

Global brands vs local brands



A big issue facing the international marketing world today is whether global branding is better than local branding. Consumers all over the world have many different opinions on whether they like purchasing products from big corporate, multicultural companies or the local mom and pop shops that they have grown to know, and became comfortable with. The pros and cons of both global and local branding vary from good and bad. In my opinion local branding are still superior to global branding in the society today. There are many commodities that make global brands great and successful.

In the United States today us as Americans buy mostly global brands. Not many products sold in stores today say “ Made in the USA”. The trend has definitely reached other countries around the globe. Two direct quotes from an article published by Harvard Business School called, “ How Consumers Value Global Brands”, said “ A focus-group participant in Russia told us: “ The more people who buy [a] brand...the better quality it is. ” A Spanish consumer agreed: “ I like [global] brands because they usually offer more quality and better guarantees than other products.

I agree with both these statements because global companies usually have more consistent and higher quality products than just your average local store. For example the difference between a multinational coffee company such as Dunkin Donuts, which I visit three times daily on average, and your local bagel store. Dunkin Donuts has high quality products because people buy their coffee all the time, so 1. they are used to dealing with high volume consumers and 2. they know how to keep their product consistent and at a quality that will bring people back.

The local store might not have that consistence with their coffee and food and might lose consumers. The reason for it is poor training, poor products or lack of money to bring in higher quality products. Another great thing about global brands is that you know your going to see new and improved products all the time. Many times with local companies they don't improve fast and what you see is what you get. For example Apple will never changing the iPhone or iPod. A new one comes out every 3 months now with new features, colors, touch screens, and smaller easier sizes.

The transnational companies are very competitive in trying to either keep up with each other make a better version of their competitors product. The price of some of these products might be higher at times but this usually means higher quality products. With higher quality usually means that the product is a guarantee. With Ever positive comes a negative. Global branding can sometimes fail for many reason. The perception the company gives off may not always fit a certain type of culture. This means not everything is meant to expand to new markets. The world is full of different ideas, religions and languages.

An idea that was poorly researched and exhibited was Wal-Mart's attempt to expand to Germany. The United States mega store Wal-Mart which dominates here failed miserably in Germany. The reason being Germans are not like Americans, they do not like being greeted at the door and for their groceries to be bagged for them. Also the German market was already flooded with " discount" stores such as Aldi and Lidl, so Wal-Mart was heading into third in already a competitive market before it started. Another problem with Global branding is the language barriers.

Sometimes what something might mean in the English language will not mean the same thing in for example Portuguese. Many Companies make this mistake all the time and it can make or break them in certain situations. A local brand is defined as brands that exist in one country or in a limited geographical area. The other side of this argument is that local brands are better. This is still true for many people around the world. There are many nationalist around the globe including here in the United States . What local brands provide is a link between the national economy and individual well-being.

Local brands also benefit from strong brand equity benefit from higher consumer awareness than international brands do. Local brands also tend to have a stronger brand image because people recognize it more. A lot of people are sometimes more comfortable or trust, which can also be mistaken as ignorant, the products that are made in one's nation. Local companies have also developed that relationship and trust over a long period of time, where as a big transnational company might have a hard time coming in and developing that relationship with the local folks.

Prices are also always on peoples minds especially in today's world where the economy is not as strong. Local brands have a tendency to be lower than the prices of the big transnational companies. Local people might take a lesser quality product because its of price instead of the higher priced " name brand". The many advantages of the local brands can also be negatives. Global brands traditionally have more flexibility, which constitutes that they have more funds financially. The local brands do not have as much flexibility to market their products like the global companies do.

Prime-time television spots and billboards are expensive and most local companies do not have the money to compete with the “big boys”. That can really hurt them when trying to get their product out in the field because if you can not make your product known outside your geographical location then it might mean a death sentence for you. Global brands also offer something that local brands do not and that is exclusivity. Having a cup of Starbucks coffee in your hand gives someone a sense of exclusivity rather than someone that is walking around with a Bagel Boys cup coffee.

Growing up in these times I have definitely come to realize that everyone is judged, who has the better or bigger named car, clothes, even coffee which is funny but it is true. Global brands offer that which tends to overshadow the smaller local brands because the local brand is easier to attain. Are local brands better than global? In my opinion yes and no because local brands are what you know and trust the most. You know what you're getting every time you buy that slice of pizza or sandwich and not everyone likes change.

On the flip side global brands are also great because they create and present many great things that innovate our society. Without big companies spending large amounts of money to create the new iPod or new cool car then we would not move in a positive direction as a society. What is great is that in today's world both exist and we have the free will to choose whether we want a five dollar foot-long or a sandwich from the local Italian deli. Time will tell whether the global brand is going to take over the local brands.