study by Gammoh, Koh, & Okoroafo (2011) was limited in its ability to show the relevance of GCCP in specific product/ brand categories, global culture positioning is often cited in the context of brands that have young consumers as their target market. In the study by Tinson and Nuttall (2010), the authors ascribed this to assumptions that the youth identify with popular culture. The concept purported in this study is that of adapting a global unit of interest for the local market, also known as glocalisation (Tinson & Nuttall, 2010). The authors argued that the glocalisation of global cultural units of interest presents new opportunities for differentiation across disparate global markets (Tinson & Nuttall, 2010). The key limitation in the study by Gammoh, Koh and Okoroafo, (2011) was that it investigated “belief in global citizenship” as the single consumer “individual difference characteristic” on brand positioning strategies (p. 54). The study did not explore other individual differences that may have moderated responses to LCCP and GCCP strategies, which may have included differences in levels of ethnocentrism and openness to different cultures (Gammoh, Koh, & Okoroafo, 2011).

### **2.4.3 Mobile consumers**

Vrontis, Thrassou and Lamprianou (2009), found that the aim of attaining consistency with a global and mobile consumer was a peripheral reason pulling multinational organisations towards more standardised global brand strategies. This seemingly tones down sentiment that has been abounding in marketing literature, pertaining to the internet as a source of fundamental changes in marketing theory and understanding. On the one hand, challenges pertaining to mobility of consumers have been amplified in achieving consistency in brand identity and image (Jorda-Albinana, Ampuero-Canellas, Vila, & Ignacio, 2009), but on the other hand, it has been shown that consumers develop divergent meanings of brands based on various contextual factors (Bengtsson, Bardhi, & Venkatraman, 2010). Furthermore, authors such as Wua and Fangb (2010) have shown that consumer interaction is positively linked to idea generation. Other benefits to business have been outlined as building loyalty (Chi, 2011); increasing sales (Adjei, Noble, & Noble, 2010); retaining longstanding customers (Adjei, Noble, & Noble, 2010); and increasing re-purchase intention (Lee, Lee, Taylor, & Lee, 2011).

## 2.5 Conclusion

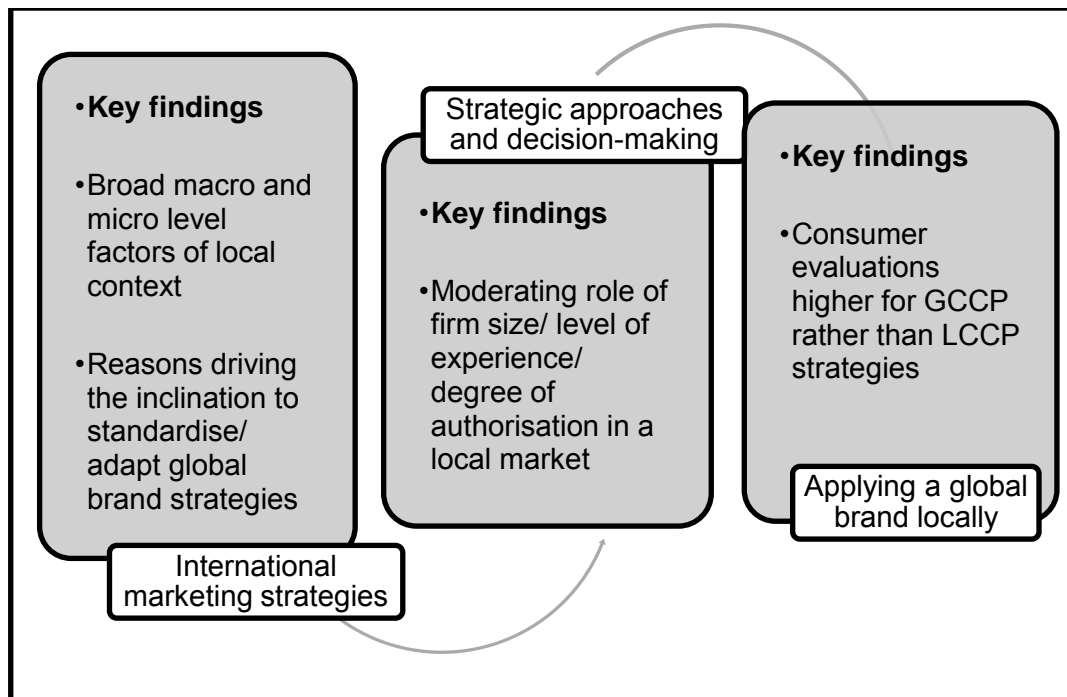


Figure 5 Conclusion of literature review

Figure 5 illustrates some of the pertinent findings from the literature review. However, the gaps that were largely unexplored in the literature include- firstly, gaining insight into new variations in contextual factors at the macro-level. Secondly, the literature has gaps in exploring new contingency variables to local strategic approaches in the task environment. Finally, although the evaluations of identity standards manuals were conducted, the strategic implications of applying the global brand locally were not explored.

# Chapter 3:

## Research Questions

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### 3.1 Introduction

In Chapter 2, the literature review outlined that there are areas of this research topic that are largely unexplored in the local context. Furthermore, as concluded in section 2.5, the literature review did not provide all likely solutions to the research objectives outlined in Chapter 1. In view of this, research questions have been used. These follow from the sub-problems defined in Chapter 1, as well as the review of literature that was conducted. Below, the definition of the topic and the precise purpose of this research are defined. This has been done by capturing the framework for each sub-problem. At the end of this chapter, the research questions are presented and defended in light of the conclusions of the literature review.

### 3.2 Definition of topic

The topic of this research report is: *The role of local context in the local strategies of global brands*. The sub-problems outlined below constitute the main problem statement for this research.

#### 3.2.1 Sub- problem 1

Understanding variations in contextual factors at the macro-level of local context that play a role in the localisation or standardisation of marketing programs

#### 3.2.2 Sub-problem 2

Understanding variations in contextual factors at the micro-level of local context that play a role in the localisation or standardisation of marketing programs

#### 3.2.3 Sub-problem 3

Understanding the strategic implications considered when applying a global brand locally



Below, three research questions have been defined. They are broad questions that seek to explore answers to the main research problem.

### **3.3 Research question 1**

**What role do emerging macro-level factors of local context play in the local strategies of global brands?**

The literature review has shown that although macro-environmental factors have received a lot of attention from international marketing scholars, the “PEST environment is not static” (Wilkinson, McAlister, & Widmier, 2007, p. 34). This question seeks to ascertain emerging “variations in contextual factors” in the local context, and highlight their implications in the standardisation or adaptation of marketing programs in the local context (Douglas & Craig, 2011, p. 151).

### **3.4 Research question 2**

**What role do emerging micro-level factors of local context play in the local strategies of global brands?**

In the review of literature it was shown that prior research of the micro-environment in international marketing has highlighted that by standardising marketing channel intermediaries, organisations can deliver operational efficiencies and cost reduction relative to the scope of business awarded to a global service company (Douglas & Craig, 2011). This question seeks to add to knowledge primarily pertaining to the “preconditions required for new product development”, and the effects of these on the localisation or standardisation of marketing programs in the local context (Leonidou, Barnes, Spyropoulou, & Katsikeas, 2010, p. 505).

### **3.5 Research question 3**

**What are the strategic implications considered when applying a global brand in the local context?**

The extent of authorisation to lead a global brand’s strategy in a local market has previously been explored (Chung, 2009). Some researchers have even tried to corroborate a relationship between the nature of this relationship and global brand

standardisation strategies (Laroche, Kirpalani, Pons, & Zhou, 2001). A contingency theory approach by authors Chung, Wang, and Haung, (2012) have advanced international marketing literature in this regard...

### **3.4 Conclusion**

In conclusion, the research questions seek to answer that main problem statement concerning the role of local context in the local strategies of global brands. Each research question has been defended in literature and a clear need to answer the question in seeking a response to the main problem statement has been outlined.

# Chapter 4:

## Research Methodology

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### 4.1 Introduction

This research study used a qualitative technique. Cooper and Schindler (2011) described qualitative research as concerning the meaning that characterises something. This description fitted the nature of the problem statement because the researcher needed to answer the questions what, why and how (Saunders & Lewis, 2012). Cooper and Schindler (2011) also stated that qualitative research uses a range of practices that allow the researcher to interpret, “describe, decode and translate” naturally occurring events in the social world (Cooper & Schindler, 2011, p. 160). In line with this, this research study drew data from a combination of sources including people, internal company documents and published documents (Saunders & Lewis, 2012).

Qualitative research is sometimes criticised for its propensity to be subjective and open to human bias in how data is collected and interpreted (Cooper & Schindler, 2011). In addition, the results may not be generalised to an entire population (Cooper & Schindler, 2011), however steps were taken to exact the methodology. These included some of the techniques discussed by Cooper and Schindler (2011) such as, (a) using literature searches to build investigative questions, (b) defending the arrangement of methodologies chosen, (c) ensuring that the field of study was executed in its natural context, (d) using relevance of experience to the breadth of the problem as a selection criteria when selecting participants, and finally, (e) carefully structuring the data analysis.

### 4.2 Research design

The methodological approach that was followed was the case study method. In particular, a holistic (single unit of analysis) multiple case design was employed. The theoretical rationality in employing a multiple case design was used such that it was open to either “predicting results similar to those of prior researchers, or predicting

contrasting results for anticipatable reasons” (Yin, 2009, p. 54). This in turn allowed the researcher to combine different sources of data and data collection methods such as interviews and record analysis (Cooper & Schindler, 2011). The case study was the preferred method of conducting this study because the emphasis of the study was on current phenomenon occurring within a real-life context (Yin, 2009). The figure below illustrates the broad design of the research.

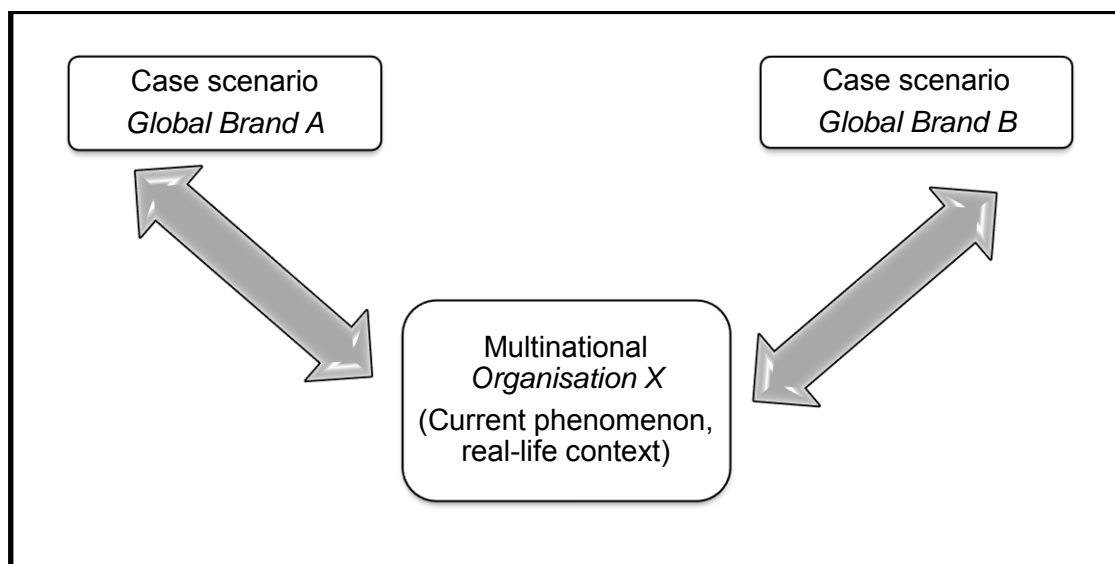


Figure 6: Multiple case design (Yin, 2009, p. 46)

Owing to the close contact to the limited number of cases that could be completed, this research design could be criticised (Cooper & Schindler, 2011), however the potential to bias the results was countered by designing a study that could produce results that would not be possible in more descriptive research designs (Saunders & Lewis, 2012). Moreover, this research design afforded the researcher flexibility to gain a more insightful understanding of the context of the subjects studied (Cooper & Schindler, 2011). The quality of the case study design was maximised through “construct validity, external validity and reliability” provisions (Yin, 2009, p. 24).

## 4.3 Population and sample

### 4.3.1 Population

The population for the proposed study constituted all organisations in any industry with global brands in the local market. The parameters of interest in this population constituted:

- a) Global/ multinational companies that had launched global brands in the local market, and had been in existence for a minimum of ten years.
- b) Global brands whose country of origin was outside the bounds of South Africa.
- c) Organisations/ global brands that had marketing/ brand and technical brand teams in charge of local operations in South Africa.

#### **4.3.2 Sample and sampling method**

The sampling method that was used was non-probability, purposive sampling because the sample was chosen subjectively (Cooper & Schindler, 2011). In other words, each member of the population did not have an equal chance of being selected (Saunders & Lewis, 2012). Additionally, a convenience sample of one multinational consumer product organisation with two global brands in the same product category was selected. This was done to facilitate access to the researcher, taking into account the time and resources needed to conduct this study. Due to the authorisation to conduct this research imposing conditions of confidentiality, the name of the organisation has not been disclosed throughout this research report. For this reason, where mentioned, it has been referred to as *Organisation X*. The organisation was selected because it is a market leader in its category in South Africa. Furthermore, it is the subsidiary of a global multinational that ranks in the top ten of the top 250 consumer product companies in the world (Deloitte, 2012).

Cooper and Schindler (2011) specifically stated that although theoretical sampling seems to be common, what is most preferred regarding case studies is usually a minimum of four up to a maximum number of 15 cases. In contrast, Saunders and Lewis (2012) stated that the number of cases that are suitable for a study should be aligned with what is needed to answer the research questions in tandem with what is pragmatic, taking into account matters of time, access to subjects, and resources. For this study, two case studies have been completed. The two global brand case scenarios constituted brands within *Organisation X*. Both brands are well entrenched in the South African market, having been launched over 10 years ago. This allowed the researcher enough contextual breadth and depth to answer the research questions, and in turn, be able to complete cross-case analysis. The two brands have been referred to as *Global Brand A* and *Global Brand B* in this research report. Both brands are worth over 22 billion dollars globally.

Global Brand A is the second largest brand in volume share in its category, and the second largest brand in *Organisation X* in South Africa. Its country of origin is the United States of America and it has been in the South African market for the last 15

years. This global brand also exists in other markets - primarily the United Kingdom and Australia. In its repertoire, it has more than 20 different SKUs (single known units). The target consumers for Global Brand A in South Africa are individuals categorised as *DINKIS* (dual income no kids).

Global Brand B is the market leader in its category, with a 49% volume share. It is the fourth largest brand, and the fastest growing in Organisation X in South Africa. Its country of origin is the United States of America and it has been in the South African market for about 12 years. This global brand also exists in other markets - including the United Kingdom, Australia and Turkey. Global Brand B has 10 SKUs in its repertoire. The primary target market group for Global Brand B are millennials- aged between 18 and 24 years.

## **4.4 The research instrument**

Various sources of evidence were used to conduct this study. Included, were “documentation, archival records and unstructured interviews” (Yin, 2009, p. 101). These are discussed below in sections 4.4.1 – 4.4.3.

### **4.4.1 Documentation**

For each of the case scenarios for Global Brand A and Global Brand B, a set of key documentary records were reviewed. These included internal company information such as: brand bull’s eyes, brand identity standards manuals, brand plans, and annual operating plans. The advantage of using these documents was that it allowed the researcher the flexibility to review them as many times as was needed. Furthermore, these documents already existed and were not created on account of this research study, making them an unobtrusive way of collecting evidence (Yin, 2009).

### **4.4.2 Archival records**

For each of the case scenarios for *Global Brand A* and *Global Brand B*, a set of archival records were reviewed. These included historical consumer tracking studies, reported interactive media reports and sales performance trackers. The advantage of reviewing this information was that it was largely of a quantitative nature, which assisted with the robustness/ thickness of descriptions during analysis (Yin, 2009).

### **4.4.3 Unstructured interviews**

Unstructured interviews were selected because they allowed the researcher to cultivate discussions with respondents and follow on with explanations of answers where

needed (Cooper & Schindler, 2011). The aim was to ensure that participants could talk openly about the topic with minimal direction from the interviewer (Saunders & Lewis, 2012). Unstructured interviews were fitting for the purposes of this research because they allowed the interviewer the opportunity to explore, describe and explain new insights gathered pertaining to the main problem (Saunders & Lewis, 2012). The interviewer was the researcher and the planned number of unstructured interviews was two interviews for each of the case scenarios. The researcher increased the number of interviews by one additional respondent because greater levels of detail or insights could be gained from doing so.

The respondents included (a) marketing leaders of the global brands (for example senior brand and/or marketing managers) and (b) other key informants from the technical brand teams in the research and development function. Due to the unstructured nature of the interviews, the researcher did not produce a questionnaire. During the interviews, the interpretation of the discussion was done by summarising the participants' responses and asking further questions (Saunders & Lewis, 2012).

## **4.5 Procedure for data collection**

The case study tactics that were used in the data collection process entailed (a) using multiple sources of evidence (documents, archival records and unstructured interviews), (b) “establishing a chain of evidence” (Yin, 2009, p. 98). To support this process, case study protocol was adhered to by generating a case study archive that recorded the chain of evidence (Yin, 2009). This was done in order to develop “converging lines of inquiry” that would corroborate the findings for each individual case (Yin, 2009, p. 115). Figure 7 below illustrates this process.

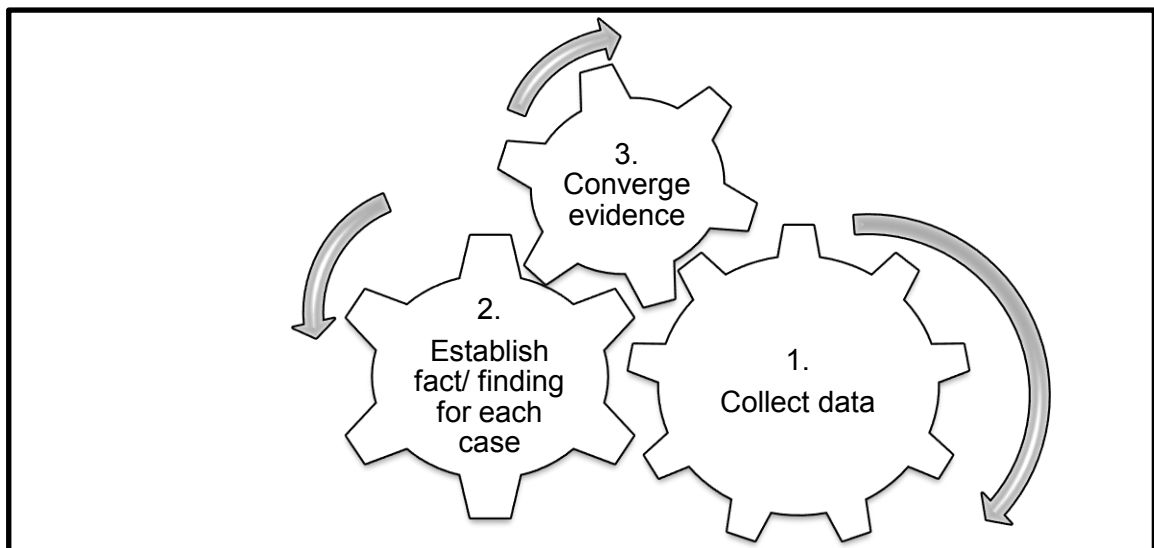


Figure 7 Convergence of evidence (Yin, 2009, p. 117)

Details regarding the collection of the actual data and the requisite permission granted follow below:

#### **4.5.1 Documentation**

For internal business documents in each case, the key stakeholders were contacted with a specific list of documents that the researcher needed to review. A form granting the researcher consent to use such documents was created and permission granted by the organisations was given prior to using these. These documents have been correctly cited in the body of this report. The documents collected for both brands encompassed relevant extracts of the brand bull's eyes, brand plans, and identity standards documents. In line with permission granted, names of the brands and any identifiers have been removed from any extracts of the documents saved and/ or referenced in this research report.

#### **4.5.2 Archival records**

In the case of archival records in each case, a form granting the researcher permission to use this information was created. Requisite access was granted to the researcher by the organisations. Evidence from the archival records has been cited and referenced in the body as well as in the reference section of this report. Pertinent copies of these have been attached. In line with permission granted, names of the brands and any identifiers have been removed from any extracts of the documents saved and/ or referenced in this research report.



### 4.5.3 Unstructured interviews

Data for unstructured interviews was collected using a recording device application (Audi Memos) on an iPad. Respondents were invited to interviews in person and/ or via emailed meeting requests. All interviews were then transcribed in an electronic format (MS Word) after each interview (Cooper & Schindler, 2011). A form granting the researcher consent to record interviews was created and permission of each participant was sought prior to interviews taking place (Saunders & Lewis, 2012). In order to adhere to the confidentiality clauses communicated to the organisation, data collected from interviews was stored without identifiers – such as names, brand names, organisation names, and actual designations of respondents (Saunders & Lewis, 2012).

## 4.6 Data analysis and interpretation

The write up of each individual case was done prior to conducting any cross case analysis. The cross case analysis was done in order to amplify any similarities and differences within the individual cases and to analyse why these existed (Cooper & Schindler, 2011).

### 4.6.1 The unit of analysis

The unit of analysis is **the role** of local context in the local strategies of global brands. What was analysed were the strategic implications of each construct of the research questions.

### 4.6.2 Analysing qualitative text data

For each research question, the aim was to analyse the role of local context in accordance with the emerging constructs from the literature review and any new themes that emerged during data collection.

For research question 1: **What role do emerging macro-level factors of local context play in the local strategies of global brands?**

The analysis was done using the PEST framework, which is commonly used in assessing the macro-environment in international marketing (Leonidou, Barnes, Spyropoulou, & Katsikeas, 2010). Due to the nature of the research question, particular emphasis was paid to words and phrases that highlighted the strategic implications of the themes that emerged. Further to unstructured interviews, evidence in the same regard was elicited through internal document and archival reviews. This data

pertaining to research question 1 was analysed upon convergence of the line of evidence from all sources of evidence gathered.

**For research question 2: What role do emerging micro-level factors of local context play in the local strategies of global brands?**

The analysis focused on key themes at the micro-level, which could shed light on the key constructs. These included a) the preconditions for product development, and b) productivity. The researcher first grouped together key words/ phrases and excerpts from the interviews in these three themes. Further to this, evidence in the same regard was elicited through internal document and archival reviews. This data was analysed upon convergence of the line of evidence from all sources of evidence gathered.

**For research question 3: What are the strategic implications considered when applying a global brand locally?**

The analysis focused on two main themes/ constructs that encompass applying a global brand in the local context- a) global identity standards, b) consumer culture positioning.

## **4.7 Limitations of the study**

Limitations to a study identify and anticipate those factors that may be potential weaknesses pertaining to the proposed methodology, sampling, and data collection or analysis processes. For this research, the following limitations have been identified:

### **4.7.1 Methodological approach**

The results of this study may not be generalised across an entire population as a result of the scientific validity associated with case study design. However, the purpose of the study was to gain insight that can contribute contextual depth to the body of knowledge in the sphere of international marketing.

### **4.7.2 Sampling**

Two case studies were conducted. This number was deemed adequate, taking into account getting answers to the research problem/ questions. Furthermore, researcher access to participants, time and resources were factors in selecting the number of case scenarios to be studied.

### **4.7.3 Data collection and analysis process**

The researcher's experience in using some of the research instruments (for example, conducting unstructured interviews) was limited. However, to ensure integrity of the research study, this limitation was offset by using practical recommendations in interview techniques as detailed by Saunders and Lewis (2012) in their book, *Doing Research in Business and Management*.

## **4.8 Validity and reliability**

### **4.8.1 External validity**

External validity refers to the extent to which the outcomes of a research study can be generalised to other research settings (Saunders & Lewis, 2012). This research study used a qualitative research methodology with a methodological approach of a case study design. Its propensity to be generalised across an entire population is limited. However, this was offset through skilful design of the case studies in order to produce contextual insights that would otherwise not have been possible in different methods. Furthermore, more than one case study was studied, which enabled the researcher to conduct cross case analysis.

### **4.8.2 Reliability**

Factors commonly cited as impacting the reliability of research outcomes include "subject error, subject bias, observer error, and observer bias" (Saunders & Lewis, 2012, p. 128). Steps that were taken to ensure the reliability of findings gathered included (a) having more than one unstructured interview respondent per case scenario, (b) following up on insights gained from participants by asking interpretive questions during the interview and (c) using multiple sources of data to write up each case analysis.

## **4.9 Conclusion**

In this chapter, the defence of, and details of the methodology employed in conducting this study has been outlined. Furthermore, limitations of this study have been clearly outlined. In the following Chapter, the results from data collection have been presented for each case, and by research question.

# Chapter 5: Results

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## 5.1 Introduction

In Chapter 4 of this research report, the research design, approach and methodology were outlined. This chapter presents the results of the findings of the research, which are presented in three main parts. Firstly, a description of the sample of respondents interviewed for both Global Brand A and Global Brand B is outlined. Secondly, the findings by research question are presented for Global Brand A. this will begin with the presentation of results from the unstructured interviews, followed by the presentation of results from document reviews. Results will be presented using figures and tables, usually followed by short descriptions. At the end of the findings of each case, a summary of converged results from unstructured interviews and document reviews is included. Lastly, the findings by research question are presented for Global Brand B. The presentation of results for Global Brand B will follow the structure outlined above for Global brand A.

## 5.2 Sample description

### 5.2.1 Respondents by work function

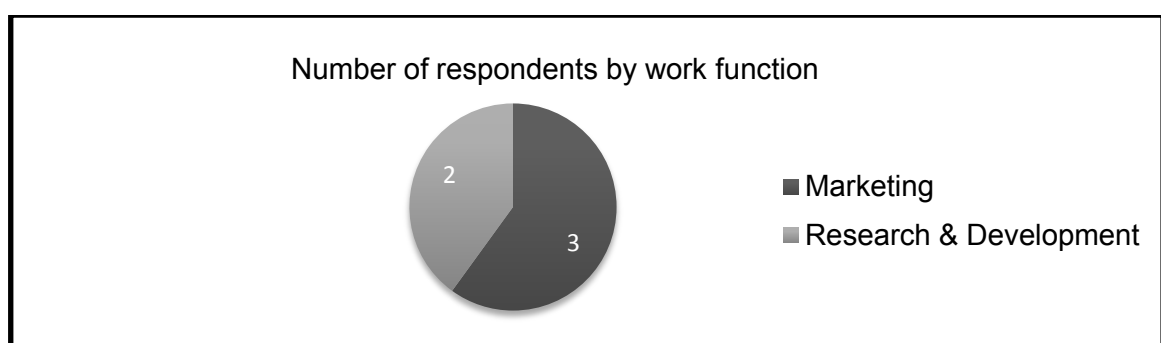


Figure 8 Number of respondents by work function

Of the five respondents interviewed for this study, three were marketing function experts who have experience working on both Global Brand A and Global Brand B. The other two respondents were research and development function experts. Both have experience working on both Global Brand A and Global Brand B.

### 5.2.2 Respondents by job level

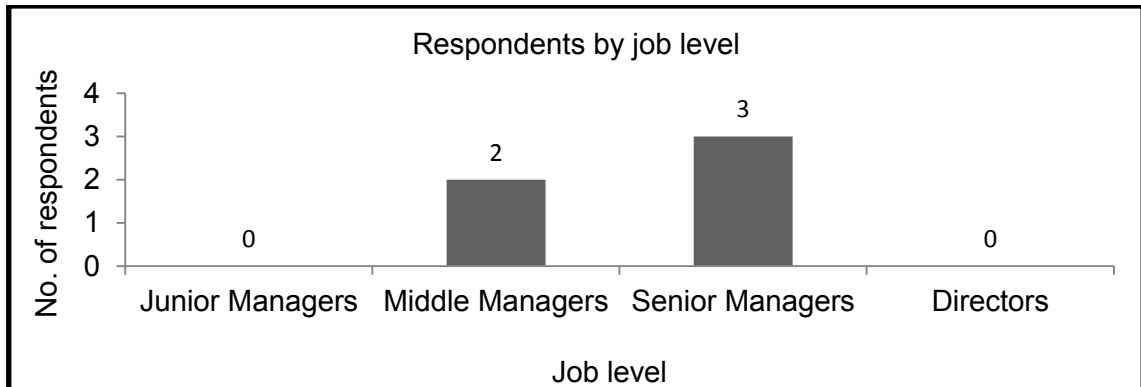


Figure 9: Respondents by job level

The respondents consisted of three senior managers and two middle managers.

### 5.2.3 Respondents by tenure in the organisation

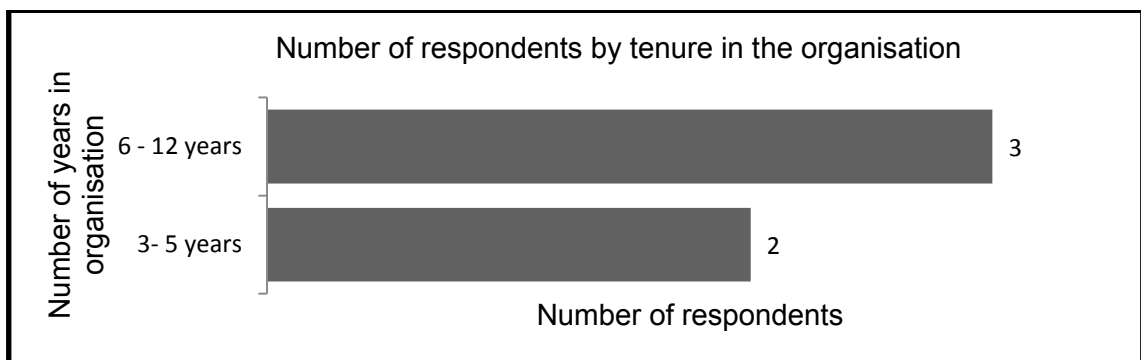


Figure 10: Respondents by tenure in the organisation

The respondents all have extensive experience working in both Global Brand A and Global Brand B.

## 5.2.4 Key to excerpts from unstructured interviews

Table 1 is a guide to the excerpts from unstructured interviews that have been cited in the results presented for Global Brand A and Global Brand B.

Table 1: Coded reference of respondents

Respondent code	If Global Brand A response	If Global Brand B response
Respondent 1	R1 GBA	R1 GBB
Respondent 2	R2 GBA	R2 GBB
Respondent 3	R3 GBA	R3 GBB
Respondent 4	R4 GBA	R4 GBB
Respondent 5	R5 GBA	R5 GBB

## 5.3 Results from unstructured interviews- Global Brand A

### 5.3.1 Results pertaining to question 1

**What role do emerging macro-level factors of local context play in the local strategies of global brands?**

Table 2: Summary of findings for research question 1, Global Brand A

Summary of the main findings (research question 1) Global Brand A
1. Local, within-country legislation supersedes global organisation regulations for <i>Global Brand A</i>
2. The UK food legislation is good predictor of the future of the local legal context for the brand.
3. Local teams are not set up to conduct long term research for <i>Global Brand A</i> in its local context.
4. In its local context, the use of technology encompasses implementing, versus pioneering innovations- in product, market conditions and marketing of <i>Global Brand A</i> .
5. In the local context of Global Brand A, consumer needs (socio-cultural trends) are not always moving at the pace of global trends as presented by the global

organisation.

These themes have been tabulated to reflect the macro-level factors in the local context that emerged from the unstructured interviews pertaining to Global Brand A. Detailed results supporting each summation are outlined in Table 3, Table 4 and Table 5 below.

Table 3: Findings 1 and 2, research question 1 (unstructured interviews) Global Brand A

Findings	Excerpts from interviews
1. Within-country legislation in the local context of Global Brand A- supersedes the global organisational policies and regulations.	<p><b>R4 GBA:</b> <i>“Currently, our legislation is stricter than the business target...our sodium regulation that came out., so our local regulation will take precedence”</i></p> <p><b>R2 GBA:</b> <i>“...if your country’s rules and regulations are more stringent, you tend to follow what your country has laid out.”</i></p>
2. Local legislation that impacts Global Brand A in its local context, tends to follows the UK.	<p><b>R3 GBA:</b> <i>“Everything we’ve seen- like the new sodium regulations... they’ve all been implemented in the UK”</i></p>

In Table 3 above, it is shown that local legislation supersedes global organisation rules and regulation in the local context of Global Brand A. Food legislation in markets like the UK is a good predictor of future legislative requirements for Global Brand A in South Africa.

Table 4: Findings 3 and 4, research question 1 (unstructured interviews) Global Brand A

Findings	Excerpts from interviews
3. Local teams are not set up to conduct long term research for <i>Global Brand A</i> in its local	<p><b>R4 GBA:</b> <i>“...we don’t re-invent the wheel here- because if it’s been done before we try and adapt.”</i></p>

context.	<b>R1 GBA:</b> “...they are seeing what is (happening) globally, what’s in the pipeline, what the trends are, what’s coming. Even if it doesn’t fit in South Africa currently.”
4. In its local context, the use of technology encompasses implementing, versus pioneering innovations- in product development and marketing.	<b>R3 GBA:</b> “We are... more of an implementation kind of roll out team, as opposed to a pure, innovations team.”

The findings in Table 4 illustrate that in the local context of Global Brand A, technology is adopted from other markets. It was also found that local teams are not set up to conduct long-term research in the local context of Global Brand A.

Table 5: Finding 5, research question 1 (unstructured interviews) Global Brand A

<b>Findings</b>	<b>Excerpts from interviews</b>
5. In the local context of Global Brand A, consumer needs (socio-cultural trends) are not always moving at the pace of global trends as presented by the global organisation.	<p><b>R1 GBA:</b> “...theoretically they are saying yes I’d like a healthier snack, but they know that snacking is really a treat...”</p> <p><b>R1 GBA:</b> “...although it might be applicable to the organisation globally, here it’s not working...”</p>

Table 5 above illustrates that in the local context of Global Brand A, local consumer tastes and socio-cultural trends do not always move at the pace of global trends as presented by the organisation.

### 5.3.2 Results pertaining to question 2

**How do the emerging micro-level factors of local context play a role in the local strategies of global brands?**



Table 6: Summary of findings (unstructured interviews), research question 2 Global Brand A

<b>Summary of the main findings (research question 2) Global Brand A</b>
1. Product is adapted to local taste in the local context of <i>Global Brand A</i> . This only applies to flavour, not to other product dimensions such as shape or size.
2. In the local context of <i>Global Brand A</i> , global organisation marketing assets are leveraged in order to optimise costs in the local organisation.

These themes have been tabulated to reflect some of the micro-level factors in the local context of *Global Brand A*. These include findings related to product development and productivity as tabulated above in Table 6. Detailed results supporting this summation are outlined in Table 7 and Table 8 below.

Table 7: Finding 1, research question 1 (unstructured interviews) Global Brand A

<b>Findings</b>	<b>Excerpts from interviews</b>
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<p>1. Product is adapted to local taste in the local context of <i>Global Brand A</i>. This only applies to flavour, not to other product dimensions such as shape or size.</p>	<p><b>R4 GBA:</b> <i>“...that’s your product specification and your design throughout. So they have global recommendations to follow for each of the product designs.”</i></p> <p><b>R2 GBA:</b> <i>“Even all the way down to the varieties that we use. Those have been developed at a global level, streamlined and modified to suit specific climates and environments to give us the best.”</i></p> <p><b>R4 GBA:</b> <i>“...you know people are neo-phobic right? So people like things that they are familiar with. So you put in regular flavours and it works.”</i></p> <p><b>R1 GBA:</b> <i>“...we are looking at more premium, more sophisticated, more exotic feel for the more aspirational consumer who has travelled the world and will recognise different flavours.”</i></p> <p><b>R3 GBA:</b> <i>“You can change the seasoning- but that’s about it.”</i></p>
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Table 7 above illustrates that preconditions for product development are limited in scope- only certain aspects of the product itself are adapted to local taste.

Table 8: Finding 2, research question 2 (unstructured interviews) Global Brand A

<b>Findings</b>	<b>Excerpts from interviews</b>
<p>2. In the local context of <i>Global Brand A</i>, global organisation marketing assets are leveraged in order to optimise costs in the local organisation.</p>	<p><b>R2 GBA:</b> <i>“In terms of leveraging assets, the cost implications are to your benefit. We’ve just done it now. We did it on packaging. We’ve also done it with above the line media with the ads from the UK and the US. I mean it’s easy- going forward we are looking to do that- because it economises our A&amp;M spend, our budget spend at the end of the day”</i></p>

	<p><b>R3 GBA:</b> <i>“It has its benefits because then we have more buying power and work on layered costs...”</i></p>
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In Table 8 above, findings are presented to show that in the local context of Global Brand A, global assets such as television commercials are used in order to minimise costs locally.

### 5.3.3 Results pertaining to question 3

**What are the strategic implications considered when applying a global brand in the local context?**

Table 9: Summary of findings, research question 3 (unstructured interviews) Global Brand A

<b>Summary of the main findings , (research question 3) Global Brand A</b>
<p>1. When applying Global Brand A locally, practitioners must adhere to global organisation rules for applying the brand</p> <p>2. Global coherence (looking the same all over the world) is a key task for local practitioners.</p>
<p>3. Global Brand A has the same look and feel, but varying positioning in different markets.</p>
<p>4. In the local context of Global Brand A, the country of origin serves only as centre of information and access to many other markets.</p> <p>5. Local team networks facilitate a more open environment to seek and apply learnings from the country of origin in the local context of Global Brand A.</p> <p>6. The reporting region is perceived to have within-country similarities to the environment in the local context of Global Brand A.</p> <p>7. In the local context of Global Brand A, the reporting region is usually the first point of call in the process of implementing the local strategies for the brand.</p>

Table 10 Findings 1 and 2, research question 3 (unstructured interviews) Global Brand A

Findings	Excerpts from interviews
1. When applying Global Brand A locally, practitioners must adhere to global organisation rules for applying the brand.	<b>R2 GBA:</b> <i>“...you are not allowed to touch the logo. I mean it’s our trademark. Any adjustments and amendments to that means we could potentially lose it because you are altering the trademark. So those are things that are key”</i>
2. Global coherence (looking the same all over the world) is a key task for local practitioners.	<b>R3 GBA:</b> <i>“So a consumer travelling to the UK who had never been there before would say-oh this looks like... They would recognise it... because there are certain packaging cues that are rule and regulation.”</i>

In Table 10 above, the findings relate to global identity standards, and show that brand typographies such as logos are not altered in the local context. In addition, global coherence is important to Global Brand A custodians in the local context.

Table 11: Finding 3, research question 3 (unstructured interviews) Global Brand A

Findings	Excerpts from interviews
3. Global Brand A has the same look and feel, but varying positioning in different markets.	<p><b>R2 GBA:</b> <i>“So we’ve gone back how many times to look at the overarching brand strategy and brand positioning because in those markets they were saying that it’s not working and the consumer is not getting it.”</i></p> <p><b>R4 GBA:</b> <i>“...in the UK it’s their local brand, in other words. And in South Africa, it’s not our local brand. It’s actually an aspirational brand and a premium brand.”</i></p> <p><b>R2 GBA:</b> <i>“...in South Africa we have taken (Global Brand A) to a more differentiated plane.”</i></p> <p><b>R5 GBA:</b> <i>“...in South Africa we are talking to mainly</i></p>

	<p><i>your DINKIS. Married individuals with no kids. And in other markets you find that they are talking to families. So obviously, the way you communicate to them is different.”</i></p>
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In Table 11 above, the findings show that there are variations in the consumer culture positioning of Global Brand A in different markets.

Table 12: Findings 4 and 5, research question 1 (unstructured interviews) Global Brand A

<b>Findings</b>	<b>Excerpts from interviews</b>
<p>4. In the local context of Global Brand A, the country of origin serves only as centre of information and access to many other markets</p>	<p><b>R2 GBA:</b> <i>“Support centre is easy to leverage because obviously they are one hub that can tap into everyone across the world. So just from ease perspective, they are more likely to have the information at hand”</i></p>

Table 13: Findings 5- 7, research question 1 (unstructured interviews) Global Brand A

<p>5. Local team networks facilitate a more open environment to seek and apply learnings from the country of origin in the local context of Global Brand A.</p>	<p><b>R3 GBA:</b> <i>“So now, knowing who to speak to now- we’re starting to speak to the US a lot more ...”</i></p>
<p>6. The reporting region is perceived to have within-country similarities to the environment in the local context of Global Brand A.</p>	<p><b>R2 GBA:</b> <i>“If you liken the South African consumer to... obviously based on history and heritage and coming from the times of colonisation- We are more in line with the UK mind-set and way of thinking. So I think just frame of reference as well, South Africans are more familiar with the UK. Even though the US culture through television, music and whatever else-has an influence, I just think in terms of thinking we are closer to the UK.”</i></p>

<p>7. In the local context of Global Brand A, the reporting region is usually the first point of call in the process of implementing the local strategies for the brand.</p>	<p><b>R3 GBA:</b> <i>“there’s an easier link to the UK region, purely because we report to them”</i></p> <p><b>R4 GBA:</b> <i>“...so we’re actually very aligned to the UK centre at the moment, however we do tap into the US centre.”</i></p>
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In Table 12 it is found that the country of origin is perceived to be a key source of information from other markets. However, knowing who to speak to plays a part in that engagement. In Table 13 the findings depict that the reporting region is perceived to have some similarities in consumer mind-set to the consumers in the local context of the brand. It is also seen as easier to link into, due to the reporting structure of the organisation.

## 5.4 Results from document reviews- *Global Brand A*

### 5.4.1 Results pertaining to question 1

**What role do emerging macro-level factors of local context play in the local strategies of global brands?**

Table 14: Summary of findings, research question 1 (document review) Global Brand A

<b>Findings in the local context of Global Brand A</b>
1. Local packaging and labelling requirements have been implemented according to local legislation relating to the labelling and advertising of foodstuff.
2. Consumer spending in the local context has been impacted by the global economic climate.

In Table 14 above findings from a review of internal documents for *Global Brand A* show that the major macro-level factors impacting the local strategy for the brand include Political/ legal factors, economic factors, as well as environmental factors.

Further results supporting this summation are outlined in Table 15, 16 and 17 as well as Figure 8 below.

Table 15: Finding 1, research question 1 (document review) Global Brand A

Findings	Source	Extracts from documents reviewed
1. Local packaging and labelling requirements have been implemented according to local legislation relating to the labelling and advertising of foodstuff.	Food Label Laws Consumer Protection Act	<p><i>“Carbohydrates vs. glycaemic carbohydrates approved”</i></p> <p><i>“Can use theoretical information on pack”</i></p> <p><i>“Health claims – may use claims approved by robust authority e.g. EFSA”</i></p>

A review of internal documents summarised in Table 15 above revealed that the organisation is applying local legislative requirements for food labelling of Global Brand A in the local context. In the extract from the *Business Day Live* below, this is further illustrated.

**State wants South Africans to halve salt intake, but allows more time**

by TAMAR KAHN, July 16 2012, 00:00 |

CAPE TOWN - South Africans' soups, snacks and cereals are set to become less salty, if industry accepts the government's proposals to reduce the amount of sodium in processed food, detailed in regulations published last week.

Figure 11: Extract from the *Business Day Live* (Kahn, 2012)

A review of publicly published documents revealed a number of articles relating to food manufactures. In recent years, the South African government has proposed regulations relating to the labelling and advertising of foodstuff.

Table 16: Finding 2, research question 1 (document review) Global Brand A

<b>Findings</b>	<b>Source</b>	<b>Extracts from documents reviewed</b>
2. Consumer spending in the local context has been impacted by the global economic climate.	Annual Operating Plan 2011- Implications	<i>“Impact of recession has resulted in lower LSM shoppers seeking price relief whilst mid to upper LSM seek value”</i>

### 5.3.2 Results pertaining to question 2

**How do the emerging micro-level factors of local context play a role in the local strategies of global brands?**

Table 17: Summary of findings, research question 2 (document review) Global Brand A

<b>Findings in the local context of Global Brand A</b>
1. In the local context, most marketing launch activities in the last year have encompassed launching new flavours of Global Brand A product.
2. In the local context of Global Brand A, global organisation marketing assets are leveraged in order to optimise costs in the local organisation.
3. In the local context of Global Brand A, only globally selected marketing intermediaries for advertising and media buying are mandated.

Table 18: Finding 1, research question 2 (document review) Global Brand A

<b>Finding</b>
1. In the local context, most marketing launch activities in the last year have encompassed launching new flavours of Global Brand A product.



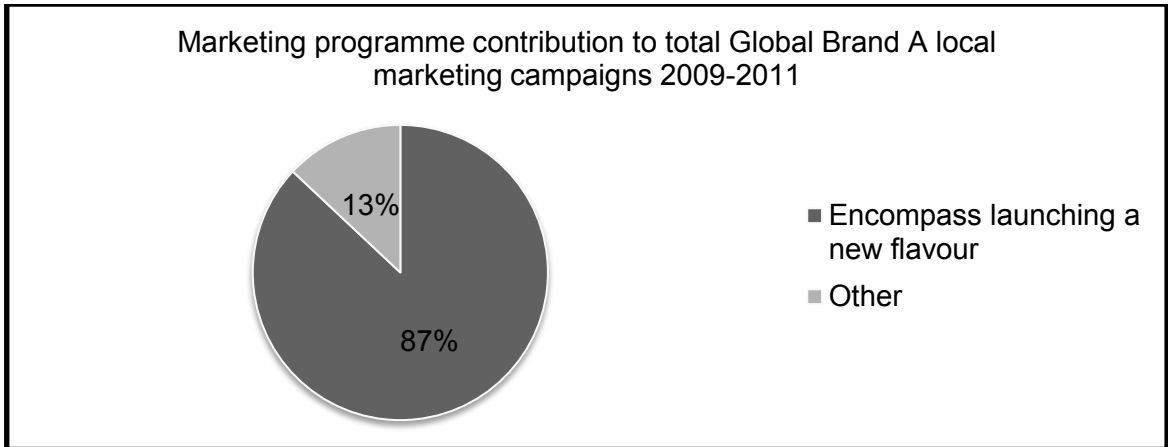


Figure 12 Local production and media contribution (Source: Marketing A&M Invoices Tracker)

Table 19: Finding 2, research question 2 (document review) Global Brand A

Finding
2. In the local context of Global Brand A, global organisation marketing assets are leveraged in order to optimise costs in the local organisation

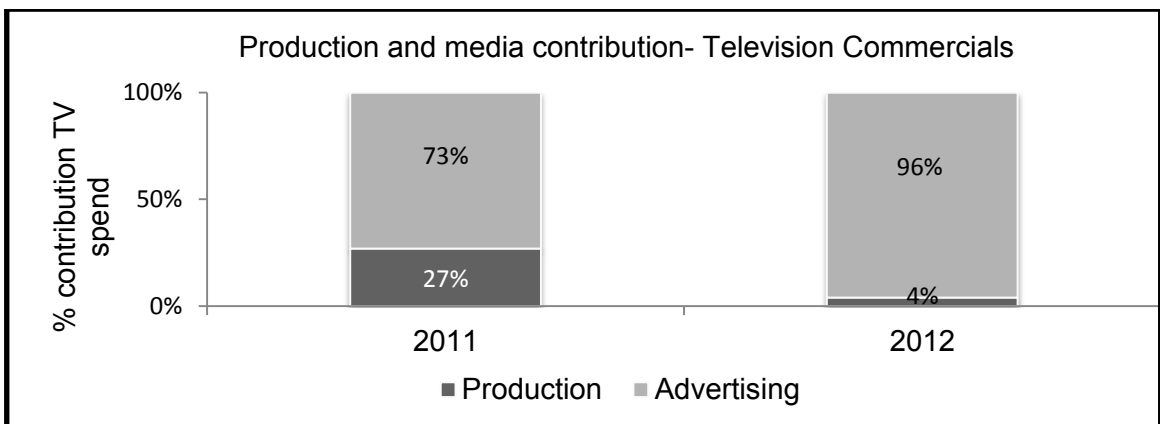


Figure 13: Production and media contribution

In Figure 13, the findings follow a review of internal documents which show that in 2012, the contribution of television commercial production costs has been reduced from 27% in 2011 to 4% in 2012. This was done by leveraging globally produced television commercials.

Table 20: Finding 3, research question 2 (document review) Global Brand A

<b>Finding</b>
3. In the local context of Global Brand A, only globally selected marketing intermediaries for advertising and media buying are mandated.

Table 21 Supplier type for Global Brand A (Source: Marketing supplier list)

<b>Type of supplier</b>	<b>Intermediary type</b>	<b>Selection</b>
Advertising production	Global	Centralised (US)
Media buying	Global	Centralised (US)
Packaging development	Local	Decentralised, local
Packaging origination	Local	Decentralised, local
Packaging Design	Local	Decentralised, local

Global marketing intermediaries are employed for advertising production and media buying in the local context of Global Brand A. Global intermediaries account for a large percentage of advertising and marketing (A&M) expenditure.

### **5.3.3 Results pertaining to question 3**

**What are the strategic implications considered when applying a global brand in the local context?**

In Organisation X, there are global identity standards manuals for Global Brand A. These set out rules regarding the application of the brand. They include elements pertaining to visual identity of logos, other trademarks, and their use.

## **5.4 Conclusion of results Global Brand A**

In conclusion, the findings from the unstructured interviews and the review of internal documents are converged and summarised below

**Research question 1: What role do emerging macro-level factors of local context play in the local strategies of global brands?**

**Summary Key Findings**

1. Local, within-country legislation supersedes global organisation regulations for Global Brand A.
2. The UK food legislation is good predictor of the future of the local legal context for the brand.
3. Consumer spending in the local context has been impacted by the global economic climate.
4. In the local context of Global Brand A, consumer needs (socio-cultural trends) are not always moving at the pace of global trends as presented by the global organisation.
5. Local teams are not set up to conduct long term research for Global Brand A in its local context.
6. In its local context, the use of technology encompasses implementing, versus pioneering innovations- in product, market conditions and marketing of Global Brand A.

**Research question 2: How do the emerging micro-level factors of local context play a role in the local strategies of global brands?**

**Summary Key Findings**

1. Product is adapted to local taste in the local context of Global Brand A. This only applies to flavour, not to other product dimensions such as shape or size.
2. In the local context, most marketing launch activities in the last year have encompassed launching new flavours of Global Brand A product.
3. In the local context of Global Brand A, global organisation marketing assets are leveraged in order to optimise costs in the local organisation.
4. In the local context of Global Brand A, only globally selected marketing intermediaries for advertising and media buying are mandated.

**Research Question 3: What are the strategic implications considered when applying a global brand in the local context?**

**Summary Key Findings**

1. When applying Global Brand A locally, practitioners must adhere to global organisation rules for applying the brand

2. Global coherence (looking the same all over the world) is a key task for local practitioners.
3. Global Brand A has the same look and feel, but varying positioning in different markets.
4. In the local context of Global Brand A, the country of origin serves only as centre of information and access to many other markets.
5. Local team networks facilitate a more open environment to seek and apply learnings from the country of origin in the local context of Global Brand A.
6. The reporting region is perceived to have within-country similarities to the environment in the local context of Global Brand A.
7. In the local context of Global Brand A, the reporting region is usually the first point of call in the process of implementing the local strategies for the brand.

## 5.5 Results from unstructured interviews- Global Brand B

### 5.5.1 Results pertaining to question 1

**What role do emerging macro-level factors of local context play in the local strategies of global brands?**

Table 22 Summary of findings, research question 1 (unstructured interviews) Global Brand B

<b>Summary of findings, research question 1 Global Brand B</b>
1. Local, within-country legislation supersedes global organisation regulations for Global Brand B.
2. The UK food legislation is a good predictor of the future of the local legal context for the brand.
3. In the local context, adaptations to an evolved media landscape are taken into account in the local strategies of Global Brand B.
4. In the local context of Global Brand B, the target consumer’s socio-cultural trends are similar to other global markets.

Further results supporting this summation for legislation, technology and social factors are outlined in Table 23, 24, 25 below.

Table 23: Findings 1 and 2, research question 1 (unstructured interviews) Global Brand B

Findings	Excerpts from interviews
1. Local, within-country legislation supersedes global organisation regulations for Global Brand B.	<b>R5 GBB:</b> <i>"...in our company we are lucky that even our code of conduct states that where possible follow the policies and guidelines. But where the legislation of the country supersedes that or is stricter than that you always have to do that."</i>
2. The UK food legislation is a good predictor of the future of the local legal context for the brand.	<b>R3 GBB:</b> <i>"Everything we've seen- like the new sodium regulations... they've all been implemented in the UK"</i>

In Table 23 above, it is shown that local legislation supersedes global organisation rules and regulation in the local context of Global Brand B. Food legislation in markets like the UK is a good predictor of future legislative requirements for Global Brand B in South Africa.

Table 24: Finding 3, research question 1 (unstructured interviews) Global Brand B

Finding	Excerpts from interviews
3. In the local context, adaptations to an evolved media landscape are taken into account in the local strategies of Global Brand B.	<b>R5 GBB:</b> <i>"...the millenials that we have in South Africa they also have internet penetration etcetera, but you find that mobile is big. So we had to localise it and use mobile in our market. Whilst if you look at other markets, you'll see that internet is still more computer based..."</i>  <b>R3 GBB:</b> <i>"...that's why it works for Global Brand B. And especially if you're talking media, social media and that- we're connected to everybody."</i>

In the local context, the technology focus entails adapting media technology to what is locally relevant for Global Brand B.

Table 25: Finding 4, research question 1 (unstructured interviews) Global Brand B

Finding	Excerpts from interviews
4. In the local context of Global Brand B, the target consumer's socio-cultural trends are similar to other global markets.	<b>R5 GBB:</b> <i>"...being a brand for the youth or millennials, if you think about it, the millennials these days- we are living in one global village. So they actually understand what's happening in other markets and their interests and likes are the same."</i>

The socio-cultural trends of the target consumers of Global Brand B in the local context are perceived as being similar to those of the same target group in other markets.

### 5.5.2 Results pertaining to question 2

**How do the emerging micro-level factors of local context play a role in the local strategies of global brands?**

Table 26 : Summary of findings, research question 2 (unstructured interviews) Global Brand B

<b>Summary of findings, research question 2 Global Brand B</b>
1. At the micro-level of the local context of Global Brand B, product is adapted to local taste, including flavour and size of product components.
2. At the micro-level, in the local context, Global Brand B aims for productivity (cost saving/ spend optimisation) in advertising and marketing spend.
3. The use of global marketing intermediaries in the local context of Global Brand B is not mandatory.

These themes have been tabulated to reflect some of the micro-level factors in the local context of Global Brand B. Detailed results supporting this summation are outlined in Tables 27- 30 below.

Table 27: Finding 1, research question 2 (unstructured interviews) Global Brand B

<b>Findings</b>	<b>Excerpts from interviews</b>
1. At the micro-level of the local context of Global Brand B, product is adapted to local taste, including flavour and size of product components.	<p><b>R4 GBB:</b> <i>“So from a flavour point of view, we have got learnings and we know that a local palate will sell more product”</i></p> <p><b>R4 GBB:</b> <i>“...the volume just grew by about 20- 25%, by just moving to a more locally relevant seasoning.”</i></p> <p><b>R5 GBB:</b> <i>“...our consumers preferred a smaller product because they wanted more trips to mouth. So we actually reduced the size and we made it smaller.”</i></p>

At the micro level, the flavour and size of product is adapted to local taste in the local context of Global Brand B.

Table 28: Findings 2 and 3, research question 2 (unstructured interviews) Global Brand B

<b>Findings</b>	<b>Excerpts from interviews</b>
2. At the micro-level, in the local context, Global Brand B aims for productivity (cost saving/ spend optimisation) in advertising and marketing spend.	<p><b>R5 GBB:</b> <i>“There’s a saving for that. So we only do that really to save costs, but we have to make sure that the content is relevant.”</i></p> <p><b>R5 GBB:</b> <i>“...that there are local agencies that really specialise in doing locally relevant stuff and we would really still like to use those.”</i></p>
3. The use of global marketing intermediaries in the local context of Global Brand B is not mandatory.	<p><b>R5 GBB:</b> <i>“At the moment we are not. It’s not like its mandatory that we have to use global suppliers, but going forward that’s probably what’s going to happen”</i></p>

At the micro level, global marketing assets are leveraged where cost savings can be realised.

### 5.5.3 Results pertaining to question 3

**What are the strategic implications considered when applying a global brand in the local context?**

Table 29: Summary of findings, research question 3 (unstructured interviews) Global Brand B

<b>Summary of findings, research question 3 Global Brand B</b>	
1.	In the local context of Global Brand B, the country of origin serves as a centre of information and access to many other markets.
2.	In the local context of Global Brand B, the country of origin is still an integral part in approval of marketing outputs.
3.	In the local context of Global Brand B, the team in charge of local marketing operations has the opportunity to get involved in market research that forms the insights into global campaigns for the brand.
4.	Global Brand B has the same brand name globally. Look and feel is also generally the same. Consumer culture positioning is also similar cross the world.

These themes have been tabulated to reflect some considerations when applying Global Brand B in the local context. Further results supporting this summation are outlined in Table 30-32 below.

Table 30: Finding 1 and 2, research question 3 (unstructured interviews) Global Brand B

<b>Findings</b>	<b>Excerpts from interviews</b>
1. In the local context of Global Brand B, the country of origin serves as a centre of information and access to many other markets.	<p><b>R4 GBB:</b> <i>“...and the US, believe it or not, they’re actually very helpful from a flavour point of view, and just from a general learnings point of view.”</i></p> <p><b>R4 GBB:</b> <i>“We have, I mean, e-rooms, you’ve got R&amp;D university, and you’ve got everything that’s on-line that you can tap in to.”</i></p>
2. In the local context of Global Brand B, the country of origin	<p><b>R5 GBB:</b> <i>“...you’ve got people who don’t necessarily understand your market as well as you do, that need to have a say on your brand. So in terms of timings, you</i></p>



is still an integral part in approval of marketing outputs.	<i>always have to make sure that when you do your timings , especially for approvals, you add more time than if it was a local brand”</i>
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The country of origin is perceived to provide access to internal market information. The local team in charge of marketing operations is expected to incorporate into their timing plans, time for approvals of strategies by the global support centre.

Table 31 Finding 3, research question 3 (unstructured interviews) Global Brand B

<b>Degree of involvement</b>	<b>Excerpts from interviews</b>
3. In the local context of Global Brand B, the team in charge of local marketing operations has the opportunity to get involved in market research that forms the insights into global campaigns for the brand.	<p><b>R5 GBB:</b> <i>“And sometimes they can give us an opportunity to really research the concepts in our market. And we can have an input.”</i></p> <p><b>R5 GBB:</b> <i>“...they try and engage with the different markets at concept stage and tell them that this is what we are looking at.</i></p>

In the local context of Global Brand B, teams have the opportunity to participate in global concept development for marketing programs.

Table 32: Finding 4, research question 3 (unstructured interviews) Global Brand B

<b>Findings</b>	<b>Excerpts from interviews</b>
<i>Global Brand B has the same brand name globally. Look and feel is also generally the same. Consumer culture positioning is also similar cross the world.</i>	<p><b>R5 GBB:</b> <i>“I think the advantage with Global Brand B is that the target market all over is millenials. For example the millenials that we are talking to in South Africa might be slightly older to other markets, so other markets you might find that its teens and young adults , and in South Africa it’s mainly young adults. But if you look at that target market really, I think there are quite a lot of similarities. So from that point of view... we are quite lucky.”</i></p>

	<p><b>R3 GBB:</b> <i>“If it works overseas it works here. So when you’re talking about teenagers and young adults, they see exactly the same things and they wanna be global.”</i></p>
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In the local context, Global Brand B is perceived to embody a global consumer culture positioning targeted at the youth (millenials) that is similar in most parts of the world.

## 5.6 Results from document reviews- *Global Brand B*

### 5.6.1 Results pertaining to question 1

**What role do emerging macro-level factors of local context play in the local strategies of global brands?**

Table 33 : Summary of findings, research question 1 (document reviews) Global Brand B

Summary of findings, research question 1 Global Brand B	
1.	Local packaging and labelling requirements have been implemented according to local legislation relating to the labelling and advertising of foodstuff
2.	In the local context of Global Brand B, the implementation of its marketing communication has migrated to mostly digital marketing platforms. No television advertising support has been conducted since 2008.

In Table 33 above findings from a review of internal documents for Global Brand B show that the major macro-level factors impacting the local strategy for the brand include Political/ legal factors, economic factors, as well as technology factors. Further results supporting this summation are outlined in Table 36 and 37, and Figure 8 below.

Table 34 : Finding 1, research question 1 (document review) Global Brand B

Findings	Source	Extracts from documents reviewed
1. Local packaging and labelling	Food labelling Laws	<i>“Carbohydrates vs. glycaemic carbohydrates approved”</i>

requirements have been implemented according to local legislation relating to the labelling and advertising of foodstuff.		<p><i>“Can use theoretical information on pack”</i></p> <p><i>“Health claims – may use claims approved by robust authority e.g. EFSA”</i></p>
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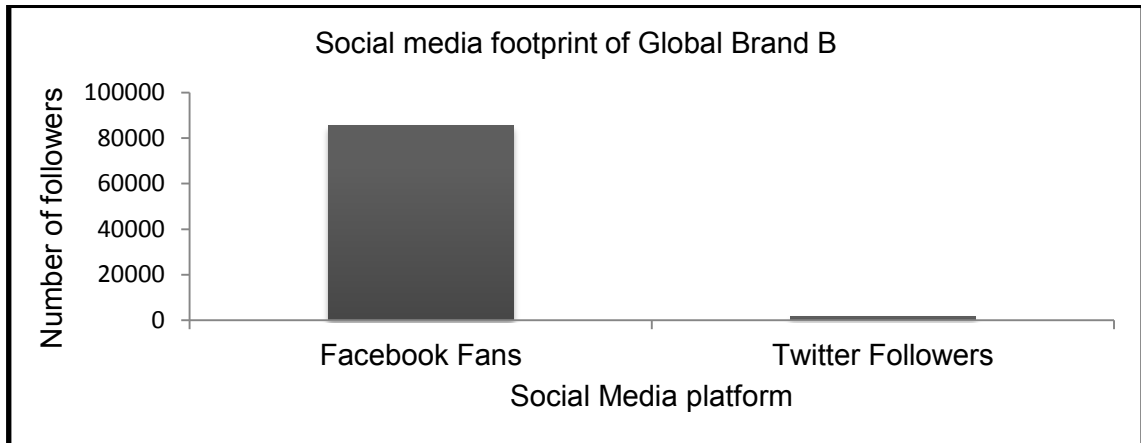
A review of publicly published documents revealed a number of articles relating to food manufactures. In recent years, the South African government has proposed regulations relating to the labelling and advertising of foodstuff.

Table 35 Finding 2, research question 1 (document review) Global Brand B

<b>Findings</b>	<b>Source</b>	<b>Extracts from documents reviewed</b>
2. In the local context of Global Brand B, the implementation of its marketing communication has migrated to mostly digital marketing platforms. No television advertising support has been conducted since 2008.	Annual Operating Plan 2011	<p><i>“Continue to push the envelope on through local &amp; global campaigns”</i></p> <p><i>“Leverage &amp; grow targeted digital media equity assets”</i></p>

A review of the annual operating plan for Global Brand B depicts that in the local context of Global Brand B, the implementation of its marketing communication has migrated to mostly digital marketing platforms. No television advertising support has been conducted since 2008. Furthermore, Global Brand B is among the top 10 biggest brands on Facebook in South Africa (LM&P, 2012). Figure 11 below depicts the social media technology footprint of Global Brand B.

Figure 14: Social Media Footprint of Global Brand B (LM&P, 2012)



## 5.6. Results pertaining to question 2

**How do the emerging micro-level factors of local context play a role in the local strategies of global brands?**

Table 36: Summary of findings, research question 2 (document review) Global Brand B

Summary of findings, research question 2 Global Brand B
1. In the local context, most marketing launch activities in the last two years did not incorporate a new product launch.
2. In the local context of Global Brand B, global organisation marketing assets are leveraged in order to optimise costs in the local organisation.
3. maintaining strong growths due to innovation and campaigns.

Table 37: Finding 1, research question 2 (document review) Global Brand B

Findings
1. In the local context, most marketing launch activities in the last year have not encompassed launching new flavours of Global Brand B product.

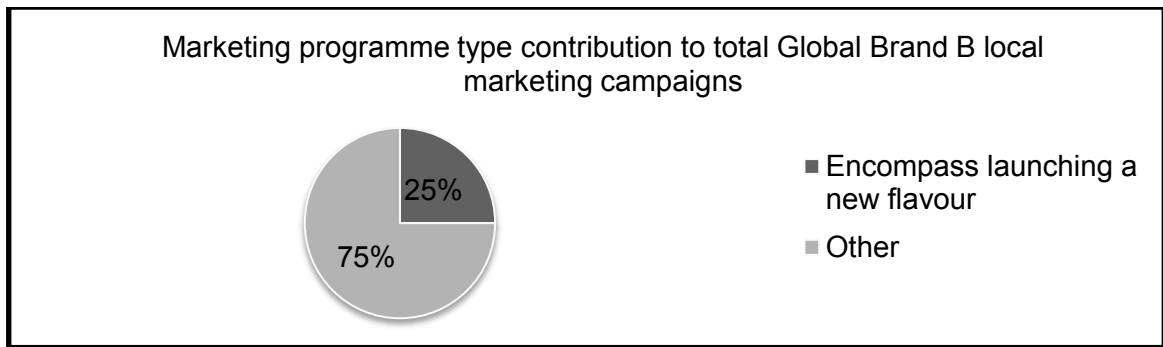


Figure 15: Marketing program type contribution

Furthermore, an analysis of internal launch documents shows that only 25% of local campaigns on Global Brand A between 2009- 2011 have encompassed new flavours.

Table 38 Supplier type for Global Brand B

Type of supplier	Local/ global intermediary	Decision
Digital Advertising production	Local	Decentralised
Digital Media buying	Local	Decentralised
Packaging development	Local	Decentralised
Packaging origination	Local	Decentralised

### 5.6.2 Results pertaining to question 3

**What are the strategic implications considered when applying a global brand in the local context?**

In Organisation X, there are global identity standards manuals for Global Brand A. These set out rules regarding the application of the brand. They include elements pertaining to visual identity of logos, other trademarks, and their use.

### 5.7 Conclusion of Results Global Brand B

In conclusion, the findings from the unstructured interviews and the review of internal documents are converged and summarised below

**Research Question 1: What role do emerging macro-level factors of local context play in the local strategies of global brands?**

<b>Key Findings</b>
<ol style="list-style-type: none"> <li>1. Local, within-country legislation supersedes global organisation regulations for Global Brand B.</li> <li>2. The UK food legislation is a good predictor of the future of the local legal context for the brand.</li> <li>3. In the local context, adaptations to an evolved media landscape are taken into account in the local strategies of Global Brand B.</li> <li>4. In the local context of Global Brand B, the target consumer’s socio-cultural trends are similar to other global markets.</li> <li>5. In the local context of Global Brand B, the implementation of its marketing communication has migrated to mostly digital marketing platforms. No television advertising support has been conducted since 2008.</li> </ol>

**Research Question 2: How do the emerging micro-level factors of local context play a role in the local strategies of global brands?**

<b>Key Findings</b>
<ol style="list-style-type: none"> <li>1. At the micro-level of the local context of Global Brand B, product is adapted to local taste, including flavour and size of product components.</li> <li>2. At the micro-level, in the local context, Global Brand B aims for productivity (cost saving/ spend optimisation) in advertising and marketing spend.</li> <li>3. The use of global marketing intermediaries in the local context of Global Brand B is not mandatory.</li> <li>4. In the local context, the Global Brand B team in charge of marketing can take an active role in developing global communication plans with the global support centre.</li> </ol>

**Research Question 3: What are the strategic implications considered when applying a global brand in the local context?**

<b>Key Findings</b>
<ol style="list-style-type: none"> <li>1. In the local context of Global Brand B, the country of origin serves as a centre of information and access to many other markets.</li> <li>2. In the local context of Global Brand B, the country of origin is still an integral part in approval of marketing outputs.</li> <li>3. In the local context of Global Brand B, the team in charge of local marketing</li> </ol>

operations has the opportunity to get involved in market research that forms the insights into global campaigns for the brand.

4. Global Brand B has the same brand name globally. Look and feel is also generally the same. Consumer culture positioning is also similar cross the world.

# Chapter 6

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## 6.1 Introduction

In Chapter 5- the research findings were presented for each case scenario- for Global Brand A and Global Brand B. In this chapter, these results will be analysed in light of the research questions outlined in Chapter 3, as well as the literature review conducted in Chapter 2. Firstly, a brief précis of the profile of respondents will be outlined. Following this, the results for the case of Global Brand A will be analysed by research question, including the conclusion reached for each research question. Thereafter, the results for the case of Global Brand B will be analysed by research question, including the conclusion reached for each research question. Finally the Chapter 6 will be concluded by way of a cross case analysis between Global Brand A and Global Brand B.

## 6.2 Profile of respondents

An illustrated profile of respondents is provided in Chapter 5, Section 5.2. The respondents comprised of five middle and senior managers from the marketing and the research and development functions. All respondents have extensive experience in the organisation working on both Global Brand A and Global Brand B- with tenure of between four and 10 years. The only difference with regards to the number of respondents obtained versus what was originally planned was the addition of an additional respondent from the marketing function.

## 6.3 Analysis of results- Global Brand A

### 6.3.1 Discussion of research question 1

**What role do emerging macro-level factors of local context play in the local strategies of global brands?**

Understanding the macro-level factors of the international marketing environment is important in that it can highlight “variations in the contextual factors across and within countries” (Douglas & Craig, 2011, p. 151). A PEST (political, economic, social, and



technology) framework is often used to analyse the marketing environment at the macro-level (Wilkinson, McAlister, & Widmier, 2007). In light of this, an analysis of the findings for this research question for Global Brand A has been completed using this framework.

### Political (Legal)

The findings show that local legislation supersedes global organisation regulations for the brand. Secondly, in the local context of Global Brand A, the environment concerning food legislation in the United Kingdom (UK) has historically been seen as a good predictor of future legislation in South Africa. The detailed findings are tabulated in section 5.3, Table 3. A possible explanation for why this particular piece of legislation was top of mind for respondents is that it was proposed for implementation by the South African government fairly recently (in the last two years). Typical responses in this regard included that current legislation is actually stricter than internal organisation targets and thus takes precedence (Section 5.3.1, Table 3).

Authors Wilkinson, McAlister and Widmier (2007) stated that organisations should not only have the ability to “be able to negotiate their way through a wide variety of regulations and laws, but they must also understand how those regulations and laws are administered” (p. 18). In the case of Global Brand A, local laws and regulations pull towards adaptation because the marketing programs for Global Brand A will always be adapted in accordance with national regulations for foodstuffs. This is in contrast to authors Vrontis, Thrassou and Lamprinou (2009), who stated that legal and political reasons are a significant factor pulling towards standardisation.

### Economic

Consumer spending patterns were the main topic in the findings relating to the economic environment in the local context of global Brand A. The findings showed that in the local context of Global Brand A, consumer spending is seen to have been impacted by the economic climate globally - with particular reference to the global recession/ financial crisis of 2009. The extract from the document analysis that closely reflects this finding (Section 5.4, Table 16) highlights the impact of the 2009 global recession in the shopping patterns of shoppers in varying Living Standards Measures (LSMs) in South Africa. At a granular level, of significance was that the trends identified that lower LSM shoppers were looking for breaks in pricing, whilst higher LSM shoppers were looking for better value from manufacturers. This is not surprising considering that Global Brand A is a fast moving consumer goods (FMCG) brand. It

follows, therefore, that there would be emphasis in particular on the spending patterns of shoppers.

The economic outlook of consumers features prominently in the local strategy documents of Global Brand A. This confirms Vrontis, Thrassou and Lamprianou's (2009) categorisation of economic factors being a significant reason for adaptation. This contradicts literature that suggests that people in developing economies are seen as less wealthy and less likely to buy products - which in turn makes them "less attractive" to marketers (Wilkinson, McAlister, & Widmier, 2007, p. 23). However, it confirms the categorisation of economic differences as a "significant reason pulling towards adaptation" of marketing programs (Vrontis, Thrassou, & Lamprianou, 2009, p. 492).

### Social

Findings relating to the social environment in the local context of Global Brand A suggest that local socio-cultural consumer needs are not always moving at the pace of global trends. This is an interesting dynamic in international businesses, where it is assumed that the global organisation seems intent on staying abreast of the latest trends for consumers whilst seeking to be locally relevant. Detailed results pertaining to the social factors at the macro-level can be found in Section 5.3.1, Table 5. Respondents gave examples primarily relating to health trends in the food industry. An example made during interviews is captured below:

**R3 GBA:** *"So they are trying to figure out products that have empty calories, so you do the action but you don't get the nutrition. Whereas us in South Africa, we're saying- you know what? If I'm going to spend money I want energy"*

A possible explanation established during the unstructured interviews for this is that global research teams have not historically focused on social trends in the South African market. It follows that this would impact the respondents' view regarding the level of closeness with which trends in the local market are tracked. Global research teams do not research social trends of South African consumers enough, and tend to focus on trends in developed markets (Section 5.3.1, Table 4). In this instance, global socio-cultural trends would lead to the standardisation of the local marketing programs of global brands.

### Technology

Findings relating to the technology environment show that local teams are not set up to conduct long-term research for Global Brand A in its local context. Furthermore, the local team is concerned mainly with implementing technology that has been developed in other markets versus pioneering innovation in this area. Detailed findings are presented in Section 5.3, Table 4. Evidently, without the technology and research capability of other markets, the South African operation of Global Brand A would find it difficult to truly develop a pipeline of products taking only local appeal into account.

When trying to develop products across markets, socio-cultural concerns should be of importance (Wilkinson, McAlister, & Widmier, 2007). In this case, there is interplay between the social and technology environments. For this reason, technology and social factors at the macro-level pull towards standardisation - again in contrast to the categorisations of reasons to standardise or adapt as stated by (Vrontis, Thrassou, & Lamprianou, 2009).

### **6.3.2 Conclusion of research question 1**

It is concluded that the macro level factors that play a key role in the local strategies of global brands in the local context of Global Brand A comprise of local regulation, the economic outlook of local consumers, social trends, and technology. In the case of Global Brand A, the strategic implication of the political/ legal environment leads to the localisation of marketing programmes. The strategic implication of the economic environment leads to the localisation of marketing programs. However, technologic and social environments lead to the standardisation of marketing programs.

### **6.3.3 Discussion of research question 2**

**How do the emerging micro-level factors of local context play a role in the local strategies of global brands?**

The key elements to the micro-level factors in marketing include an organisations' internal environment (Kotler & Keller, 2009) (Leonidou, Barnes, Spyropoulou, & Katsikeas, 2010). Following from the conclusions drawn in the literature review, and the objectives of this research, two constructs have been explored and will be analysed: a) the role of the pre-conditions for product development, and b) Productivity.

#### Product development

The detailed results are presented in Section 5.3.2, Table 7. They show that in the local context only the product flavour is adapted to local taste, and that the team in charge of local operations have no authority to change or adapt any other product properties in

the local context. However, product development is a significant part of marketing programmes of Global Brand A. The findings show that most (87%) marketing changes on Global Brand A in the last two years have encompassed the launch of a new flavour of product. When asked about the degree of authorisation to develop the product locally, views expressed in this regard clearly conveyed that there are strict limitations in parameters for product development. However the findings also rationalise this at two levels; 1) these global standards are important to uphold a competitive advantage in product design, and 2) there is an acceptable level of comfort in the ability to develop only seasoning to local appeal. In the local context of Global Brand A, only the seasoning is adapted/ localised to the local palate. All other conditions (standards, specifications) for new product development are standardised.

### Productivity

The findings presented in Section 5.3.2, Table 8 show that in the local context of Global Brand A, global marketing assets are leveraged in order to optimise costs. An example of this can be seen in the changes in the contribution of production and advertising costs for television commercials in the advertising and marketing budget (Figure 9). In 2012, production costs constituted only 4% of spend versus 27% in the previous year. This means that in the local context, the amount of money that can be used towards broadcasting of the television commercial is increased. Furthermore, the marketing budget sheets make reference to viewing the budgets in the categories, working and non-working expenditure. Working spend constitutes money used directly in communicating to consumers, whereas non-working expenditure refers to money used in paying costs not related to actual communication with the consumers. Costs such as agency fees and production costs of communication material are included in this.

### **6.3.4 Conclusion of research question 2**

It is concluded that the micro level factors that play a key role in the local strategies of global brands in the local context of Global Brand A encompass the preconditions for new product development and productivity. In the local context of Global Brand B, what influences the local strategy in terms of product is largely governed by globally set specification for product design. Although the basic design of the product is set, the team in charge of local operations has some leeway in adapting flavours to the local palate. Leveraging global marketing assets is said to be done within a framework of what will be relevant locally, however- productivity was continually cited as a significant reason for doing so. Productivity is a significant reason pulling towards standardisation of Global Brand A in the local context. This contradicts the categorisation of

“economies of scale in production” as peripheral reasons pulling towards standardisation (Vrontis, Thrassou, & Lamprianou, 2009, p. 492). In the local context of Global Brand A, economies of scale in marketing programmes is a significant reason pulling towards standardisation.

### **6.3.5 Discussion of research question 3**

#### **What are the strategic implications considered when applying a global brand in the local context?**

When applying Global Brand A locally, practitioners must adhere to global organisation rules for applying the brand. Global coherence (looking the same all over the world) is a key task for local practitioners. Global Brand A has the same look and feel, but varying positioning in different markets. In the local context of Global Brand A, the country of origin serves only as centre of information and access to many other markets. Local team networks facilitate a more open environment to seek and apply learnings from the country of origin in the local context of Global Brand A. The reporting region is perceived to have within-country similarities to the environment in the local context of Global Brand A. In the local context of Global Brand A, the reporting region is usually the first point of call in the process of implementing the local strategies for the brand.

The findings pertaining to this research question are tabulated in section 5.3.3 Table 9-12. Three themes emerged from the findings. These entailed the outlook towards the country of origin of Global Brand A, the outlook towards the reporting region, and finally- differences in consumer culture positioning and rules for applying the brand. In the local context of global Brand A, the country of origin is perceived as a centre of information- described by a respondent as a global “hub”. Authors Chung, Wang, and Haung, (2011) in their study revealed the moderating role of factors such as “firm size, level of experience in local market, and characteristics of consumers” on marketing strategy and decision-making structures (p. 54). However, in this study respondents made a few reference to the ease in communicating with the country of origin based on networks with expatriates from that region now working in the South African operation. The excerpts from the interviews relate to now knowing who to speak to. Authors Chung, Wang, and Haung, (2011) in their study highlighted four different strategy and structure approaches, namely the global approach, the “regcal approach” , the “global approach” and the “local approach”. In the local context of Global Brand A as it pertains to brand identity and product design, the strategy and structure approach towards the country of origin is global- standardised and centralised.

The reporting region for the South African operation of Global brand A is the United Kingdom (UK). The findings show that the reporting region is perceived to have within-country similarities to the environment in the local context of Global Brand A. The reason highlighted for this line of thought was based on the historical trajectory of colonisation. In the local context of Global Brand A, the reporting region is usually the first point of call in the process of implementing the local strategies for the brand. The local executive team grants approvals for key projects of Global Brand A. However, approval of the reporting region must be gained for the strategic plans and annual operating plans of Global Brand A in South Africa. On the one hand, the marketing of Global Brand A in its local context differs from that of other markets. 2012 is the first year in which marketing assets from the UK were used in the local context for Global Brand A. On the other hand, reference was made by the respondents to leveraging Global Brand A marketing campaigns in the UK and applying these to a local brand in the organisation. Therefore, this limits the conclusion that can be drawn regarding the extent of involvement in marketing decision-making and the extent to which marketing decisions are standardised to those of the region.

#### Identity Standards and uniformity

Findings relating to how Global Brand A is applied in the local context are shown in Section 5.3.3 Table 10. For the most part, these findings show that in the local context of Global Brand A, the brand identity standards conform to global regulations and guidelines for uniformity. The nature of responses given for this being an integral part of the local strategy for the brand include that it's a way to protect the trademarks (including typographies, logos) of the organisation from misappropriation. Although there was a sense of this being one of the degrees of authority not granted in the local context, more important was the repeated sentiment for global coherence and uniformity. This contradicts the categorisation of “economies of scale in production” and “global uniformity in image” as peripheral reasons pulling towards standardisation (Vrontis, Thrassou, & Lamprianou, 2009, p. 492). However, the findings pertaining to the “core contents” of global identity standards manuals were confirmed (Jorda-Albinana, Ampuero-Canellas, Vila, & Ignacio, 2009, p. 191).

### **6.3.6 Conclusion of research question 3**

It is concluded that the general strategic approaches and decision-making structures do affect the process of applying the global brand in the local context. The general

strategic approach is both centralised in its outlook towards the country of origin of the global brands. This means that there is limited authority at the local context level to make decisions regarding brand identity and the requisite rules to apply the brand, as well as product design. When considering the outlook to the reporting region, the strategic approach is less definitive. Where it pertains to longer term strategies- the extent of involvement of the reporting region entails approvals.

## 6.4 Analysis of results- Global Brand B

### 6.4.1 Discussion of results for research question 1

**What role do emerging macro-level factors of local context play in the local strategies of global brands?**

Understanding the macro-level factors of the international marketing environment is important in that it can highlight “variations in the contextual factors across and within countries” (Douglas & Craig, 2011, p. 151). The PEST (political, economic, social, and technology) framework is often used to analyse the marketing environment at the macro-level (Wilkinson, McAlister, & Widmier, 2007). In light of this, an analysis of the findings for this research question for *Global Brand B* has been completed using this framework- spanning political, economic, social, and technology environments.

#### Political/ Legal

The findings from the data show firstly that local legislation supersedes global organisation regulations for the brand. Secondly, in the local context of Global Brand B, the environment concerning food legislation in the United Kingdom (UK) has historically been seen as a good predictor of future legislation in this regard in South Africa. The detailed findings are tabulated in section 5.5.1 in Table 22. A possible explanation that this particular piece of legislation was top of mind for respondents is that it was proposed for implementation by the South African government fairly recently (in the last two years). Typical responses in this regards encompassed that current legislation is actually stricter than internal organisation targets and thus takes precedence (Section 5.5.1, Table 23). It is clear that local laws and regulations pull towards adaptation. Global Brand A will always adapt the brand locally in accordance with national laws concerning the regulation of foodstuff.

In the case of Global Brand B, local laws and regulations pull towards adaptation. Global Brand B will always adapt the brand locally (for example in its labelling) in

accordance with national laws concerning the regulation of foodstuff. This is in contrast to authors Vrontis, Thrassou, and Lamprianou, (2009), who suggest that legal and political reasons are a significant factor pulling towards standardisation. However, it appears to be in line with what authors Wilkinson, McAlister, and Widmier, (2007) suggest- that organisations should not only have the ability to “be able to negotiate their way through a wide variety of regulations and laws, but they must also understand how those regulations and laws are administered” (p. 18).

### Social and Technology

In the local context of Global Brand B, the target consumer’s socio-cultural trends are perceived to be similar to those of the same *millennial* target group in other markets. This was qualified by descriptions of the socio-cultural dimension of the target market as being tantamount to a global village in which they had a keen understanding of what was happening in other markets (Section 5.51, Table 25). Furthermore, for Global Brand B, the data collected made reference to leveraging media technology. In the local context, adaptations to an evolved media landscape have been taken into account in the local strategies of Global Brand B. Moreover, the implementation of its marketing communication has migrated to mostly digital marketing platforms. No television advertising support has been conducted since 2008. The assumption underlying these tactics is that a key socio-cultural dimension of the youth entails being techno-savvy. Respondents repeatedly mentioned how this type of engagement with the target consumer is significant in the strategy for Global Brand B (Section 5.5.1, Table 24). This confirms the categorisation of technology as a significant reason pulling towards adaptation (Vrontis, Thrassou, & Lamprianou, 2009). However, it contradicts the categorisation of socio-cultural elements being a significant reason pulling towards adaptation as stated by Vrontis, *et al.* (2009).

### **6.4.2 Conclusion of Research Question 1**

It is concluded that the main macro-level factors that play a key role in the local strategies of global brands in the local context encompass political/ legal reasons, social as well as technology factors. The regulations and laws set by the national government, where stricter, take precedence over organisation regulations and policies. In the case of Global Brand B, local laws and regulations pull towards adaptation. Global Brand B will always adapt the brand locally (for example in its labelling) in accordance with national laws concerning the regulation of foodstuff. This is in contrast to authors Vrontis, Thrassou, and Lamprianou, (2009), who suggest that legal and political reasons are a significant factor pulling towards standardisation.



Furthermore, this confirms the categorisation of technology as a “significant reason pulling towards adaptation” (Vrontis, Thrassou, & Lamprianou, 2009, p. 492).

### **6.4.3 Discussion of results for Research Question 2**

#### **How do the emerging micro-level factors of local context play a role in the local strategies of global brands?**

The key elements to the micro-level factors in marketing include an organisations’ internal environment (Kotler & Keller, 2009). From the findings presented in Section 5.2, it is evident that the key themes that emerge with regards to the micro-level factors in the local context of Global Brand B encompass product development and productivity.

##### Product development

Findings related to the product element at the micro-level of Global Brand B show that at the micro-level of the local context of Global Brand B, product is adapted to local taste, including flavour and size of product components. Evidently, in the last two years, only 25% of marketing activities encompassed a new product launch. Detailed results are presented in Section 5.5.2, Table 27. In essence, the findings show that the organisation has come through a trajectory of launching foreign flavours and eventually localising flavours to the local palate. The results reportedly include a 20-25% increase in sales in the local context, attributed to making seasoning locally relevant.

##### Productivity

Findings related to productivity are presented in Section 5.5.2, Table 28. In the local context of global Brand B productivity in advertising and marketing spend is aimed at. Global organisation marketing assets are leveraged in order to optimise costs in the local organisation. However, this can be achieved with local suppliers because the use of global marketing intermediaries in the local context of Global Brand B is not mandatory.

### **6.4.4 Conclusion of research question 2**

It is concluded that the micro level factors that play a key role in the local strategies of global brands in the local context of Global Brand B encompass the preconditions for new product development and productivity. The parameters for local teams to localise the product offering of Global Brand B extend from just seasoning- to include other specifications such as size of components. Leveraging global marketing assets is said to be done within a framework of what will be relevant locally, however- productivity

was continually cited as a significant reason for doing so. Productivity is a significant reason pulling towards standardisation of Global Brand A in the local context. This contradicts the categorisation of “economies of scale in production” as peripheral reasons pulling towards standardisation (Vrontis, Thrassou, & Lamprinou, 2009, p. 492). In the local context of Global Brand B, economies of scale in marketing programmes is a significant reason pulling towards standardisation.

### **6.4.5 Discussion of results for research question 3**

#### **What are the strategic implications considered when applying a global brand in the local context?**

The findings pertaining to this research question are tabulated in section 5.5.3, Tables 29-32. Three themes emerged from the findings. These entailed the outlook towards the country of origin of Global Brand B, the degree of involvement in global research, and finally differences in consumer culture positioning. In the local context of Global Brand B, the country of origin is perceived as a centre of information- described by a respondent as a global “hub” (Section 5.2 Table 10). Authors Chung, Wang, and Haung, (2011) in their study revealed the moderating role of factors such as “firm size, level of experience in local market, and characteristics of consumers” on marketing strategy and decision-making structures (p. 54). In the local context of Global Brand B, the country of origin serves as a centre of information and access to many other markets, and is still an integral part in approval of marketing outputs.

The findings also show that in the local context of Global Brand B, the team in charge of local marketing operations has the opportunity to get involved in market research that forms the insights into global campaigns for the brand

#### Identity and Uniformity

Findings related to rules for applying the brand are highlighted in Section 5.5.3. What was found is that at the micro-level of local context, rules and guidelines for applying the brand are adhered to. A review of the brand identity standards manuals confirmed the existence of “core contents” relating to the visual identity of the brand (Jorda-Albinana, Ampuero-Canellas, Vila, & Ignacio, 2009).

#### Global communication

Key findings regarding global communication that emerged from the research are presented in Section 5.5.3. In the local context, the Global Brand B team in charge of marketing can take an active role in developing global communication plans with the global support centre.

#### **6.4.6 Conclusion of research question 3**

It is concluded that the general strategic approaches and decision-making structures do affect the process of applying the global brand in the local context. The general strategic approach is both centralised in its outlook towards the country of origin of Global Brand B. This means that there is limited authority at the local context level to make decisions regarding brand identity and the requisite rules to apply the brand. When considering the outlook to the reporting region, the strategic approach is less definitive. Where it pertains to longer term strategies- the extent of involvement of the reporting region entails approvals of annual operating plans.

### **6.5 Cross Case Analysis**

In this section a cross case analysis between the two case studies for Global Brand A and Global Brand B has been presented. This serves to conclude Chapter six by highlighting some of the key similarities and differences between the two cases by research question.

#### **6.5.1 Discussion of results research question 1**

**What role do emerging macro-level factors of local context play in the local strategies of global brands?**

The main similarities between Global Brand A and Global Brand B at the macro-level is that where local regulations are stricter than the regulations and policies of Organisation X, the local regulations will take precedence. In addition for both brands, the United Kingdom (UK) continues to be the paragon of the future with regards to the legislation of foodstuffs. This is not a surprising discovery, considering that both brands are in the same organisation, and are in the food category. In both cases, the role that the political/ legal environment plays is to pull towards the adaptation of brand programmes in line with local legislation.

The key differences emerging from the analysis of both cases is that technology in the local context of Global Brand A concerns mainly a focus on new product development, whereas for Global Brand B- the focus is on innovative marketing communication.

Further to this, in the local context of Global Brand B, the target consumer's socio-cultural trends are similar to other global markets, whereas that is not the case for Global Brand A. The role of technology in the local context of Global Brand B is a reason pulling towards localisation of marketing programs, whereas for Global Brand A- it pulls towards the standardisation thereof.

## **6.5.2 Discussion of results for research question 2**

### **How do the emerging micro-level factors of local context play a role in the local strategies of global brands?**

The similarities between the findings in Global Brand A and Global Brand B encompass the significance of leveraging global marketing assets in order to optimise costs at the local level. For both brands, productivity (economies of scale) is a significant reason pulling towards standardisation. Although, consideration is made for local relevance of these global communications- if minor adjustments can be made in the local context they will be done.

The key differences between the two cases as it pertains to the constructs outlined for this question include the varying levels at which marketing programmes include a new product development component. In addition, there are different approaches towards the mandatory use of global marketing intermediaries. Whilst these agencies (advertising production and media buying) are selected at a centralised country of origin level for Global Brand A, this is not done for Global Brand B. A likely explanation could involve the different approaches to marketing communication that the two brands have. Whilst agencies specialising in above the line media (in particular television) have existed for decades, those that specialise only in digital marketing communications (to which Global Brand B has migrated) have not. Therefore, just by sheer size- it follows Organisation X would enjoy greater economies of scale from striking global deals with established intermediaries (that are large in size and have a global footprint).

## **6.5.3 Discussion of results for research Question 3**

### **What are the strategic implications considered when applying a global brand in the local context?**

The similarities ascertained in the strategic implications considered when applying the brands in the local context, encompass similar outlook in rules for applying the brand. Both brands have set identity standards manuals that dictate the visual identity of the brand. Teams in charge of both operations have qualified this as an important concept- not only in achieving global uniformity- but with regards to protecting valuable trademarks from misappropriation or misrepresentation.

The key differences include the differences in consumer culture positioning. Whilst Global Brand B enjoys the spoils of a similar global target consumer- Global Brand A does not. It can be argued that this is possible for Global Brand B because their core target markets are young people. The youth is said to identify more with popular culture, which makes a global consumer culture positioning easier to achieve (Tinson & Nuttall, 2010).

## **6.6 Conclusion**

In conclusion, the discussion of results and conclusions for each question has highlighted key responses to the main problem statement. The cross case analysis above in Section 6.5 provides a summary of the key themes that have emerged from the findings- and added value to these by defending them in literature, and where appropriate highlighting conflict with the literature reviewed. In Chapter 7, the main findings will be highlighted and recommendations for practitioners and academics outlined.

# Chapter 7

## Conclusion

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### 7.1 Introduction

In this chapter, the main findings of this research will be highlighted. This will begin with the main conclusions of the study, with reference to the context specified in Chapter 1 of this research report, as well as existing research in international marketing. Following this, implications and recommendations for academics and practitioners will be discussed. The chapter will conclude with suggestions for future research.

### 7.2 Conclusions of the study

The main objectives of this study entailed:

- a) Highlighting at the macro-level of local context, new “variations in contextual factors across and within countries” that play a role in the local strategies of global brands (Douglas & Craig, 2011, p. 151). This included paying more attention to the political and economic environments- which have not received the same level of attention as the socio-cultural environment (Leonidou, Barnes, Spyropoulou, & Katsikeas, 2010).
- b) Providing, at the micro-level of local context, an international viewpoint that is “domestically oriented” regarding global intermediaries (Leonidou, Barnes, Spyropoulou, & Katsikeas, 2010, p. 508). Furthermore, adding to the body of knowledge regarding the “preconditions required for new product development”, and the effects of these on the localisation or standardisation of marketing programs (Leonidou, Barnes, Spyropoulou, & Katsikeas, 2010, p. 505).
- c) Exploring the strategic implications considered when applying a global brand in the local context, taking into account the relevance of global culture positioning.

Firstly, the main findings of this research study show that at the macro-level, the political environment is the main factor of local context that has similar implications for different organisations or brands. In this research study, the political environment was found to be a significant reason pulling towards the standardisation of marketing

programmes for both Global Brand A and Global Brand B. However, the other pillars of the PEST framework of the marketing environment have indicated varying strategic implications even for brands in the same organisation. This study has highlighted new variations in contextual factors. These include the impact of the differences in innovation focus on the inclination to standardise or localise marketing programs. This was seen in the case of Global Brand A- where product innovation was the focus. Global Brand B focused more on marketing communication innovation. The role that emerging macro-level factors of local context play in the social strategies of global brands is in determining the levels at which marketing programs will be standardised or localised.

Secondly, in line with the objectives of the study- it succeeded in providing a domestically oriented view of the micro-level elements in the local context of global brands. By focusing on the host organisations (as opposed to managers of headquarters), contradictions to the works of (Vrontis, Thrassou, & Lampranou, 2009) were found. The study found that productivity (economies of scale) is a significant (not peripheral) reason pulling towards standardisation. Evidence was found even in iterations of advertising and marketing spend, as well as in the centralised decision-making relating to employing global marketing intermediaries. Micro-level factors of local context play the role of a) setting the preconditions for product development and b) determining the extent of productivity that can be achieved in the local context.

Thirdly, when looking at the strategic implication inherent when applying a global brand in the local context, the study confirmed that there are strict rules that govern the application of a global brand (Tinson & Nuttall, 2010). Evidence converged from unstructured interviews as well as internal document reviews showed that the “core contents” of these manuals comprise of the rules governing mainly the visual identity of both brands (Jorda-Albinana, Ampuero-Canellas, Vila, & Ignacio, 2009, p. 191). Further to this, the study moved towards corroborating international marketing literature about global consumer culture positioning. This was highlighted in the cross case analysis between Global Brand A and Global Brand B. It was found that Global Brand A targets an older target market – DINKIS (dual income no kids), whereas Global Brand B is targeted at millennials (18 – 24 year old youth). There are no disparities in the global positioning of Global Brand B because young people identify more with popular culture (Tinson & Nuttall, 2010). The strategic implications that must be considered at the local level when applying a global brand include brand identity standards as well as making specific choices about global or local consumer culture positioning.

## 7.3 Implications and recommendations

Implications for practitioners: Consider the impact of the PEST framework on new product development. Evidently, without the technology and research capability of other markets, the South African operation of Global Brand A would find it difficult to truly develop a pipeline of products designed to respond to new variations in local appeal into account. Secondly, in the case of global intermediaries- the challenge is to get the balance right between what is local, and what is global and standard.

Implications for academics: Exploring new variables that are domestically oriented regarding the macro and micro-level factors of local context; and the requisite implications on the localisation or standardisation of marketing programmes. More formalised, empirical studies should be conducted in this regard.

## 7.4 Recommendations and suggestions for further research

It is recommended that more studies in international marketing be complete from a domestically oriented/ host organisation perspective. Furthermore, more attention must be paid in this geographic region (South Africa). Lastly, new types of organisations must be explored (outside of the Fast Moving Consumer Goods industry). This study managed to move towards corroborating international marketing literature pertaining to the youth and global consumer culture positioning strategies. Future research should explore new antecedents that have implications of global or local consumer culture positioning.



## 8. References

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