

# The transition from local brand to global brand

[Business](#), [Marketing](#)



## **Introduction**

The purpose of this paper is to evaluate the statement of (King, 1973) focusing on how firms developed their brands from a product in modern economies. The analysis debates how companies gain customer's loyalty with trust, endorsement and emotional involvement. Supporting the thesis with both local and global brands examples.

## **Critical Review**

A brand satisfies more than customer primary needs, it builds its customers' base around trust and endorsement. It has taken many of the firms in the "top 100" between fifty and one hundred years to transition from local brand to global brand. One of the exceptions is Google which was founded in 1998. It rapidly moved from a leading search engine product to a "top 100 global brand" associated with social corporate responsibility. Google launched Google Green with their campaign on using resources efficiently with an emphasis on recycling, environmentalism and ethical standards (<https://sustainability.google/>, 22/09/2018).

A well-known global brand that has built trust in corporate social responsibility for a long period of time is 3M, which guarantees that its suppliers "must comply with all national and other applicable laws and regulations relating to environmental, occupational safety and health, transportation and labour and human resource practice" (<http://multimedia.3m.com/mws/media/3553840/supplier-ehs-standard.pdf>, 22/09/2018).

Nike has evolved from starting as a product to being the leading global sports brand. It recently started an affinity marketing campaign, sponsoring a leading NFL sports player Colin Kaepernick, which generated some media criticism and a tweet from the US president. While the share price went down 3.6% after the criticism, (from \$82.2 to \$79.6), today the share price is \$85.5 (<https://www.bloomberg.com/quote/NKE:US>, 22/09/2018). The publicity around this is an example of both “symbolic” and “post-modern” brand management, this in turn has led to the perception of Nike being a respected brand for its target market (Gray, A., Edgecliffe-Johnson, A. and Bond, S., 2018). These aspects contribute to brand reinforcement as explained by (D’Souza, G. and C. Rao, R., 1995).

Today Ikea is a global brand in the world of retail. It has moved from providing low cost seating furniture in Sweden, to developing a customer experience centred around the strong motivation of its employees. This is in part due to social activities, having uniforms sporting the Ikea logo and overall enhancing “the experience” for customers (Smith, J., 2014). Ikea employees during a social event in Kansas City, USA (<https://www.kansascity.com/news/business/biz-columns-blogs/cityscape/article2049323.html> accessed on 22/09/2018).

One of the main differences between product and brand, is that the latter is identifiable and developed around people, products, places and services. Two examples of this development are “Spontini and Esselunga”. Both are highly trusted brands, created around Milan and Milan’s population. Italy has had a long association with quality products and food items. During the

fifties, Milan was undergoing a period of reconstruction and economic expansion. Following this, Spontini and Esselunga have become symbols for Milan's inhabitants. Spontini conquered the middle class with the motto "La pizza per la Milano che cresce" translated into "The Pizza for the Milan who rises", offering thick square slide pizza, easier and faster to eat than a normal one. Even though the restaurant chain is no longer family owned and has expanded outside of the native city, the original recipe and the customer experience are still the same as seventy years ago. Spontini has reached the loyalty and the heart of their customers ensuring a great quality product which hasn't changed over time.

Esselunga was the first supermarket in Milan. It introduced the possibility of buying many grocery items in a single store, without compromising on quality, as against the traditional specialised way of selling food products sold at the bakery, fruiterer and butchers etc. Esselunga satisfied the need of the growing Milan population with little time available for grocery shopping without compromising on the traditional inclination of eating well. Moreover, in the late sixties, the supermarket's chain introduced prize competitions and later, during the nineties, a loyalty card called "Fidaty" translated as "Trust it" (<https://www.esselunga.it/cms/azienda/la-storia.html>, 21/09/2018).

These brand loyalty programmes have increased the retention rate up to over 90% in less than ten years (Caprotti G., 2018) and are still retaining and attracting new clients. The most recent loyalty programme has involved a partnership with the Star Wars brand and was concluded with the exchange of action figures in the central square of Milan.

Esselunga retention rate 1995-2003 <http://www.giuseppecaprotti.it/le-origini-della-fidaty/> (accessed 21/09/2018) The development of a product into global brand, takes a lot of time and investment and goes through different several steps to become a global brand. The various stages involve the “straight sell”, the “hard sell”, using the “metaphor”, using “endorsement” not to mention the higher potential areas of brand development involving “life-style”, “symbolic” and where possible “post-modern” phase, where there is a rational and emotional connection that gains respect from a “knowing audience”. (Goodyear, 1996). Gucci has evolved its new products and offerings to its customers, from initially being a luxury clothing for local aristocrats, to being a mass “luxury” brand. It continues to make its clothes and leather goods, as works of art without compromising high quality standards and design, but to a large group of customers.

The fashion brand was closely identified with the founder Guccio Gucci, who’s signature appeared initially in italics, and is today in block letters, and which still develops the bags, wallets and clothes which they have produced for years. Gucci logo evolution, La storia del marchio italiano retrieved from <http://www.museodelmarchioitaliano.it/marchi/gucci.php> Accessed on 21/09/2018) Gucci has moved from a local producer in Florence to being one of the top 100 global brands. (<http://brandz.com/charting/54>, 22/09/2018), offering a lifestyle choice with unique style helped by collaboration with various artists and stylists. It is becoming more difficult to generate a durable and successful brand, global or local.

However, several brands have managed to engage emotionally and develop “loyalty beyond reason” among consumers. This can be described in a single word as creating a ‘lovemark’, a concept introduced by (Roberts, K., 2015). This idea is explained in the Love/ Respect Axis (<http://www.lovemarks.com/learn/about/>, 22/09/2018). Reworked version of the love/ respect axis (<http://www.lovemarks.com/learn/about/> accessed on 22/09/2018 18-26) Conclusion Summing up, brand is more than a product, brand represents trust, emotional connection with consumers and rational benefits. In the cases above the company has evolved from making products to selling a brand.