ANA Survey Research

2012 ANA Global Brand Equity Survey

Key Findings Report

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Introduction and Methodology

The Global Brand Equity survey was conducted online during November and December of 2012 among a sample of 53 client-side marketers whose companies conduct business in multiple countries.

Since this was a global study, only firms that are currently conducting marketing initiatives in North America as well as in other areas such as Europe, Asia, Africa, and the Middle East were allowed to participate in the survey. In addition, the respondents must have been involved in their company's global marketing efforts in the past two years in order to qualify to be able to answer the survey questions appropriately. Respondents to this survey have of 21 years of experience in marketing, on average.

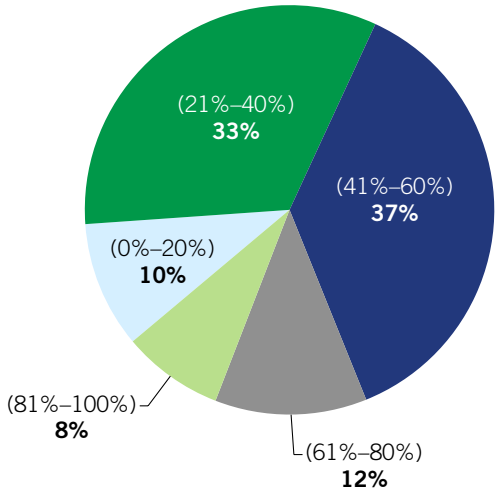
The purpose of the study was to determine how companies develop and coordinate their global branding strategies, especially with regard to business objectives and to various marketing decisions such as targeting, positioning, branding, pricing, and advertising.

International Business Accounted for 20 to 60 Percent of Most Companies' 2012 Sales Volume

International business accounted for a large part of surveyed companies' 2012 sales volume. Seventy percent of respondents claimed that sales outside the home country comprised between 21 percent and 60 percent of their total 2012 sales volume.

Percentage of 2012 Sales Volume from International Business

Base: 49

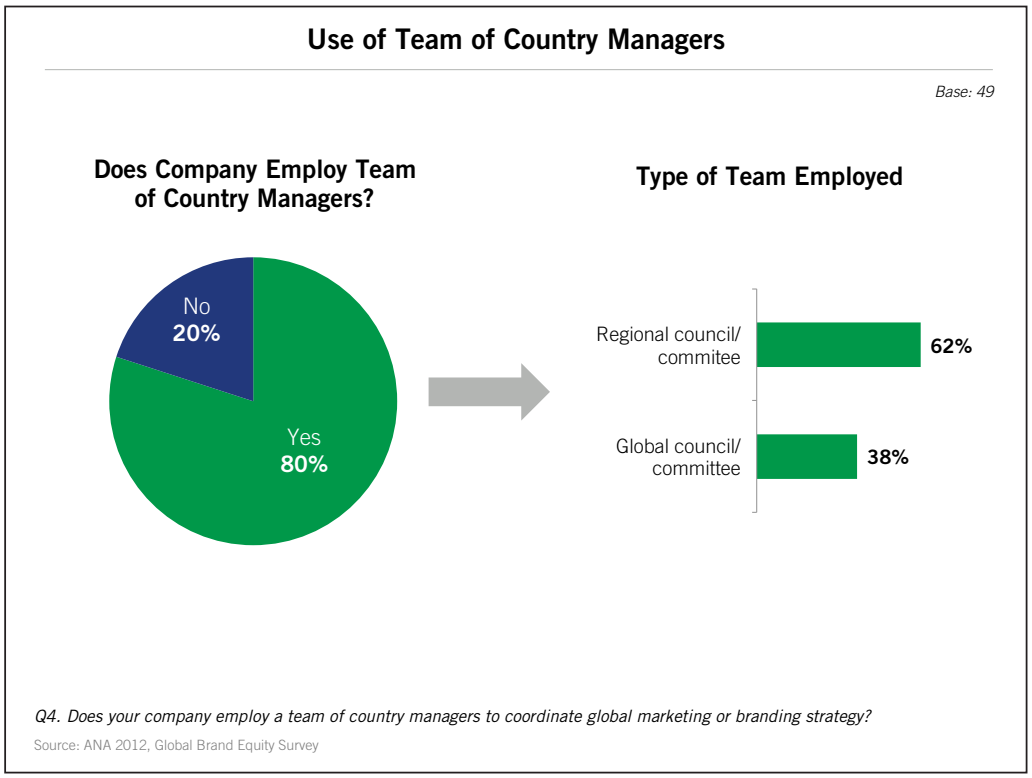


Q1. Approximately what percentage of your company's projected 2012 sales volume will be from international business (sales outside your company's home country)?

Source: ANA 2012, Global Brand Equity Survey

Most Companies Employed a Team of Country Managers to Coordinate Global Strategy

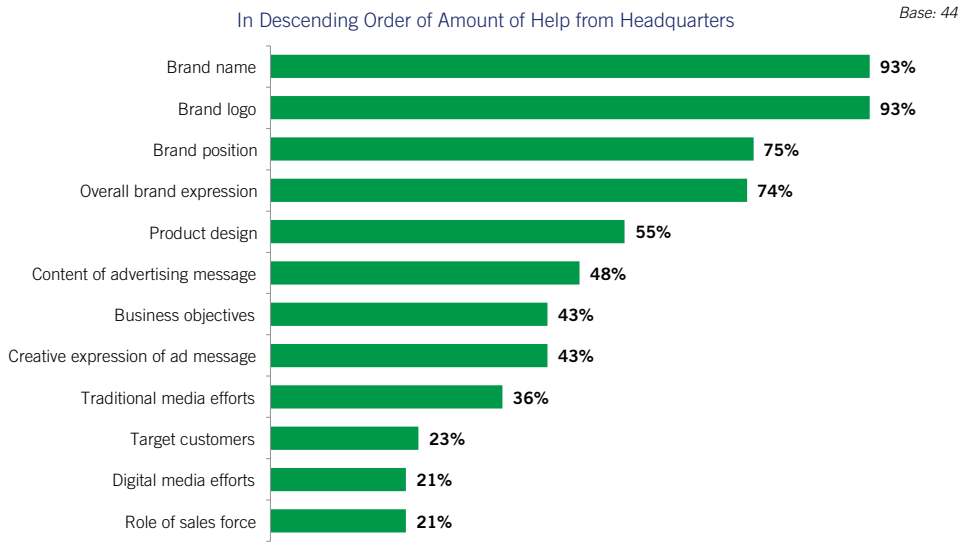
The great majority (80 percent) of surveyed companies employed a team of country managers to coordinate their global marketing or branding strategy. Of those that use a team, almost two-thirds had a regional council or committee, while the remainder had a global council/committee. Teams of country managers typically provide companies with local insights for improving local marketing strategies while supporting coordination across countries for decisions that do not need to be tailored to local conditions and where standardization may result in cost reductions. Such cross-border teams of managers are often the means by which multi-domestic companies were transformed into global companies.



Executives Received the Most Help from Headquarters Around Branding

Branding tends to be something that is standardized and overseen by the corporate/headquarters of a company. The evidence is that the vast majority (93 percent) of respondents claimed that they received help from corporate/headquarters when it came to brand name and logo. In addition, three-quarters said that they received help from headquarters when it came to brand position and overall brand expression. Activities like the role of sales force and digital media efforts, on the other hand, tended to be less centrally controlled.

How Much Help Do Executives Receive from Headquarters?
(Rated 1 or 2 on 7-Point Scale)



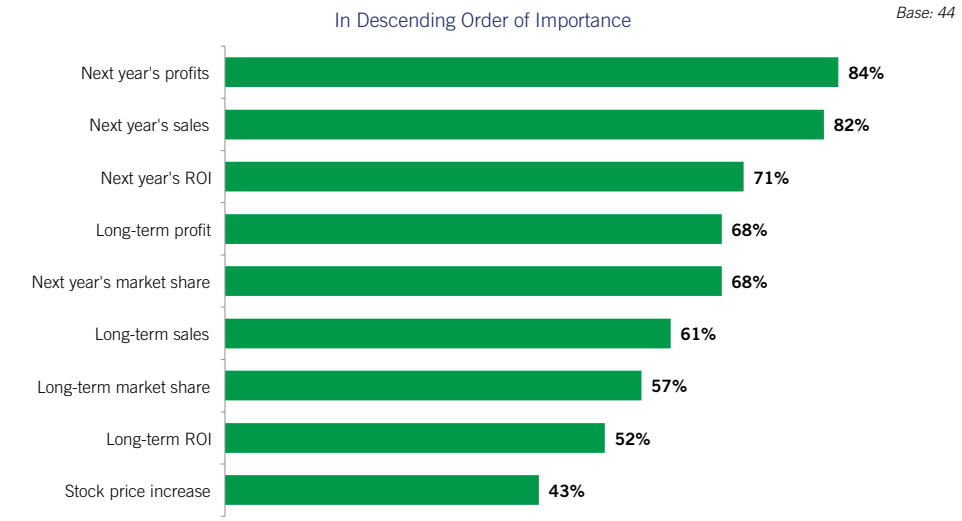
Q9. How much help do executives responsible for business in a country receive from corporate headquarters in determining each of the following? Please use a 7-point scale where 1 is significant help and 7 is no help.

Source: ANA 2012, Global Brand Equity Survey

Profit and Sales Determine Evaluation of Performance

Not surprisingly, business objectives that relate to next year's sales and profits were the most important (over 80 percent) when it came to headquarters' evaluation of performance in country markets. In addition, objectives that relate to next year's ROI and next year's market share were also significant, with over two-thirds of respondents mentioning them as important measures. On the other hand, except for long-term profit, future-focused metrics such as long-term sales, share, and ROI were considered less important than other objectives. The finding of less concern with the long term is consistent with other studies of United States companies (83 percent of the respondents in the survey were managers in U.S. companies).

Importance of Business Objectives on Headquarters' Evaluation of Performance
(Rated 1 or 2 on 7-Point Scale)



Q10. In corporate headquarters' evaluation of the performance in country markets, how important is each of the following business objectives? Please use a 7-point scale where 1 is very important and 7 is not important.

Source: ANA 2012, Global Brand Equity Survey

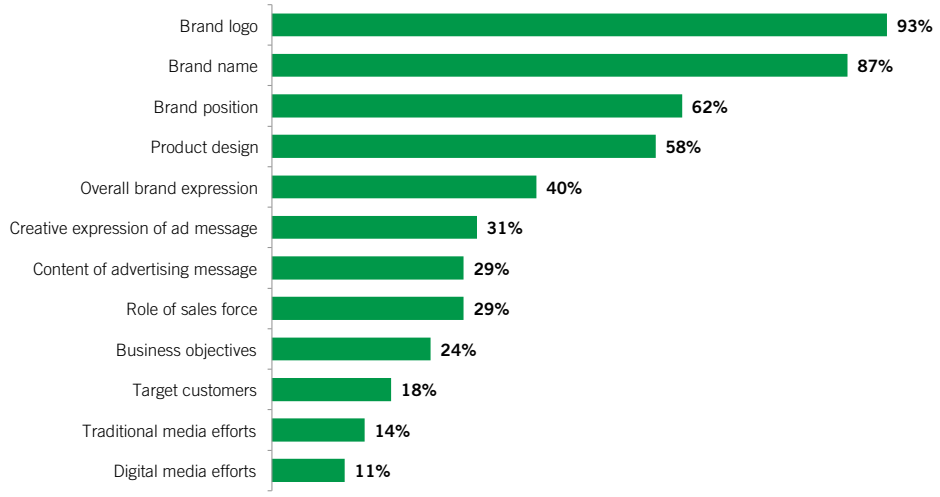
Brand Logo and Brand Name Were Most Commonly Standardized Across Countries

Among those respondents surveyed, most companies standardized the brand logo (93 percent) and the brand name (87 percent). Brand positioning (62 percent) and product design (58 percent) were moderately standardized. Decisions such as digital media efforts (11 percent), traditional media efforts (14 percent) and target customers (18 percent) tended to be more localized. One may standardize branding across country markets for consistency, since typically strong brands are built on consistency over space and over time. One may standardize other decisions such as product design across country markets to achieve cost economies. One may tailor decisions such as target customers, advertising content, and traditional media to local conditions to increase the local appeal of the product or service.

Level of Standardization Across Countries
(Rated 1 or 2 on a 7-Point Scale)

In Descending Order of Standardization

Base: 45



Q7. To what are the following standardized or localized in the countries in which your company does business? Please use a 7-point scale where 1 is standardized and 7 is localized.

Source: ANA 2012, Global Brand Equity Survey

Headquarters Managers Need to Work More Effectively with Country Managers

The greatest number of respondents (70 percent) said that "getting headquarters managers and country managers to work more effectively together is a major goal." Secondarily, almost two-thirds of those surveyed agree that "brand positioning should be fixed, while brand expression can vary across countries." What's more, over half (55 percent) found that "coordinating brand expression across country markets is a major challenge."

There appeared to be little support for a fully standardized global strategy. Hardly any respondents (2 percent) felt that business objectives should be the same for all countries. There was only some support for a fully localized strategy. Only 27 percent of the respondents advocated tailoring all elements of the marketing strategy to each country market.

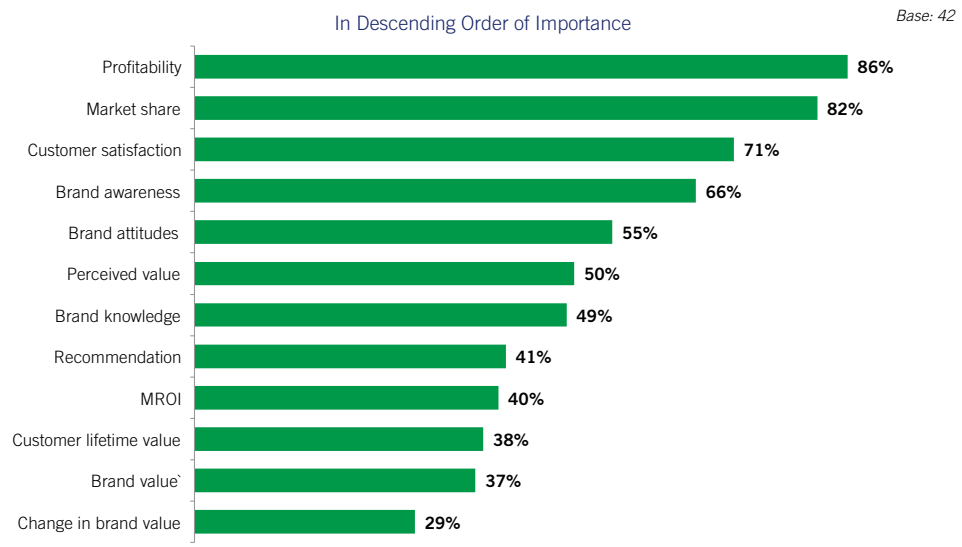
The challenge in global branding seems to be to find the right balance between a global brand position and expressing the brand position locally. Part of this coordination challenge is organizational — getting headquarters managers and country managers to work more effectively together. Thirty-eight percent of the respondents said that their company had reorganized their international marketing efforts or was planning to reorganize to improve coordination. In addition, country comparison information is needed to improve the coordination of the global marketing strategy. About two in five respondents felt that they needed more information on customer needs and the effectiveness of marketing activities in all country markets.

One relatively unused opportunity for communicating a global brand position to local customers was social media. Only 13 percent of respondents thought that their companies were making effective use of social media in all country markets.

Profitability and Market Share Were Key Business Metrics for a Country Market's Performance

As noted earlier, headquarters relies on sales and profit numbers to evaluate each country's performance. The great majority of respondents said that profitability (86 percent) and market share (82 percent) were the most important business measures in monitoring a country market's performance. In addition, customer satisfaction was key to 71 percent and brand awareness was an important measure to 66 percent of those surveyed. Measures such as marketing ROI, customer lifetime value, and brand value were considered important by about 40 percent of the respondents.

Importance of Business Measures in Monitoring Country's Performance
(Rated 1 or 2 on 7-Point Scale)



Q11. How important are the following measures in monitoring the performance of individual country markets? Please use a 7-point scale where 1 is very important and 7 is not important.

Source: ANA 2012, Global Brand Equity Survey

Conclusion

In a fully standardized international strategy, all strategy components are the same across countries, while in a fully localized international strategy, all strategy components are tailored to each country market. Neither of these extreme cases was found to be common among the companies surveyed.

Instead, companies were found to follow approaches that balanced global and local considerations. Country managers were allowed varying amounts of autonomy regarding the various components of the marketing strategy. Some marketing decisions such as brand position and brand identifiers (name and logo) and product design tend to be standardized across country markets, while the expression of the brand tends more to be tailored by the country manager. Other decisions such as targeting customers and managing traditional advertising were generally in the hands of the country manager.

Key to this balanced approach to global marketing and branding strategy is coordination between headquarters and country managers. For example, many companies try to achieve balance between global brand position and local brand expression by utilizing teams of country managers who share information and views. However, attaining the appropriate level of coordination continues to be a major challenge, according to many of the managers in the companies surveyed.

The metrics considered important by most country managers in evaluating country market performance are basically similar to those used for domestic strategies: profitability, market share, customer satisfaction, and brand awareness. Those measures were collected by most companies in most country markets. However, not all the measures considered important by some of the managers, such as marketing ROI and customer lifetime value, were collected in most country markets.

Overall, the respondents' replies describe a thoughtful approach to developing and managing global marketing and branding strategies. Their replies also indicate that they know how they can improve their efforts.

To improve global marketing and branding strategies, managers should keep in mind:

- In general, standardization lowers costs and localization increases value to customers.
- Exception: A global brand can increase value to customers as well as reduce costs.
- Consider which components of the strategy need to be standardized and which components need to be localized.
- Find the appropriate global/local balance for all components of the strategy, including the brand.
- Decide how decisions should be made regarding each component of the strategy — in particular, should they be made at the headquarters level or the country level?
- Use résumé strategies when appropriate — global product or service design, and local marketing and brand communications.
- Employ teams consisting of country managers and headquarters representation for strategy coordination.
- Determine the key metrics to monitor the global strategy, ensure that they are collected in all relevant country markets, and share them across country markets.

Additional Resources

Marketers are encouraged to tap into the various resources of the ANA to learn more about the marketing industry:

ANA Marketing Knowledge Center: To find articles and presentations on a range of marketing topics, visit www.ana.net/mkc, or to submit a customized information request to the Insights Team, visit www.ana.net/asktheexpert.

ANA Survey Research: ANA surveys are based on topics identified by the ANA and its membership as critical issues and emerging trends that nearly all marketers face today. To access survey reports, which allow you to tap into members-only research and perspective, please visit www.anasurveys.net. Join your fellow marketers by participating in our various thought leadership surveys, on the topics most relevant to you. As a member of this peer-to-peer community, you will receive an exclusive look at survey results before they are released. Your participation also includes other valuable incentives — all complimentary as part of your ANA membership. Visit www.ana.net/mysurveys to join our survey community today!

ANA Insight Briefs: ANA Insight Briefs are compilations of the ANA's best resources on a given subject. Filled with charts, quotes, and client-side marketer case studies, they provide today's busy marketer with top-line information on the hottest topics in marketing. For more information, please visit www.ana.net/insightbriefs.

ANA Committees: ANA committees offer members a forum for sharing best practices, the opportunity for peer-to-peer networking and benchmarking, and the ability to learn about new industry developments through the exchange of ideas with guest speakers and fellow committee members. ANA committees also often take leadership roles in shaping industry issues. For more on ANA committees, please go to www.ana.net/committees.

ANA Conferences: The ANA helps the marketing community stay abreast of cutting-edge trends and best practices via a comprehensive calendar of national conferences. In addition, the ANA goes on the road to offer members a portfolio of peer-to-peer gatherings that afford opportunities to discuss special needs in a convenient, informal setting. Find more information at www.ana.net/events.

ANA School of Marketing: The ANA School of Marketing offers marketers on-site training sessions and full-day classes that help marketers grow as brand builders. Find more information at www.ana.net/schoolofmarketing.

About the ANA

The Association of National Advertisers (ANA) is the advertising industry's oldest trade association, founded on June 24, 1910 in Detroit, Michigan by 45 companies to safeguard and advance the interests of advertisers and consumers. The ANA leads the marketing community by providing its members with insights, collaboration, and advocacy. ANA's membership includes 500 companies with 10,000 brands that collectively spend over $250 billion in marketing communications and advertising. For more information, visit www.ana.net.