



## **Creating flexible global brands in federated organisations: A case study from a global not-for-profit**

Creating the right global strategy for your brand requires a number of key considerations specific to your organization and target audiences. In this paper, we use the case study of GS1, a global not-for-profit organization operating in over 100 countries, to discuss approaches to competing across multiple geographies, the importance of unified global brand meaning, the value of establishing a global brand management structure, and ways to create consistent branding while retaining significant local flexibility.

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# Creating flexible global brands in federated organisations: A case study from a global not-for-profit

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## Abstract

*Creating the right global strategy for a brand requires a number of key considerations specific to the organisation and target audience(s). This paper uses a case study of GSI, a global not-for-profit organisation operating in over 100 countries, to discuss approaches to building brand equity across multiple geographies, the importance of unified global brand meaning, the value of establishing a global brand management structure, and ways to create consistent branding while retaining significant local flexibility.*

## Keywords

*global marketing, branding, brand management, glocalisation, local responsiveness*

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## INTRODUCTION

Building a strong brand under any circumstances requires careful management. But when the brand operates in a number of countries, significant additional issues must be addressed. How can the

brand best be stretched across different cultures and address local market needs? How can it retain some consistent meaning for individual customers in drastically different environments? How can the brand be managed internally to make the

most of global scale? An effective global brand strategy will need to cohere with business priorities, investment levels and broader brand portfolio strategies — and will vary significantly between different brands and organisations. This paper discusses the experience of creating a global brand across the GS1 organisation to highlight possible approaches to thinking about global branding in contexts where significant local flexibility is particularly important.

### **GS1 GLOBAL BRAND INITIATIVE**

GS1 is a global, not-for-profit business and supply-chain standards organisation. GS1 is the developer and administrator of the most widely used global system of supply-chain standards, and operates as an association of 111 ‘member organisations’ (MOs), each operating in a different country, plus a global office based in Brussels. Typical of many organisations spread across multiple markets, the ability for local management to respond to market demands in a particular country is crucial. A 40-year history of autonomous MOs and an overall federated structure (ie relatively independent entities joining together for common purposes) mean that local flexibility is particularly valued and emphasised at GS1. At the same time, many users are multinational companies interacting with GS1 in multiple countries. Furthermore, the heart of the organisation is the delivery of global standards for customers. Given these dynamics, creating a more consistent and unified global brand within the federated model became a strategic imperative for the organisation.

### **KEY STRATEGIC FOUNDATIONS**

A classic conceptualisation of international business strategy focuses on strategic

choices along two key dimensions: (1) the imperative to integrate globally in order to capture worldwide competitive advantages; and (2) the need to respond to local demands.<sup>1</sup> The first results in an emphasis on efficiency and the coordination of activities across countries, while the second results in a focus on customisation and the tailoring of activities within individual countries. In brand strategy terms, the first leads to a more centrally controlled and consistent global brand and the second leads to more local flexibility in brand execution and activity (Figure 1).

An overall brand approach comprising relatively little global integration and local responsiveness, or an ‘international’ strategy, is often a domestic brand’s first step into foreign markets. Typically, this involves exporting, licensing or franchising a domestic product or service, and represents the simplest and quickest access to global markets. The trade-off is little flexibility to respond to local needs, but even under this approach there should always be at least minimal diligence and understanding of local markets (for example, ensuring that the brand name does not have unintended meanings in foreign languages). Starbucks took this approach when making its first expansion outside North America in the mid-1990s (and now, as a more mature global brand, it is developing both more global integration and local customisation).<sup>2</sup>

### **DEGREES OF CUSTOMISATION**

Relatively more global integration with little local tailoring results in a ‘pure global’ strategy. With products developed and marketing created at a global level, it may be possible to generate greater scale benefits. Typically, this strategy enables a global division of labour and wider location decisions that result in lower costs.



**Figure 1** Global brand strategy and the GS1 brand evolution in the context of a classic conceptualisation of international business strategy

Ideally, it also includes the expansion of marketing capabilities (by picking the best ideas from all over the world) in addition to the lower cost benefits, although in reality this can be difficult to achieve given the practical complexity of managing truly global brands. At the very least, the simplicity of not offering significant local customisation provides the benefit of being able to manage clear and consistent brand positioning, messaging and tactical execution. This approach is often the strategy employed by global technology or electronics brands where the combination of scale benefits and simple, consistent global branding in a fast-changing environment can be crucial.

Empowering greater local responsiveness without significant global integration leads to a 'multi-domestic', or localisation, strategy. In effect, each country or region operates with a high degree of autonomy in terms of many decisions that affect the brand in order to adjust to local market dynamics and preferences. This can help

to create the best possible brand experience for local customers or consumers. There can often, however, be highly inefficient duplication of effort (think of each country division requiring its own website design team) and little learning across borders. In situations where the number of different countries is limited and where local customisation is particularly valuable, these choices may still be the best option. Nestlé has followed this strategy effectively (see, for example, the management of soy sauce flavoured Kit Kats in Japan).<sup>3</sup> Under such an approach, particular care must be taken to establish guardrails around the brand — what can and cannot be changed while retaining that which gives the brand its essence.

Finally, a relatively large degree of both global integration and local responsiveness leads to a 'glocal' strategy. Recent theories around the idea of 'glocalisation' attempt to blur boundaries between global and local pressures.<sup>4</sup> In turn, many major brands attempt to develop and distribute

products or services globally while adjusting them where necessary to meet local consumer preferences. At first sight, capturing the benefits of both global integration and local responsiveness would appear the obvious strategic choice — ‘think global, act local’. The significant costs and complexity of managing such a ‘glocal’ approach through the typical global matrix structure, however, makes practical success difficult. The reality is that many glocal branding attempts tend to be influenced more by global pressures than by true local relevance, or ultimately find that greater local oversight is required, negating some of the benefits of global integration.

Assessing the balance between global consistency and local flexibility is important in developing an overall approach to the global brand strategy. This is a complex question, and one that must be revisited regularly as the market environment and business priorities evolve over time. It is not a binary decision between the global and the local. Rather, it must be thought of as a spectrum between global integration and local responsiveness that may also vary between different elements of the brand strategy. For example, for certain brands it may be more important to have global consistency in visual identity while maintaining a greater degree of local flexibility in much of the content of brand communications; for other brands it may be more important to have consistent communication but allow flexibility in product development or product customisation.

For GS1, which has historically taken a ‘multi-domestic’ approach, attempting to introduce greater global brand consistency presented a significant challenge. How could local managers, each historically acting with significant autonomy, working with their own external agencies and partners, and each tailoring communication based on local customer needs,

be convinced to support and adopt global brand development?

### **GIVING THE BRAND MEANING**

A key to the success of any brand is to have clarity of purpose, benefits and differentiation — what the brand stands for and how people will perceive it. This is even more the case with brands that are intended to exist across geographies and cultures. Even in the purest global brand, there will be differences in interpretation and meaning in different environments, so being crystal clear in terms of what unifies the brand becomes even more important. Why is this one brand and not many different brands? The answer to this question should involve more than pure cost factors and needs to be set out clearly.

Establishing the brand purpose and beliefs can take many forms — whether this is termed mission, vision, north star, credo, guiding principles, purpose or beliefs can depend on the organisation. The important thing is to establish what the brand really stands for. A common pitfall is viewing this exercise as either easy or unimportant. The reality is that it is neither — it is crucial, and in many cases more difficult than anticipated (for example, at GS1 this exercise took countless iterations and debates between senior executives across the globe). Once GS1 agreed on one consistent, global statement of ‘purpose and beliefs’, they were able to ensure, right from the start, a focus on the common essence that applies to all countries within the organisation (Figure 2). Without this clarity regarding the essence of the global brand, the effort will be doomed to failure. In the brand’s management, there will be countless people involved in many ways; without everyone buying into a common vision, there is little hope of communicating the brand



The Global Language  
of Business

## GS1 believes in the power of standards to transform the way we work and live.

- We create a common foundation for business by uniquely identifying, accurately capturing and automatically sharing vital information about products, locations and assets.
- We enable visibility through the exchange of authentic data.
- We empower business to grow and to improve efficiency, safety, security and sustainability.

### We are...

- Neutral and not-for-profit
- User-driven and governed
- Global and local
- Inclusive and collaborative

**Figure 2** GS1 global purpose and beliefs statements help clarify a consistent and unified meaning for all brand activities and communications

effectively to customers or consumers. Furthermore, it can be very difficult to maintain differences between the presentation of a brand, particularly with digital communications, across physical borders. In many cases, the larger the need for the local customisation of a brand, the more important it is to establish its core essence. The more explicit this statement or set of statements can be, the better.

### GLOBAL BRAND MANAGEMENT STRUCTURE

Another key to success is to think carefully about how the global brand is to be managed. This will depend on the overall global strategy approach, but it is crucial to put in place some explicit governance and

management as well. Establishing a global brand team or steering committee (ideally with some regional representation) is well worth the investment.

As part of developing a renewed global brand, GS1 established a global brand steering committee made up of CEOs from a number of MOs and the global CEO, charged with providing overall direction, support and roadblock removal for brand development. This committee was supported by a global brand project team comprised of CMOs from countries around the world and the global office, together with an external partner, and was responsible for developing, championing (including piloting materials in their own countries) and helping to implement the global brand framework. Both of these

groups included representatives from different regions, and comprised senior executives and decision makers who were able to truly thrive in the global and local shared responsibility intentions of the initiative, as well as prioritise the implementation of global brand assets and tools.

The global brand team can serve a number of purposes, from acting as brand guardians to providing support and guidance for local implementation. The exact role of the global team may vary depending on the overall global brand strategy. The closer to a 'glocal' model one gets, the more there will need to be shared responsibility between global and local teams, and the global team may focus more on facilitation, internal communication and inspiration, with the local teams dedicated to more traditional brand management.<sup>5</sup> Similarly, the balance between moving quickly enough to respond to the market and stewarding the global brand responsibility will vary across organisations.

There will almost certainly be global versus local tensions that emerge, and having a clear structure in place to manage the evolution of the brand will help considerably. Furthermore, a global team made up of representatives from key regions can also play an important role in smoothing debates over what can easily be seen by local managers as additional up-front expenses (eg having to change existing local materials to be in line with global branding) rather than an investment in global assets and capabilities that will enable greater future local effectiveness.

## CREATING EFFECTIVE GLOBAL BRAND TOOLS

A common purpose and an effective management structure are not on their own sufficient to generate the kind of success most global organisations expect. The

next single biggest factor in global brand success is the quality of global support as perceived by local managers. Without truly effective and user-friendly assets and tools from the global team, local managers will inevitably attempt to create their own solutions, almost always taking the brand in directions that are inconsistent with those in other areas of the organisation.

The GS1 global brand team has been able to generate significant trust across the organisation globally by creating and implementing effective branding tools that bring both immense efficiency to the organisation (through reducing previously duplicated efforts) and a more consistent and coherent face to the market, while allowing for considerable local flexibility and responsiveness in local content and communications.

## GS1 WEB TOOLKIT

One powerful example is what became known as the Web Toolkit. Previously, given very different market environments and offerings, each MO in each country created its own website as it saw fit, with very few common elements or branding beyond the name and logo treatment. This not only involved over 100 separate website design and development initiatives (and associated costs), but also resulted in websites with completely different user experiences and look and feel — an obvious strategic issue for the brand as a whole.

The GS1 Web Toolkit addresses these issues through the creation of an extensive living online style guide for the development of local websites. This includes the visual design of any component or element needed for a website (from navigation and menus to content modules), as well as the actual code for these web elements. This can then be combined with local content and site structure needs to create tailored

local websites, but with a global look and feel that is common across countries. With all the basic design and web development work centrally completed and provided through the Web Toolkit, local managers are free to focus their resources on understanding local user needs and rapidly creating content to address local demands.

This can be a highly effective approach to gaining the benefits of global scale, while also enabling significant local responsiveness in the context of digital communications. GS1 is in the process of rolling out updated sites across all countries, and with early success validating the benefits of the effort, the global brand team is able to move forward with further global brand initiatives that would have previously been difficult to gain support.

### **MAKING THE MOST OF THE OPPORTUNITY**

Global markets provide significant opportunity for brand managers, but also raise complex questions. Developing a coherent

overall global brand strategy, establishing clear brand purpose and beliefs, and developing an explicit global brand management structure will help global brand managers assess and implement appropriate brand communications and activities. Establishing the right strategic approach up front will help to focus time and effort in creating the right brand experiences, wherever those interactions take place in the world.

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