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"GLOCALISATION" ADAPTION OF LOCAL CULTURE: A STRATEGY TO REINVENT GLOBAL BRAND

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Abstract:

In today's world nothing local is just local anymore, writes Roshni Hegerman, strategic planning director of McCann Sydney. Globalization has gifted lot to the consumers. Consumers in India are now becoming more informed, sophisticated and demanding. India is one of the youngest countries in the world, and the attitudes of the Indian consumers are changing at a rapid pace. A glocal strategy standardizes certain core elements and localizes other elements. It is a compromise between global and domestic marketing strategies. Glocal marketing reflects both the ideal of pure global marketing strategy and the recognition that locally related issues of marketing activities need to be considered. One of the most important things to remember is that getting localisation right doesn't have to involve a big change to have a big effect. The impact achieved by simply taking the time to consider local sensitivities and adapting your brand appropriately can be huge. The rise of a global culture doesn't mean that consumers share the same tastes or values. Rather, people in different nations, often with conflicting viewpoints, participate in a shared conversation, drawing upon shared symbols. Spending the time and money to localise the marketing activity is the priority for any organisation. If not, one must take the risk of losing the money spent on global campaign – and to repair the lost image. It is however, important to remember that localisation can go wrong.

Index Terms: Glocal, Standardise, Localise, Global Culture & Global Brands.

1. Introduction:

Globalization has gifted lot to the consumers. Consumers in India are now becoming more informed, sophisticated and demanding. India is one of the youngest countries in the world, and the attitudes of the Indian consumers are changing at a rapid pace. With Globalization more and more Indians are becoming aware of westernized products and they feel that possession of global brands in front of their social groups (friends and families) gives them a sense of status and prestige. It is therefore proposed that products and possessions seem to have more of symbolic attributes rather than functional attributes. A brand is the function of product, proposition (value-add to the consumer), customer-connect and (relative) differentiation in the solution it offers to the consumers. If we look into it in deep, the mega trend worldwide is the rise of local brand.

2. Glocal Strategy:

A glocal strategy standardizes certain core elements and localizes other elements. It is a compromise between global and domestic marketing strategies. Glocal marketing reflects both the ideal of pure global marketing strategy and the recognition that locally related issues of marketing activities need to be considered. In other words, the concept prescribes that in order to be successful globally, marketing managers must act locally in the different markets they choose to enter. In a global strategy, the corporate level gives strategic direction while local units focus on the local customer differences. The term "glocalization" first appeared in the late 1980s in Harvard Business Review articles, written by Japanese economists, and comes from the Japanese word dochakuka. The Japanese ideographs "do", "chaku" and "ka" means respectively "land", "arrive" and "process of" in English. Roland Robertson, who is credited with popularizing the term, describes glocalization as, "the tempering effects of local conditions on global pressures" and that it means "the simultaneity – the co-presence –of both universalizing and particularizing tendencies". The author Thomas Friedman defines glocalization as "the ability of a culture, when it encounters other strong cultures, to absorb influences that naturally fit into and can enrich the culture, to resist those things that are truly alien, and to compartmentalize those things that, while different, can nevertheless be enjoyed and celebrated as different" Glocalization, then, seems to be the art of attaining a fine balance of assimilating foreign influences into a society that add to its diversity without overwhelming it.

Local Tastes, Local Fare: Consumers now believe that local brands can compete with global brands. Indian consumers have changed not only how they shop but also what they buy. They are more sophisticated and well informed and choices are defined not just by the name of the brand, but also on the proposition or benefit that the brand promises, the value it delivers and the efficacy of experience or outcome. Most of today's large local Indian brands started out by launching their products in a small town (egGhari in Kanpur). Local operations helped custom craft products/offers to suit the local tastes as well as, in some cases, the local environment.

Culture and Context: Local brands have a big advantage of deep understanding of the cultural context. Several personal care categories have also successfully leveraged cultural knowledge; Chandrika, Vicco, Himani Navratna Hair Oil amongst others have built strong and successful brand franchises. Patanjali has cleverly combined three values which Indian consumers hold dear: the faith and belief in the power of Ayurveda, provenance and fair value. Local brands have successfully leveraged the global trend in favour of herbal naturals. Categories as diverse as bathing soaps (turmeric and sandalwood in Santoor), food and beverage (Patanjali Ghee, Tulsi Tea), are all riding the wave. Being strongly culturally aligned, local brands benefit from the migration (inter-state and international) of traditional consumers. Kantar IMRB's TGI India data shows that 31% of Amrutanjan users outside of Tamil Nadu are Tamils. Similarly, over 40% of Ghari users outside UP are Hindi speaking consumers.**:** As brands enter different cultures, it becomes imperative for them to carefully tread the standardisation-customisation continuum - to retain their inherent brand identity, which is the very reason for their acceptance across markets, while adapting brand elements (images, advertising channels etc.) to appeal to local tastes and preferences. Nokia, for example, was the first handset brand that recognised the growing importance of rural customers in the Indian mobile phone market. Nokia introduced its dust-resistant keypad, anti-slip grip and an inbuilt flash light. These features, albeit small, appealed to a specific target of truck drivers initially and then to a broader segment of rural consumers including farmers and local shop owners. These features endeared Nokia to the Indian consumer as the brand displayed a genuine commitment to responding to local customer needs and adapting their products accordingly.

National Pride, Local Choice: Nationalism and pride in being Indian are also tilting the scales in favour of local brands. It has also led to the growth of a category termed hyper locals. Hyper local brands operate in a small, well-defined geography and are ruthlessly focused on growing their franchise within their defined sphere. Examples include Aachi, a spices brand from Tamil Nadu, Raja a brand of biscuits and cookies and Safed a detergent brand in West Bengal. Aachi sales volumes grew 39% in 2016 over 2013 while Raja and Safed grew 20 and 18% respectively. To tackle hyper locals, corporates must have a different and even more micro level of brand planning. It could mean rejigging production, marketing and distribution systems.

Global Brands and Their Local Offering:

Product and Service: McDonald's, a globalization stereotype, has adapted its global marketing to different regions or countries. For instance, the fast-food chain has beer in its product range in Germany, wine in France, mutton pies in Australia and McSpaghetti in Philippines. Also, it provides Maharaja Mac and Veggie McNuggetsin India, which is made of lamb or chicken; the McLobster in Canada and, in Japan, the EbiFilit-O, a kind of shrimp burger, Teriyaki Burger in Japan / Malaysia, Burger served with rice in Indonesia / Philippines, Samurai Pork Burger in Thaildand, McLaks (grilled salmon) in Norway and McHuero (poached hamburger)in Uruguay. In China consumers enjoy green apple Fanta, while Portugal and Spain have watermelon Fanta. Nokia, a global telephone brand, due to the fact that there is a lot of dust in India that damages the phones, adapted its offers with an anti-dust keypad specially made for that market. For the Chinese market, Danone had to change its product base to a less lactose based yogurt, because the Chinese are lactose intolerant. There is now a Volkswagen car with a compass for pointing towards Mecca and a shelf for the Quran; thus Volkswagen is a very popular market within the Muslim community, because it acknowledged their culture. Coca-Cola Japan boasts the richest portfolio of beverages, comprised of sparkling drinks and still beverages such as juices, canned coffee Georgia, sports drinks Aquarius and water. PepsiCo has different snacks in its portfolio, and these tailored to different countries. For example, the most popular snack is the cheese-onions in United Kingdom, the Lemon Lays in Thailand, Paprika Lays in Germany; Sea-food Lays in China. Facebook approached the e-market with a 'one-size-fits-all' strategy, but now is facing the realities of cultural difference. In the US – the country of origin – having lots of friends is culturally acceptable and even encouraged. In Japan however, having more than 50 friends indicates that you are superficial. Therefore, Facebook has lost its lead market position in Japan due to the fact that it did not understand and encapsulate culture into its mass strategy. 'Mixi' is the social networking brand most Japanese people use; it doesn't tell others how many friends you have, it doesn't have a 'like' button and accounts do not display public walls. It meets the cultural requirements. Nevertheless, Facebook plans a defensive strategy and has now set up a team in Japan, considering how to respond to the digital cultural challenges. This example shows that a glocal strategy may be necessary even in the digital environment. Perhaps one of the best examples of a localisation strategy which governs the entire ethos of a company, comes in the financial sector. HSBC have long been known as the global bank with an understanding of local cultures. This has been conveyed consistently through TV, printed and in-house communications. Their strap line 'the world's local bank' is the external representation of their business strategy, that of maintaining a consistent, trustworthy and informed brand right across the globe. ***Price:*** 'The Spar' uses a glocal strategy involving positioning through price. This brand is positioned as a low-cost supermarket in Germany, whereas in United Kingdom and Ireland it provides greater service and store design, and it is positioned as a small, high-cost convenience store.

Promotion: McDonald's had to change its promotion/communications campaign and replace Ronald McDonald clown with closed and pressed hands.

Distribution: French Louis Vuitton bags are sold from stands in shopping centers in Hong Kong, United Arab Emirates and lately in Romania, because these markets accept this as a valid method of distribution. But, if Louis Vuitton did this in countries such as United Kingdom and continental Europe it could damage the brand's luxury status. When H&M entered the US market, it found that by locating in the suburbs it faced too much price competition. And so, adapted its glocal strategy and now it locates its stores in more upscale and downtown locations, where it continues to offer lower prices.

The Highlights of Survey: A Survey Conducted by Millward Brown for The Global Brand in 2008, helps illustrate the basic drivers of brand success across countries and cultures. The survey was conducted in eight countries (from west to east): the United States, Mexico, Brazil, the United Kingdom, Germany, Russia, India and China. In each country, they compared two global brands to two local brands in each of five categories: cars, beer, fast food, shampoo/conditioners and soft drinks. In total, they interviewed 3,307 people about 91 different brands. The global brands included in our survey were stronger than the local ones; they were more often considered for purchase and received higher scores on almost all statements, including 'setting the trends', being 'very easy to recognize' and having 'very distinctive identities'. In general, our analysis suggests that global brands owe their strength to their reliance on the basics of brand-building. Local brands, not surprisingly, scored far higher on being seen as part of the national culture, an attribute that is a driver of purchase intent for all brands, both global and local. So that while local brands may lack the business acumen and deep pockets of the multinational brands brands, they draw strength from their home-field advantage. The lesson here for multinational companies (MNCs) is the importance of embedding the brand in the local culture, and in this regard two global brands stand out. Ironically these are two of the most iconic American brands – Coca-Cola and McDonald's. Both brands were held in high esteem, and were endorsed by a significant proportion of people, in countries other than the United States, as being part of their own national cultures. If these two giants of US culture can embed themselves locally, any brand in any sector should be able to gain this kind of advantage. It identified a couple of factors (beyond aspiration for the American lifestyle) that made this possible. The first is adaptation (of both product and communication). Both brands adapted their product offerings appropriately and invested heavily in locally inspired communication and activation to complement their global positioning. Obviously, time in the market gives companies a considerable advantage. Coke and McDonald's, among others, have had plenty of time to adapt. So newcomers have to try especially hard to understand the nature of beliefs and practices in the sector they are entering so that they begin their presence in the market by being closely tuned to the local culture.

Implementing a Successful Localisation Strategy: One of the most important things to remember is that getting localisation right doesn't have to involve a big change to have a big effect. Disneyland Paris which was originally known as Euro Disney it started its operation outside Paris in 1992 it continued with its same standard tried and tested theme park formula thinking that the customers would be expecting the same authentic American Disney experience. But in doing so it went wrong in its calculation about the European tastes and preferences. Among the cultural faux pas were a no alcohol policy, in a country where a glass of wine with lunch is often a given; the misallocation of staff at peak times according to American habits; and small breakfast restaurants, based on the assumption that Europeans don't eat breakfast. The impact achieved by simply taking the time to consider local sensitivities and adapting your brand appropriately can be huge. Premier Inn has managed this perfectly with their international hotels, specifically those in the Middle-East. The external branding on these hotels still strictly adheres to the UK-conceived brand guidelines, with the same logo and colour ways, the same 'guest-obsessed' brand values, but with one addition – the hotel name in Arabic sits above the main brand marque, conveying the name to both international and local customers. This doesn't dilute the brand, but does tell the local customer that they are important enough to be acknowledged in Premier Inn's corporate image. The local message is continued inside the hotel too with the inclusion of a Qibla in each bedroom – essential for guests and an example of how a small change can have a big impact. So the lesson is, when you take your beautifully crafted product or campaign to a new market, it is vital you first understand the cultural, religious and political impact it will have, and tailor your offer accordingly. A localisation strategy cannot guarantee success, but without one it will all but guarantee failure.

How Global Brands Are Thinking Local: "Global is local, and local is global." Today's world is unmistakably and increasingly interconnected, as growing Internet access, travel and trade accelerate the integration of global markets and the worldwide exchange of ideas, information, people and products. But with globalisation comes an opposite, if not equal, reaction. "In a globalised world, there will inevitably be many similar trends across the globe. And these, in turn, will generate opposition in the form of localisation, as people try to assert their own identity, which is only natural," observed Mr Yanai. "In order to do business anywhere, we need to have a firm grasp of what it means to be global and what it means to be local." Unilever is a classic example of a global brand which has managed to enter previously untouched international markets with products that address local sensitivities. Unilever's Indian subsidiary, Hindustan Unilever Limited (HUL), recognised the tremendous opportunity servicing markets at the bottom of the pyramid where customers aspire to consume products but in smaller quantities and at lower prices. HUL invented the shampoo sachets – small plastic packets of shampoo selling for less than 2 US cents a piece. These became so popular among rural consumers that many other brands adopted the practice offering small size sachets of detergent, coffee and tea powder, coconut oil, tooth paste and other goods. Even though the unit price was higher, it meant consumers could afford to purchase the smaller quantity at their convenience. The Priceless tagline / proposition for MasterCard started off as a campaign but has more or less been woven into the fabric of the MasterCard brand as a permanent part of its identity. In general all credit card brands assert that when you pull out your credit card the brand name on it says something about who you are, and prestige often bordering ostentation is the traditional territory of the category. In contrast MasterCard's agency developed this brilliant proposition: "There are some things that money can't buy. For everything else, there's MasterCard". The insight behind the campaign is that there are special moments in life, often serendipitous, usually shared with loved ones, that no amount of wealth could purchase. For a credit card brand (= access to money) to be dramatising this insight shows that the brand understands that there are more important things than itself. This implies that it is magnanimous, humble, and big-hearted, traits that many people would prefer to have associated with themselves. And besides the prestige can be communicated through the creative execution itself. It also taps into the post-80s/90s materialism sentiment that in fact luxury is at heart experiential, so it was and still is very much "of its time". Copy lines never really work in isolation, and the high-end feel of the execution adds "luxury" attributes to MasterCard's brand image.

3. Conclusion:

Even after being globally success the firm should be smart enough to be locally successful too. Firm must work on to know the how to familiarise the firm with the local cultural norms and traditions and also Capturing the audience's emotions by focussing on what the audience finds interesting and not what firm finds interesting. Spending the time and money to localise the marketing activity is the priority for any organisation. If not, one must take the risk of losing the money spent on global campaign – and to repair the lost image. It is however, important to remember that localisation can go wrong. By even considering creating a local offering you are dangling perilously close to a media backlash, or somewhat humorous miscalculation which manages to offend an entire country in one fell swoop.

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