BM

UNIT - 5

MANAGING BRANDS

Brand Hierarchies – Brand Architecture: Definition and Types – Brand Extensions: Meaning, Types, Advantages, Disadvantages and Keys to Successful Extensions – Brand Turnaround and Rejuvenation – Brand Globalization: Reasons, Process, Advantages and Disadvantages

Brand Architecture

- When the company portfolio is growing, the brands tend to evolve. It is critically important to define the structure of the brands within a portfolio to keep the brand health strong.
- The brand managers need to take various decisions such as considering the right time to extend the existing brand, selecting appropriate brand name, whether or not to have different websites for multiple brands and so on. Since each of such decisions has direct implications on the future, a plan for brands is developed to provide clarity to the consumers.
- Brand architecture comes in play while presenting the brand efficiently. Let us learn more about brand architecture.
- "It is the structure of the brand in an organizational entity that defines how various brands and sub-brands in a company's portfolio are related to each other or are different from one another."
- Brand architecture provides a hierarchy that depicts the roles and relationships within the products and services that make a company's portfolio and makes sure that the external stakeholders understand the value of what the brands offer.

Types of Brand Architectures

They can be varied from pure to hybrid. However, generally brand architecture is distinguished into two categories – **House of brands** and **Branded house.**

House of Brands	Branded House
Product Brand Range Brand Line Brand Endorsing Brand Umbrella brand	Source brand Master brand
Multiple brands or activities are brought together under a single name. There is	It is a family of brands with high degree of unity. Here, the master brand structures the child brands in such a manner that they are capable of

complete freedom for the management of divisions, activities and the brands. For example, Apple **Mitsubishi Motors division and Mitsubishi Electricals division** are completely unrelated except the fact that they come under Mitsubishi business. Both divisions manage their own advertising, and brand values, and obtain separate profits.	expressing the value of a parent brand. Maste brand is the single brand acting as a driving force. For example, **Google.** Google books, Google maps, Google Translate, Google Mail, etc., all come under the master brand Google and only differentiate in their descriptions.

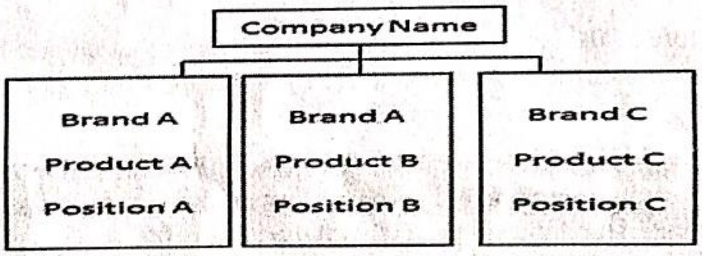
Let us see the brand architecture strategies in detail –

1. **Product Brand Architecture**

The brand is a kind of product brand, if the corporate brand name is hidden and every product is assigned a different name and one single positioning. Each new product is a new brand.

P&G

Ariel Vicks Pampers

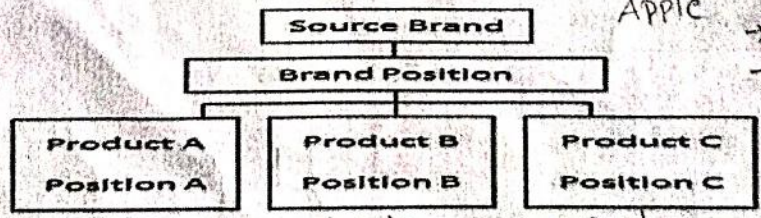


-> corporate brand name hidden
-> every product different name
-> single position
-> each new pdct is new brand

2. **Source Brand Architecture**

In this type, the company name is well known and guarantees the quality of the products. For source brand, the products are on the forefront, while the company name remains in the background.

Apple



laptop mobile Ipod

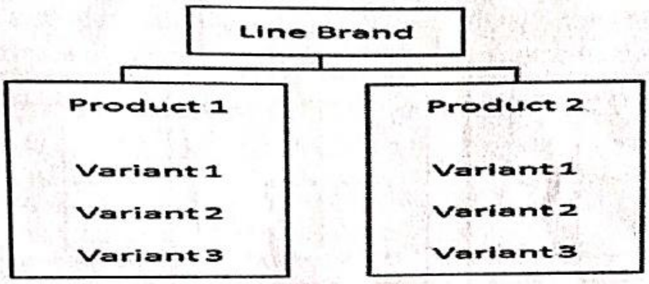
-> company name well known
-> guarantees the quality
-> source brand products are on the forefront
-> main company name in the background

Line Brand Architecture

When a variant is added to the existing brand, it is called line extension. The variant can be anything from color, packaging, nutritional value addition, or a new shape. Line brand targets a subset of the consumers.

→ variant added to the existing brand

→ variant can be anything from colours, packaging, nutritional value addition, new shape etc.



For example, Cadbury Bournville comes in three flavors – Raisin & Nut, Rich Cocoa, and Cranberry. Likewise, Dairy Milk Silk comes in Orange Peel, Roast Almond, and Fruit & Nut variants.

Masterbrand or Monolithic or Umbrella Architecture

This is the simplest type, where all units and divisions of a business share the same brand. The brand name is used for different but related products. It involves creating a brand equity for a single brand. It is also referred to as **Corporate, Umbrella,** or **Parent** brand. In this type, the product or service benefits are less important than brand promise. It drives purchase decisions and defines consumer experience.

Monolithic Brand				
BMW				Corporation
				Master Brand
BMW (GB) Ltd.	BMW Motorcycles			Divisions
Dealer				Retail
3 Series	5 Series	X Series		Sub Brands
335i	530d	Z4	X5	Products

Endorser Brand Architecture

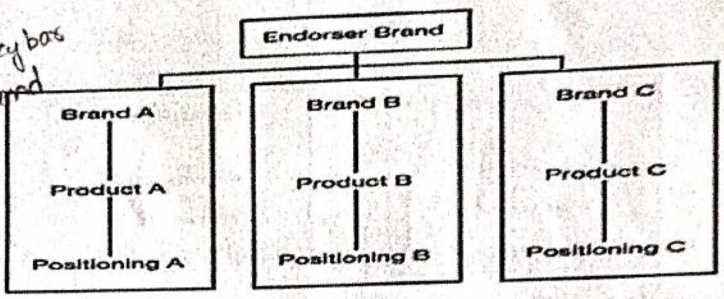
Here, a parent brand consists of various operating units which are identified by their own brands. The parent endorses the products or services under itself and has a clear market presence. There is a synergy between the product name and the parent name. This architecture provides credibility, approval, and guarantee to another brand.

For example, Marriot Residence Inn, Courtyard, and Fairfield Inn.

→ parent brand consists of various operating units which are identified by their own brands

→ parent approve the product/service under itself & has a clear market presence.

Nestle
↓
kit kat, crunch, milky bar
coffee, sunrise, gold blend
maggi, oats, pasta
baby food cereal
cerelac, lactogen
Nestum



Portfolio Brand Architecture

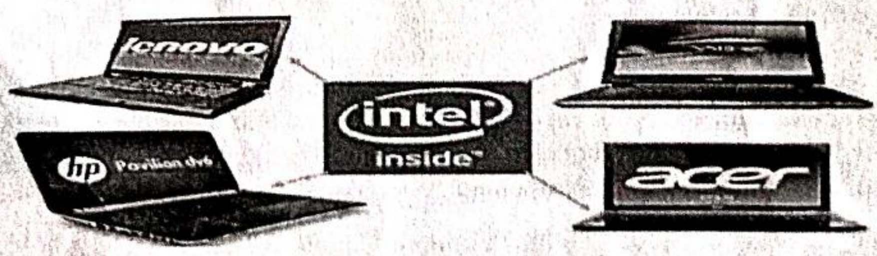
In this type, all or many brands are kept with separate identities, names, and life cycles of their own. They often compete with each other. The parent does not provide any brand equity to benefit the sub-brands. This structure is found in FMCG companies.

Portfolio Brand

P&G Procter & Gamble					Corporation
					Master Brand
P&G Asia	P&G North America	P&G Middle East	P&G Europe		Divisions
Shaving	Hair Care	Hair Color	Soap	Dish Wash	Categories
Gillette	PANTENE	WELLA	IVORY	FAIRY	Brands
Nice n Easy	Tide	Pringles	BALSAM	Herbal Essence	Products

Ingredient Brand Architecture

In this architecture, a principle brand supports to qualify other brands. The idea is, if the ingredient is good, it amplifies the brands better than they would have amplified independently without the ingredient. Thus, the ingredient brands turn out as energizer.



For example, Intel Inc. Any computer brand's ad says "Intel Inside", depicting Intel processor enabled motherboard that comes with high power and speed of execution.

3 · **Hybrid Brand Architecture**

It is a combination of monolithic (Master brand), endorsement, and portfolio architectures. These are the most common solutions.

Toyota - Different cars
extending the brands

Brand architecture needs to be revised when the companies change their strategies or the business has added important features which are beyond the existing brand structure.

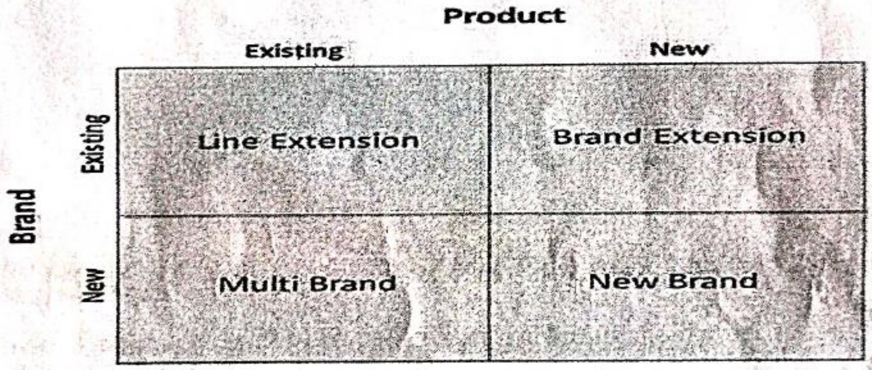
Brand extension is required for a company's growth, profitability, and brand's added reputation. It is an inevitable strategic move at some point of time in brand management.

While extending a brand, all assumptions related to that brand held for a long time are revised and the brand's identity is redefined. The brand managers need to identify growth opportunities and increase parent brand's value.

Brand Extension:

It is nothing but launching a product in a different category under an already established brand name. It is extending the existing brand promise with diverse products or services.

The following diagram shows the matrix of brand growth.



When a company introduces a new product, it has the following choices –

- New Brand, New Product **(New Brand)**
- New Brand, Existing Product **(Multi-Brand)**
- Existing Brand, New Product **(Brand Extension)**
- Existing Brand, Existing Product **(Line Extension)**

The last two in the above list are the types of brand extensions.

Line Extension

A variation of existing product launched under the existing brand. It often adds different flavor, package size or shape. Here, established brand is the parent brand.

For example, Coke is basic brand with Diet Coke as extension.

Brand Extension

A new product is launched under existing brand. It often adds a product of different category. The new associated brand is a sub-brand.

For example, ITC brand with Sunfeast cookies, Vivel shampoo, Bingo chips as its sub-brands. In 1994, Titan Industries Ltd. extended the brand Tanishq, India's only national jewelry brand.

Let us see yet another excellent example of systematic brand extension, Nivea.

Risks of Brand Extension

Just like product launching, brand extension demands time, resource allocation, energy, and associated risks. When the brand is exposed into unknown market, it might face dominance among established competitors. In addition, the brand image can come into trouble too.

Pros of Brand Extension

- Bypass efforts, time, and cost for developing a new brand.
- Leverages the reputation attached to the parent/family brand.
- Saves costs on follow-ups and introductory marketing programs.
- Reduces perceived risk of customer about the product.
- Elevates the parent brand image.

Cons of Brand Extension

- On failure, brand extension can hurt the parent brand image.
- It can cannibalize parent brand if the sub-brand is more successful than parent brand.
- Creates confusion among customers if not communicated appropriately.
- Can dilute brand meaning.

Brand Adaption Process

Brand adaption is nothing but introducing and engaging the consumer with the brand. It involves five steps –

- **Awareness** – Customer knows the brand but does not have complete information.
- **Interest** – Customer tries to find more information on the brand.
- **Evaluation** – Customer tries to know how beneficial the brand would be.
- **Trial** – Makes first purchase to determine its usefulness or worth.
- **Adapt/Reject** – Becomes a loyal customer or looks for some other parallel brand.

Brand Adaption Practices

The brand adaption practices involve the following steps –

- Develop internal (brand managers and representatives) and external launching (consumer and prospects) of brand.
- D teach Impart positive attitude towards the brand among sales managers and marketers.
- Create high customer demands and expectations about the brand.
- Provide training for the sales and customer care force to practically deliver the brand promise.

Factors that Influence Brand Extension

There are various scenarios where a brand has successfully extended or failed to extend. For example, Bic ballpoint pens. It extended successfully into disposable razors but the extension into perfumes was a failure.

The factors that influence acceptability of a brand extension are mainly –

- **Perceived risk** – It is the evaluation of uncertainty about the type and degree of expected loss after making the consumer makes a choice.
- **Consumer's Innovativeness** – Personal trait or desire of consumers to try a new brand/product and thereby experience something new.
- **Product Similarity** – Greater the degree of similarity of the extended product with the original product, more is the chance of transferring the positive effect.
- **Parent Brand Reputation and Strength** – Brand's reputation is associated with the consumer's perception of the quality of the brand. Strong and reputed brands leverage extension than weak brands.

Rebranding

A company requires to rebrand when it decides to change any of its brand elements such as brand name, logo, slogan, or even a small change in the message for better communication and more relevant brand promise. Rebranding is extremely important, expensive to execute, and risky.

Why do Companies Rebrand?

There are multiple reasons behind why companies initiate rebranding. These reasons can be categorized into two types – proactive or reactive. Let us take a deeper look.

Proactive Rebranding

It happens when a company anticipates and prepares for future changes in the market.

- To prevent or prepare for future potential threats by competitors.
- To plan for international growth, rebranding the products and services into a consolidated brand thereby saving money over time and creating a greater sense of brand unity.
- To enter into a category of business, product, or market which no longer remains cohesive to the existing brand identity. In case of Apple Inc., as the company evolved into new businesses beyond computers, the original brand name Apple Computers became too restrictive. It was then changed to Apple Inc. At the same time, Apple Inc. updated its logo depicting its progress.
- To attract new audience, or want to appeal to it. In case of McDonald's ads, it refers to itself as McDonald's to target a different demographic from its traditional audience.
- To increase the brand relevance in consumer's mind, the company might decide to rebrand. For example, when the use of printed Yellow Pages directories started declining, Yellow Pages rebranded to YP.

The original Apple logo featuring Isaac Newton under the fabled apple tree.

The rainbow Apple logo, used from late 1976 to early 1998

The monochrome Apple logo, used from 1998 to late 2000, predominantly on hardware. Still appears on various products in various colors, such as iLife packaging.

Stylized Apple logo, used 2001 to around 2007 on Apple software.

Logo used from 2007 to present.

Reactive Rebranding

This branding occurs when the companies need to react to a significant change. Reactive rebranding might happen in the following situations –

- When companies merge or acquire other companies, or when they separate. For example, California based Intel rival and chipmaker, Advanced Micro Devices (AMD) is considering to split shortly.
- When there are legal issues with branding. Trademarks are often the root cause for rebranding. For example, an Australian business tries to expand into USA and finds that its existing name is already trademarked and not available for use in USA.
- When a competitor manifests a company's brand as useless or outdated, then rebranding helps to get an opportunity to facelift the brand to effectively strike back in the market.
- When changes take place in business regulations, laws, competitors, etc.
- When a company lands up into a significant controversy or negative publicity, it considers rebranding to rebuild the trust of consumers and stakeholders. It cuts up all the ties with the issues in picture and moves on with the new form of brand.

Relaunching

Relaunching a brand is reintroducing a brand into the market. Relaunching implies that a company was marketing the brand but stopped doing so for some reasons. Relaunching is an opportunity to set new objectives for the brand.

Relaunching a brand can demand the changes ranging from the aspects as minor as logo prints on stationery and cutlery, staff uniforms, to as major as website of the company, changes in premises, etc.

How to Relaunch a Brand?

When a company relaunches a brand, it hopes to avoid the mistakes from past experience and wants to set a strong foot in the market. A brand manager needs to consider the following do's and don'ts while relaunching a brand –

- Analyzing the marketplace and target market segment.
- Knowing about the competitor brands.
- Conducting SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis.
- Positioning the brand in an appropriate new form.
- Avoiding too many changes in too short time. This type of strategy can lead to the risk of not retaining consumer's attention and interest for a long time. In future, it can make the company and its products unrecognizable to its existing customers. Let the consumer know about the new form the brand has taken.
- Communicating clearly about the brand relaunch. Creating awareness among people about new objectives and distinctive offers. Making the changes gradually and noticeably.

Let us see an example of NIVEA FOR MEN relaunch. In 1980, NIVEA introduced an alcohol-free, non-itching aftershave balm for men. It went popular with consumers, and then by 1993, NIVEA FOR MEN included a range of skincare products for men.

By 2008, more and more men were investing in skincare and grooming products. NIVEA FOR MEN brand understood this as an opportunity to claim more market share in the growing category. To achieve this, NIVEA employed a strategic marketing to relaunch and reorganize.

NIVEA assessed the marketplace, evaluated its own business, brands, and products. It also assessed the brand's position and the state of the market. It conducted SWOT analysis and revealed some interesting facts such as women are an important target market for the brand NIVEA FOR MEN as they are instrumental in buying male grooming products for their partners as well as helping them to choose new ones.

Well-informed with SWOT analysis data, NIVEA FOR MEN brand management set objectives for relaunch. Using research data to forecast trends, the marketing force set SMART (Specific, Measurable, Achievable, Realistic) objectives. This helped in increasing sales, growing market share, and improving its brand image.

NIVEA FOR MEN adopted a range of key performance indicators to assess the success of the NIVEA FOR MEN relaunch in the UK. It revealed that −

- NIVEA FOR MEN is the market leader in many countries and is consistently gaining additional market share.
- Internationally, NIVEA FOR MEN skincare products sale increased by almost 20 percent.
- The NIVEA FOR MEN brand image improved in the minds of consumers.
- NIVEA FOR MEN entertained its customers' feedback and added products to its line and reformed the existing products.

⇒ **Brand Turnaround Strategy :—**

The **Turnaround Strategy** is a retrenchment strategy followed by an organization when it feels that the decision made earlier is wrong and needs to be undone before it damages the profitability of the company.

Simply, turnaround strategy is backing out or retreating from the decision wrongly made earlier and transforming from a loss-making company to a profit making company.

Now the question arises, when the firm should adopt the turnaround strategy? Following are certain indicators which make it mandatory for a firm to adopt this strategy for its survival. These are:

a) Continuous losses
b) Poor management
c) Wrong corporate strategies
d) Persistent negative cash flows
e) High employee attrition rate
f) Poor quality of functional management
g) Declining market share
h) Uncompetitive products and services

Also, the need for a turnaround strategy arises because of the changes in the external environment Viz, change in the government policies, saturated demand for the product, a threat from the substitute products, changes in the tastes and preferences of the customers, etc.

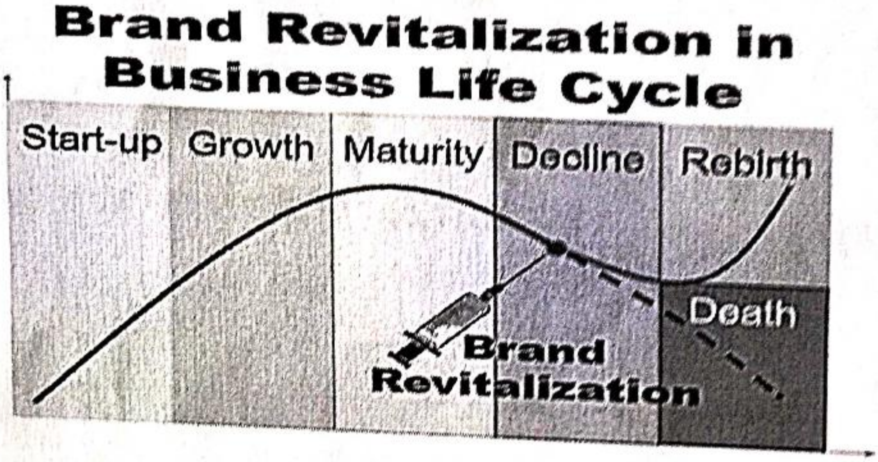
Example: Dell is the best example of a turnaround strategy. In 2006. Dell announced the cost-cutting measures and to do so; it started selling its products directly, but unfortunately, it suffered huge losses. Then in 2007, Dell withdrew its direct selling strategy and started selling its computers through the retail outlets and today it is the second largest computer retailer in the world.

Brand Rejuvenation

Brand rejuvenation involves adding value to an existing brand by improving product characteristics attributes and enhancing its overall appeal. It is intended to re-focus the attention of consumers on an existing brand. Brand rejuvenation helps overcome the consumer's boredom in seeing the same product on the shelves year after year. A consumer's psychological desire for changing is one key factor behind brand rejuvenation.

Brand revitalization is a strategical process initiated for improving the existing product, process or brand to meet the changing demands and requirements of the consumers in the evolving market. It is a corrective measure applied when the business or the product is at the maturity or decline stage (alarming phase) of its life cycle and is on the verge of becoming obsolete.

At the decline phase, the company experiences a downfall in the sales, customer turnover, reduced profitability and falling market share. All these symptoms point towards adopting a suitable brand revival strategy.



Reasons for Brand Revitalization

Why do companies go for brand revitalization? Is it just a problem-solving method for the companies?

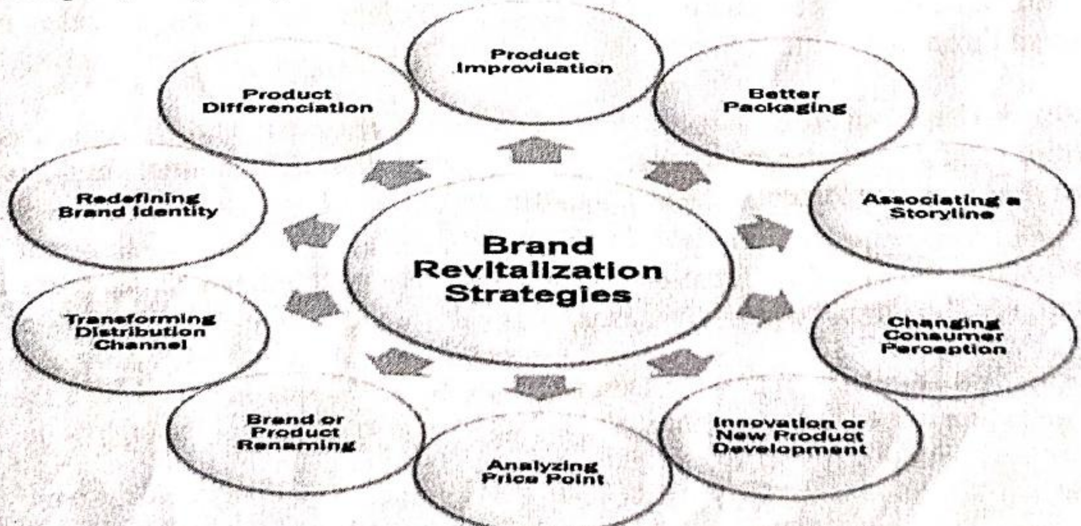
Brand revitalization is a transformational strategy where the companies aim at overall business growth. To know the various reasons for which reviving of a brand is necessary, read below:

- **Globalization**: The company need to revive the brand before selling its product in international markets, to make it universally adaptable.
- **Technology**: With the evolving technology, the companies generate a need for constant upgradation of the brand and the products.

- **Competition**: In a competitive market, brand revitalization helps to break the stereotype and attract the target audience.
- **Reputation**: Brand revival becomes necessary to resolve specific issues which harm the company's goodwill; or unnerves employees or consumers.
- **Rationalization**: It is a suitable strategy to handle situations like product complexity, cost inefficiency, consumer turnover and dip in profits.
- **Pertinence**: Brand revival becomes essential when the company no longer serves the purpose of the consumers and tends to go old-fashioned for them.
- **Expansion**: The company has to go for brand revitalization for fulfilling the requirements of a larger organization while restructuring the business.
- **Legal Obligations**: It is a vital practice to deal with specific copyright problems like two or more brands having identical names, logos or design for their products.
- **Mergers and Acquisitions**: A corporate merger requires restructuring and rebranding to please the existing consumers of both companies. Also, in the acquisition, the acquiring company is a dominant player revives the target company's brand to aim a larger market share.

Brand Revitalization Strategies

Brand revitalization is a result of creative thinking, problem-solving and urge of making improvements. Let us now find out the different strategies which a company may adopt for reviving itself:



Product Improvisation: Any product that is leading the market today, maybe discarded by the buyers tomorrow. Therefore, the company should continuously research and improve product features and usage, to retain its customers.

Better Packaging: If the product looks unappealing to the customer or not available in user-friendly packaging, the chances of rejection increases.

Therefore, another useful strategy is to modify the product packaging such that it serves the customer's demand competently.

Associating a Storyline: In the present scenario, the product or brand can be backed by a story which relates to the public for creating an impact on the prospective customers.

Changing Consumer Perception: Even an excellent product fails if the consumer remains unaware or misperceives it or the brand. Thus, it becomes essential to develop customer understanding of the company or the product.

Innovation or New Product Development: The most exciting ways of brand revitalization is creatively inventing a new product or process. It will not only increase the consumer base but also beat the competition in the market.

Analyzing Price Point: The company can also rework the product prices according to its value addition, quantity purchased, features, specialization, class and level of customization.

Brand or Product Renaming: If the product or brand name seems to be unpleasant or hurts the sentiments of any community or group of people, thus hampering the sales; it can be revived through a name change.

Transforming Distribution Channel: Some companies expand their business extravagantly, selling to almost everyone. But, through market segmentation company realizes that the target customers are just a handful.

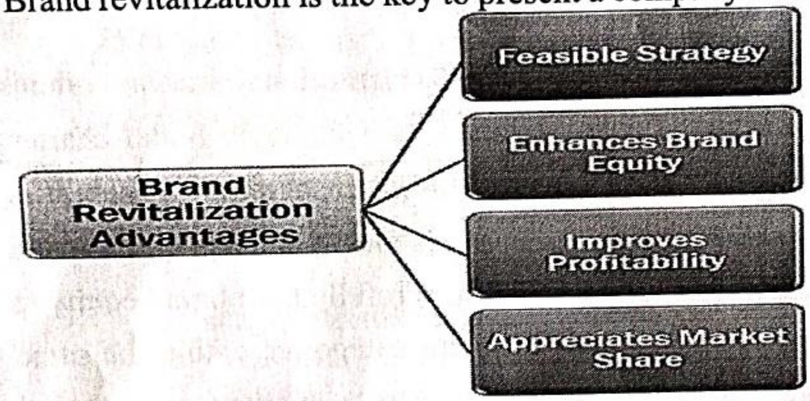
Thus, revitalization of the marketing channel can aid the organization to head its efforts in the direction of the target audience.

Redefining Brand Identity: When the existing customers feel disconnected with the brand and look forward to better options, the company can retain them through value enhancement and better customer experience.

Product Differentiation: This strategy is undoubtedly beneficial in a highly competitive market. Product differentiation is the introduction of some additional features, usage or benefits of the product, which is not yet provided by the competitor.

Brand Revitalization Advantages

Brand revitalization is the key to present a company like a king in the market. Followin:



- **Feasible Strategy**: If compared to the failure of a brand (in the decline stage of the business or product life cycle), it is expedient to revive it on time.
- **Enhances Brand Equity**: The renaissance of a brand can prove to be an efficient tool in attracting and engaging the new consumers.
- **Improves Profitability**: With an increasing number of loyal and satisfied customers, the company avails the opportunity to generate higher profit than its competitors.
- **Appreciates Market Share**: The companies which go with the flow of the market and makes constant improvements can secure more significant market share.

⇒ **Global branding** :-

Global branding is the act of marketing a product or service under the same name in multiple countries, with similar and centrally coordinated marketing strategies. Put another way, global branding is offering a product or service whose advertising, positioning, strategy, personality, look and feel are the same from one country to another. Before adopting a global branding strategy, it's important to take a look at the advantages, and even disadvantages, of such a strategy, as well as the potential need for adaptation in international marketing.

Global companies face a constant need to grow. With new technology and continuous innovation drastically bringing down the life span of products on the one hand, and the integration of emerging economy competitors into the global economy increasing the overall competitive intensity on the other, brands are to grow to survive and sustain in the long run. Furthermore, the pressures of free markets are such that the stock markets reward those brands that can demonstrate their ability to constantly grow either by milking their existing markets or by aggressively creating new market spaces through innovation and globalization.

Responding to such well-established and entrenched institutional norms, brands incorporate their quest to expand as a central tenet of their strategic brand charter. Contingent on the nature of the industry they operate in and the resource and capabilities they are endowed with, brands more often than not leverage their brand equity to expand their strategic scope and scale. As such, leveraging their carefully built brand equity to grow, brands expand via brand extensions into different categories within the same industry, brand expansions into different industries across markets, and brand globalization by entering into different institutional environments.

Growth inherently is neither good nor bad. The type of growth strategy used by the brand and how such strategies align with the brands' overall brand portfolio, their strategic positioning in the market place and their relative standing vis-à-vis competitors determine the extent to which growth strategies can be beneficial or detrimental. However, although the benefits of such expansions are often highlighted, such growth strategies are always fraught with considerable challenges. Over stretching the powers of brand equity can not only dilute the underlying value proposition of the brand by messing up its positioning, but also create challenges for the brand's resource and capabilities.

In particular, three factors become extremely important in the context of expanding the brand globally. In strategically addressing these three factors in the overall context of the corporate brands, they can easily navigate the challenges of brand globalization. This article provides guidelines to effectively tackling these three challenges in brand globalization.

The process of brand globalization:

The impact of globalization in recent years has led to the popularity and importance of the brand globalization process, which consists of several phases, including:

- **Defining brand identity**: The first step in brand globalization is developing a brand identity and defining its constraints. Brands also need to be careful that they don't lose their identity throughout the globalization process. Brands need to be aware of the fact that when they expand to different countries, the overall confidence in the brand may take a hit and it can take time to build this confidence up again. Before entering a new country, it is important that brands conduct a thorough analysis of the market conditions in the country, which should include:
    - Size of existing market;
    - Purchasing power;
    - Consumer choices;
    - Level of competition;
    - Type of distribution channels present;
    - Presence of entry barriers;
    - Opportunity to register the existing brand name.
- **Accessing the markets**: A brand is not limited to just being a name on the packaging of products, it is something that differentiates those products from its competitors and also adds value and confidence to the products. Therefore, when a brand enters a new market or country, its first initiative is fundamental in determining its long-term popularity.
- When these brands enter a new market, they usually do it using two methods, including:
    - **Creating a new category**: This is when brands attract attention in a new market by creating a new product category altogether. A parent brand establishes itself by using the daughter brand as a point of reference in a new category.
    - **Segmenting a pre-existing category**: The other viable option in this scenario is to launch a similar but differentiated product in a category that already exists.
- **Selecting products that have been adapted to the new markets**: When a brand decides to enter a new market, it is important that it adapts its products to suit the marketconsumers.

- **Setting up local campaigns**: Recently, brands are preferring to set up local campaigns in different markets compared to using a single campaign globally. Giving local subsidiaries the freedom to create their own campaigns helps in creating buzz around the brand in a new market. Red Bull has used this international marketing strategy to perfection with the Red Bull Air Race in the UK, the Red Bull Indianapolis Grand Prix in the USA and the Red Bull Soapbox Race in Jordan (source: Hubspot.com).

Challenges in brand globalization

Strategically managing multipoint competition: The benefits of expanding across national markets are quite obvious. Brands can develop new markets, experiment with new variants of their products, form new collaborations and ultimately extend their growth cycles. However, globalizing a brand is also fraught with challenges, some of which if not managed strategically can exceed the inherent benefits. One of the biggest challenges the globalizing brands face is to manage the multipoint competition.

Restructuring and reconciling the brand portfolio scope:

Each new addition to the brand portfolio creates scenarios where brand managers have to effectively align the overall value proposition of the corporate brand with those of all other brands in the portfolio. Such scenarios become even more complicated when coordination and consolidation among all the different markets is not tightly implemented. Furthermore, the brand leadership is also confronted with the challenge of pursuing either a strategy of strategic stretch or strategic leverage. And such a decision becomes highly challenging in the face globalizing the brand.

Ensuring optimal localizátion to maintain the global brand identity: Finally, one of the most pervasive challenges faced by companies trying to globalize their brands is to achieve that delicate balance between maintaining their defining brand identity while at the same time customizing the brand message to appeal to the local cultures, preferences and regulatory environments. Usually referred to as glocalization, this process of optimally combining the global aspects of the overall brand characteristics with the local aspects of brand communications, positioning and value delivery can be highly challenging.

Managing country risk in international market entry: Despite the seemingly flattening world, countries are different in their formal institutional requirement, and also in their informal cultural norms. As such, global brands entering new foreign markets will have to carefully manage the legal, political, cultural and regulatory requirements and expectations. Additionally, CEOs and corporate directors of these brands will have to strategically evaluate if customizing for a specific country aligns well with the overall brand charter.

For example, some of the most well-known brands including McDonald's and KFC had to reconfigure their menus when they entered the Indian market. Given the tremendous potential of the Indian market, these brands tweaked their menus to be sensitive to the sentiments of the Indian people. However, when Starbucks wanted to enter the Indian market, the demands were rather high. Given that the Indian government does not allow 100% foreign direct investment in the retail sector, Starbucks had to form a minority partnership as a precondition to its market entry.

Conclusion

The need for growth is a constant in the current global business landscape. However, attaining growth is inherently characterized by equifinality. Global brands that simultaneously consider the benefits and costs emanating from the larger macro environment as well as from the resources and capabilities within the firm would be well positioned to achieve growth while at the same time minimizing the myriad risks inherent in the process.