So You Think You Have A Global Brand?

McCANN-ERICKSON GERMANY

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So You Think You Have A Global Brand?

It's now a decade since the dramatic days of the early nineties, when Eastern Europe, Asia and Latin America opened up for business, and globalization became everyone's favourite business strategy.

Today, global brands have reached the village stores of rural Tibet, the kiosks of Siberia and the roadside stalls of deepest Peru.

The race to globalize is thus drawing to a close.

Time flies

In the 1990s, there were endless new countries for globalizing companies to launch into, and endless weak local brands to take share from.

Today, there are no new countries left – and global brands are no longer up against weak, underfunded, local brands, but against the global brands of other global companies.

The battle of the titans is thus about to begin.

But who's likely to win?

Most global companies have good reason to think it's them.

Their brands, portfolios and strategies have been proven over decades in the West. Now they have rolled them out, professionally and thoroughly, across the world.

The result: brands that should be in as strong a position globally as they were before in the West.

But there's just one thing.

These new global brands owe their credibility entirely to a past Western consumer that looks *nothing like* the global consumer of today.

In terms of culture, in terms of average income, even in terms of age profile, mankind as a whole looks nothing like the population of any Western country.

Perhaps, for the last ten years, this hasn't mattered.

Faced with hundreds of new products that looked, tasted and performed much better than anything they had ever used before, many Asians, Latin Americans and Eastern Europeans were happy to try anything with Western writing on it.

But today's consumer has wised up.

And unproven assumptions have a habit of punishing their makers.

In rolling their brands out, unchanged, across the world, the global companies of the 21st Century may soon be forced into the realisation that they are treading in the footsteps of the generals of the 19th and 20th.

Who repeatedly lost their next war, by treating it as if it was their last.

"If your product has an automatically expanding market, then you will not give much thought to how to expand it."

Prof. Ted Levitt,
Harvard Business School

"I used to think that all Western products must be really good. After all, they were all three times as expensive."

Woman,
Yunnan, China, 1998

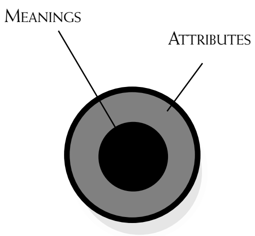
Global Brands Are Simple Brands

The key role of global brands is to get trial.
Few Western brands are in the right shape
to do this.

Back in the 1950s US marketers were obsessed with getting trial for their brands.

And rightly so:

- In the fifties, around half the US population was aged 25 or less. As a result, as much as 10% of the volume of everyday household products each year came from new adults buying them for the first time.
- In the South and West of the US, there were still a lot of poor people. As they got richer, they were able to afford new products for the first time. Each year, another few per cent of the volume of many brands came from these new people.
- A lot of the big brands of the 1950s didn't exist in 1945. In the mid fifties, they still had plenty of late adopters to sweep up.



A simple, trial oriented brand

To be successful, brands of the 1950s thus followed the classic rules of trial.

They identified a *single*, strongly motivating desire that the brand satisfied, they told as many people about it as *simply* as possible, and they kept telling them about it with a *simple* selling idea.

Fast forward to today

Today though, trial isn't nearly as important to brands in Western countries:

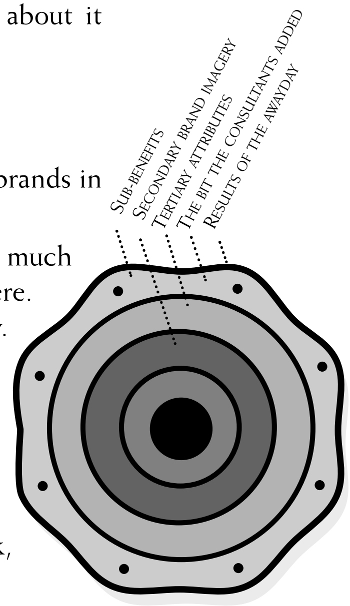
- In many Western countries, young adults are a much smaller part of the population than they were. The average age in Sweden is now almost forty. In a society of this type, only a few percent of the sales of a typical all-adult brand comes from new young adults trying it each year.
- Particularly in Europe, there's no up and coming underclass to trial the product. With once generous social security systems cutting back, the underclass is going down, not up.
- Many brands have been in the market for 50 years. Every older adult who is ever going to try them has done so already.

As potential new triallists have become scarce, most brand managers have lost interest in trial and have focused their marketing on getting their existing users to use more.

As existing users are by definition familiar with the brand, and use it in many ways for many purposes, they report in research that the brand is complex and multifaceted.

And as most companies base their thinking on research, they have come to think of their brands as complex and multifaceted.

- Whereas in the 1950s, marketers talked of benefit, today they talk of benefits (plural).



Feed a human being on a rich diet of carbohydrates and fats, and their arteries rapidly fur up.

Feed a brand on a rich diet of consultants, brand managers and agencies, and that brand starts to bloat like the diagram above.

If your global brand is looking a little podgy, analysis techniques like the McCann Brand Footprint can cut it back down to size.

- Whereas in the 1950s, marketers talked of image (simple), today they talk of imagery (complex).
- Whereas in the 1950s, they talked of branded value (simple), today they talk about core brand values and secondary brand values (complex and plural).

A multifaceted brand may survive in America or Germany. But it's a bad prescription for a global brand.

Because if there's one thing a global brand should be, it is a simple brand aimed at getting trial:

- Half of all humans are aged 24 or less. The world is full of young people trying things for the first time.
- With average incomes in China, India and other parts of the developing world growing rapidly, there are *tens of millions* of poorer people able to afford to try everyday products for the first time each few years.
- In some countries, global brands have only been on the shelves for a few years. There are still plenty of late adopters waiting to try them.

The Dresden Test

Twelve years ago, we showed a variety of West German supermarket products to consumers from Dresden, East Germany. At the time, before the fall of the Berlin Wall, Dresden was the one part of the DDR that couldn't receive West German television – so the consumers knew nothing of the brands we were showing them.

In 30% of cases, *they couldn't work out what category the brand they were looking at was in.*

Today, those self same brands are in shops across Asia. And a new generation of shoppers is trying to work out whether the packet in their hands is a soup or a cooking sauce.

Global brands can't afford to confuse triallists.

To succeed, a global brand needs to be a sharp, simple trial brand.

Many Western brands that have become global brands are *far* too complex to perform this role.

The proof?

The evidence is already before us.

When globalization first started really to happen in the mid 1990s, some brands had instant success. Pantene, Coke and Sony seemed to fit effortlessly into emerging markets.

People said at the time that they succeeded because they were simple brands with simple selling ideas, and that other brands would work just as well, but would take a little longer.

Well, Pantene, Coke and Sony are still in the lead. We're still waiting for the others.

And it's becoming increasingly clear that the sort of brand equity that can be understood completely in thirty seconds, by people of any culture, whatever their education level, is the only sort of brand equity that works globally.

How Western Marketing Is Turning Global Brands Into Niche Brands

In twenty years' time many global brands will be premium niche brands – unless marketers do something about their marketing today

In 2000, quietly, and without much comment, the average citizen of the United States and the EU became a little richer.

The same happened in 1999, in 1998 and in almost every year since the late 1940s.

Alongside this, the average Western user of everyday products like toothpaste and coffee also got a little richer.

Simply because all Westerners use those products, and thus their average user and the average Westerner are one and the same person.

Because Westerners have always gotten richer, their slowly growing affluence is a silent assumption to most Western marketing:

- Richer people like to have nicer looking products in their nicer looking homes. So packaging designers spend most of their lives *updating* products to keep them looking right.
- Richer people desert value brands and trade up to more premium offerings. Thus for most Western marketers, the top end of the market, and *premium brands,* are where the long term profits are at.

- Richer people have money to spend beyond their basic needs. So Western marketers spend much of their lives *line extending* those brands to keep their users happy.

It all seems pretty simple. It all seems pretty logical.

But when this classical Western marketing is rolled out to global brands, we run into a problem.

Because, as the world's economy grows, the average user of global brands isn't getting any richer.

Quite the reverse.

As the world's economy grows, the average user of global brands is getting slightly *poorer.*

Why?

If the income of consumers in a Western country rises by 3%, the income of the average deodorant user rises by 3% too – because nearly all Westerners use deodorant.

Globally though, not everyone can afford to use deodorant.

And something different happens.

If everyone around the world gets 3% richer, the existing deodorant users get 3% richer as before.

But then new people who can now suddenly afford to use deodorant come in at the bottom of the market.

The structure of the world is such, that there will be quite a flood of these new people:

- There are huge numbers of people still unable to afford most products. Half the world's population lives on $2 a day or less.
- Incomes in emerging markets like China have risen more than twice as fast as those in richer places like Europe, year in year out, for the past two and a half decades. Which means that more than twice as many

Half the world lives on $2 a day or less

% of world population living on

$1 a day or less	**20**
$1 to $2	**27**
More	**53**

Source: World Bank 1998

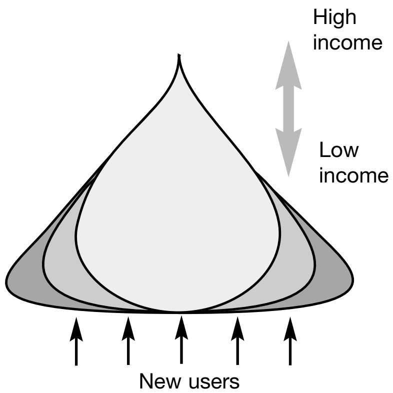
Chinese arrive at the bottom of the deodorant market each year as you might expect.

The net effect is that the rising incomes of the existing users is cancelled out. And the brand's average user gets a little poorer each year, not 3% richer.

Over time, this adds up.

Through this effect, a typical everyday global brand will be talking to people on average *twenty percent* poorer in 2020 than they are today.

And because, as just mentioned, half the Earth's population lives on $2 a day or less, the flood of people at the bottom of global brands will continue – possibly for the rest of the twenty first century.



Markets, they say, look like onions.

Global markets have millions of new users flooding in at their bottom each year.

Which means that each year, the onion gets more and more saggy.

And the 50th percentile user comes lower and lower down the onion.

So?

Put simply, most of what has concerned line marketing in the West for the past forty years has been how to appeal to a more and more affluent consumer.

Global brands do not have a more and more affluent average consumer.

Therefore, anyone who applies Western style line marketing to global brands will make those brands appeal to a smaller and smaller upscale niche over time.

They will be following Mr Rolls and Mr Royce's strategy from the first years of the twentieth century.

Cars then were the preserve of aristocrats and tycoons. Mr Rolls and Mr Royce satisfied their automotive needs brilliantly. Furthermore, they continued to upgrade their product year in year out, keeping increasingly affluent aristocrats and tycoons satisfied over the years.

"The world is getting richer, but my average user is getting poorer? Yeah, right."

Imagine you have a global brand with 600 million users around the world, with an average income of $10,000 a year, growing at around 20% every ten years.

After ten years, their average income will be $12,000.

But imagine further than over this same period, your brand recruits another 400 million people from emerging markets, average income $5000.

The average income of your overall user base will then be $9,200 in ten years time.

Your existing users got richer.

Your new users got richer.

But the core of your brand just got 8% poorer.

Today, their brand retains a great image. And over the years, their sales have grown.

But you see a lot more Toyotas on the roads.

What does this mean?

- Global marketers need to ask themselves: do I want my brand to be a *mass* brand in twenty years time, and set their plans in line with that. Otherwise, they'll end up with an *upscale niche* brand.
- Global marketers should draw a line between what research in rich countries recommends, and what is right for the global brand. Quite often rich country research will recommend the *exact opposite* of what matters globally.
- Global marketers need to do this now, before the course of their brands become set in stone. They will not be making a minor decision. They will be deciding whether their company is set to become a giant, or a *minnow*, in a few decades' time.

Global Brands Need Visual Icons

Few Western brands have them any more

In the late nineteenth century, American entrepreneurs knew pretty well how to design a pack.

America at the time was a mixture of people who spoke German, Ukrainian, Polish, Russian and French as well as English.

So if you were selling Red Bear beer, it paid to put a big red bear on the front of the pack.

That meant the average Ukrainian cowhand could ask the average Ukrainian bartender for your beer, without having to learn English.

And the average Pole could ask his wife to nip down the general store for a sixpack without learning English.

The red bear was quite handy for a lot of English speaking Americans too.

Because a quarter of them were illiterate.

And the red bear would also help linguistically challenged storekeepers, who in the days before supermarkets, would have to search for the product on their shelves.

1950s

By the 1950s, all of this had changed.

By then, nearly all Americans could read and write, nearly all of them spoke English, and everyone shopped in supermarkets.

So you didn't really need a big red bear on the front of your beer for everyone to know that you were selling "Red Bear" beer.

As a result, packaging designers began to de-emphasise visual elements in packaging.

The red bear became a 'motif', and then shrank to a 'design feature' and then shrank further into a 'visual element'.

Verbal, brand name dominated packaging became the orthodoxy.

And gradually, visual icons disappeared.

Today

Today though, we're dealing with a global consumer. And:

- Non English speakers are back: Only twenty percent of the global population speaks good English. Call your global brand "Tastibake" and 80% of the world won't know what you mean.
- Illiteracy is back: Large chunks of the global population can't read. In the developed world, functional literacy is falling. You need to be literate to enjoy a book - but not a video. Even in Britain, where more books per head are published than anywhere else, half the population never buys them.
- The storekeeper is back: In countries like Poland and Russia, where everyday goods are relatively expensive, you buy them, not in a supermarket, but by asking a storekeeper for them via the window of a kiosk.

大白兔

Chinese children struggle with Western candy, because the packaging, even when localised into Chinese, is still verbally driven. As a result, the best selling sweet in China remains the locally produced Big White Rabbit. How do Chinese children know that it's called big white rabbit?

Because there's a picture of a big white rabbit on every one.

- Different names for different countries don't help either. In countries like Indonesia and India, no one language dominates.

As a result, the Western way of packaging is wrong for global brands.

Globally, visual icons are a much more universal way of driving recognition.

So?

Global brands need to rethink the way they package themselves.

- Long established brands should look back through their packaging history.* Many will find long abandoned graphic icons sitting on their packaging from fifty years ago.
- Newer brands should reconsider exactly what their brand is about. Then they should ask themselves how best to represent that visually.
- Some brands, e.g. Nivea, work well around the world because their *entire package* is a visual icon. Design decisions are rarely this bold.

The other option is to do nothing. But this can prove very expensive:

> *In Asia, some brands with complex English or French names spend up to ten seconds of their thirty second TV commercials singing, pronouncing and repronouncing their names.*
>
> *That means ten seconds less to communicate what the product does – or put another way, that a third of the brand's advertising budget has gone on doing something that its competitors don't need to do.*
>
> *For a typical toiletries brand that spends 20% of its sales on advertising, this adds up to a massive cost disadvantage.*

Visual brands can be communicated instantly.

In the future, complex verbal brand names may *kill* the global brands they represent.

"A packet of err..."

Illiteracy rate, Women aged 15+

Brazil	20%
China	25%
Egypt	57%
Bangladesh	71%

Source: World Bank, 1999

* THE McCANN BRAND ARCHAEOLOGY PROCESS CAN HELP HERE

Global Markets Segment First By Price, Then By Benefit

Western based brand portfolios aren't usually structured that way.

What's the difference between a shopgirl in a truckstop in the US Midwest, and a shopgirl in a truckstop in central China?

Both spend their days selling snacks, beverages and oil.

Both have a fickle boyfriend.

Both go out to bars in the evening.

Research companies might try to categorise one as a "societal striver" and the other as a "belonger."

But the real difference is that the American shopgirl takes home upwards of $300 a week. The Chinese shopgirl is lucky if she takes home $300 *a year.*

These massive income differences mean that the key way in which global markets segment is not by need, or by lifestyle, or by age group, but by *price.*

Despite the attempts of the manufacturers of shampoos, toothpastes and drinks to differentiate their products, most people in the world want pretty much the same thing.

But when it comes to buying, many can't buy what they want. They buy what they can *afford.*

As a result, the natural way for markets to segment globally is into a series of price based tiers.

And indeed, this is the way many global markets, from whisky to cars already do.

"**My market doesn't work this way**"

Some marketers will argue that their market is different to this.

Their portfolio, based on needs or user groups rather than price, sold well in the West in the 1980s. Today it sells well across the entire world.

What the purchase of some everyday goods looks like to the average American, average Brazilian and average Chinese farmer *expressed in terms of dollars as they appear to the average American:*

	American	Brazilian	Rural Chinese
Bar of soap	$0.59	$2.40	$60
Sachet of shampoo	$0.20	$1	$20
Bottle of Brand Whisky	$20	$80	$2000

Source: SRL 2001

But they forget that their everyday products were an insignificant expense for their Western customers, whereas today they cost many of their new customers a *fortune.*

To take an automobile analogy, they have a similar mentality to those American business people who laughed at Henry Ford in the first years of the 20th Century.

The automobile market was then showing dramatic growth, as America's affluent classes abandoned the horse and buggy.

It was also showing signs of segmenting nicely into sedans and limousines. As far as most marketers were concerned, it was time to differentiate and customise.

Henry Ford didn't believe this.

He believed that through new production methods, and through rejecting all cost-increasing customisation – even down to choice in bodywork colour – he could open up a huge new low price segment of the car market – at a price low enough to be affordable to the ordinary American.

"There is no factory in the world big enough to make two models of automobile."

HENRY FORD,
NEW YORK TIMES,
JANUARY 1914

Ford took 50% of a hugely expanded US car market within four years.

His competitors were left fighting in a crowded, upscale niche*.

Similarly, the portfolios of today's manufacturers are hugely vulnerable.

Not to competitors innovating at the top of their market.

But to anyone who sets out to produce products affordable to the *average human being.*

* FORD LATER LOST LEADERSHIP OF THE US CAR MARKET TO ALFRED SLOAN OF GENERAL MOTORS, HIS PHILOSOPHY OF "A CAR FOR EVERY POCKET", AND HIS SIX TIER PORTFOLIO BASED ENTIRELY ON PRICE SEGMENTATION.

Think Poor

It's not so easy.

Most global brands launched before 1990 were designed for Westerners on household incomes of $25,000 or more.

Today, after ten years of globalization, they sell to an average user whose income is much, much less.

The world's global companies have done much to reorient themselves around their new, poorer consumer.

But they haven't done nearly enough yet.

And their average consumer is becoming poorer as time goes on.

In the twenty-first century, outthinking competitors globally will mean *thinking poor.*

Which means realising that your average customer isn't who she used to be:

1. She has less money than you planned for

In Western markets, each year consumers become more and more willing to pay a premium for a brand that offers secondary benefits in addition to the core benefit of the brand.

Thus antiperspirants eclipsed pure deodorants; and honey and nut coated breakfast cereals are eclipsing their less exciting parents.

With global brands, this development goes backwards. Each year a higher proportion of your global consumers will be able to afford just the basics of your market. *Which means that you had better be sure what the basics of your market are.*

2. She doesn't shop by car

Most American snack companies are making their packages bigger and bigger as time goes on, to appeal to Americans who each year eat more chips, and then scoop more dip on each chip.

Buying two litre jars of salsa is fine for rich Americans who drive to their local Safeway in their big cars.

For much of the rest of the world, it's a long, and unpleasant trip home on the bus.

3. She has a very small apartment

Americans and West Europeans often marvel at the Japanese ability to miniaturise things. Why do they make micro hifis, when mini hifis are already tiny?

Take a look around a teenager's bedroom in Tokyo and the answer is obvious. Japanese have apartments 40% smaller than the typical American. American size hifis, TVs and computers just don't fit.

But for American manufacturers, a greater shock is coming. Compared with the global world their products are moving into in the 21st Century, Japan is spacious.

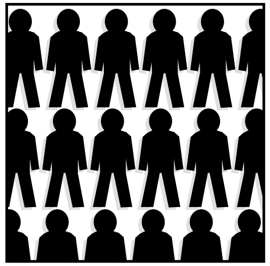
The low priority Americans place on miniaturising their offerings will eventually kill many US based global IT and technology brands.

4. And a small refrigerator

Global soft drinks companies talk about more and more of their customers enjoying their products ice cold at home.

The reality is that globally, more and more of their volume will be drunk by poorer people, with smaller kitchens, and tiny refrigerators, where the priority is to keep fresh food from rotting, not cooling soft drinks.

Globally, the future of soft drinks may be warm.



Typical US cities, like Denver, Columbus, or Atlanta have metropolitan densities of around three thousand inhabitants per square mile; and only when you get to metropolitan New York do population densities reach 10,000 inhabitants per square mile.

But even New York is a spacey city compared to most in the world.

Population density in metropolitan Jakarta, Bombay and Lagos is around ten times that of New York.

5. She will worry about small change
Most Europeans and Americans laugh at their grandparents, with their folksy sayings like 'a penny saved is a penny earned.' And 'waste not, want not.'

Their world of penny pinching and money saving seem a world away.

In the future, however, more and more of your consumers have *less* money than your grandparents had, and will thus think exactly the same way.

Globally, value is a killer strategy.

6. She will have a wolf close to her door
When first launching into emerging markets, a number of global companies introduced economy sized packs, figuring that poorer people would want the better value for money that these packs offer. But most poor people can't afford a *week's* supply of anything, never mind a month's. The packs that have succeeded have been single serve sachets.

To most of the world, it's the next twenty four hours that matter.

7. She will recycle. Everything.
Throw an empty bottle out of your window on a US interstate, and it's likely still to be sitting on the edge of the highway 24 hours later. Do the same thing in India, and within 24 hours, your bottle will have been collected and reused as a storage container.

In poor countries, it's what a package can be used for *after its contents are gone* that matters.

"You have to live a day at a time."

ROMANIAN PEASANT, 2001

"In China we eat every part of a chicken. In the West, you throw most of it away."

HOUSEWIFE, GUANGZHOU, 1999

8. She will be distant from upscale trends
Most trends companies are based in the cool cities of the world – New York, London and Paris – because for much of the 20th Century, what happened in these cities dictated what happened in the rest of the world.

Today, global marketers also still routinely look at upscale trends to predict tomorrow's mass trends.

But with a market of declining average income, upscale trends will remain upscale trends, and the top of the market will remain a niche – because what the average consumer cannot afford today, they will not be able to afford tomorrow, or indeed in twenty years' time.

The trends everyone should be watching are towards the middle and bottom of the income scale.

They are what will define the future.

Soon, All Marketing Of Everyday Products Will Be Like This

Should you split the West from emerging markets?

The argument in this booklet may strike you as containing a flaw.

Why not, you may ask, split advanced markets away from emerging markets, rather than run them all as a global brand, and keep classic Western marketing for the advanced markets, and apply this global thinking to emerging markets.

Such a course of action would be costly. It would immediately double the number of tasks a large organisation has to go through.

And if there is one rule in global organisations, it is that anything that is complex, fails.

But it would be wrong for another reason too.

Whether they like it or not, over the next twenty years, marketers of everyday goods are likely to be targeting poorer and poorer consumers in their own Western countries as well.

To see why, let us take an extreme example of a rich Western consumer – Warren Buffet.

Warren Buffet

If you make a study of the personal life of Warren Buffet, you will know that Warren enjoys a good burger.

Warren, like most people, also enjoys the fruits of prime time TV.

In the breaks between the shows, he sees burger commercials.

Will Europeans and Japanese continue to have rapidly improving living standards?

"A consequence of a contracting labour force (in particular associated with low fertility rates) might, all other things being equal,be to undermine further improvements in material living standards."

IGNAZIO VISCO, CHIEF ECONOMIST, OECD, 25TH SEPTEMBER 2001

Mr Visco has his doubts.

And he does so just as often as everyone else does.

Which means that as long as Warren visits burger restaurants a few times a month, Warren fits into burger companies' business models as an average customer. He costs just as much to market to as a man living on welfare in a trailer park.

Which is ludicrous

Thirty seconds of Warren's attention would be worth millions to any of the corporations for whom Warren's approval is the kiss of life.

So how come he can be a profitable marketing target for a burger company?

The answer is that modern advertising media, despite the massive amounts of money spent on targeting research and planning, are still extremely clumsy tools.

Target young adults on TV, and you hit large numbers of older adults too.

Target people who earn \$20-\$40,000 a year, and you hit many richer and many poorer people too.

Even with the 'tight' targeting of press campaigns you get huge amounts of wastage.

Imagine though

Imagine though, if you could deliver commercials to just the rich people and none of the poor people, and conversely, reach just the poor people and none of the rich people:

- Airlines could talk exclusively to frequent business flyers, who produce 90% of their profits, rather than run primetime TV spots for the whole population of major business cities like New York, London and Paris, 90% of whose inhabitants have never flown business class, and will never fly business class.

- Mutual funds could talk exclusively to people earning over $30,000 a year, who produce most of their profits in most countries. In 1999, U.S. investment banks were running primetime corporate spots on TV in London, England. The ads were seen nightly by consumers in the run down suburb of Catford, South East London, 99.9% of whose inhabitants will never need help with a leveraged buyout.

And, if accurate targeting by income were possible:

- Producers of everyday goods would find themselves completely unable to reach upscale respondents, as competition for their attention would have pushed prices into the stratosphere.
- And they would suddenly find the attention of poorer people becoming cheaper, as ads for upscale products deserted their screens.

At the moment, perhaps twenty per cent of advertising money is exclusively chasing the top ten percent of Western society.

Meanwhile, only one brand in a hundred actively targets the bottom ten percent of Western society.

If they could actually target the people they want to target, the cost of a thousand ratings against the top ten percent should be around 100 times the cost of a thousand ratings against the bottom ten percent.

It's not possible now.

But it has to be one of the results of digitization – if not in the next few years, then in the next decade or so – the financial imperatives are too strong for it not to be.

When it happens, we can expect the following:

- For a burger company, roughly the top third of Western society is no longer a profitable marketing target.

- The middle third is as profitable as before.
- The bottom third is much, much more profitable.

Suddenly, the bottom of society becomes a very, very attractive place for all sorts of marketers.

In rich countries, therefore, in the future, producers of everyday products will end up targeting people of lower and lower incomes too.

Summary

1 It's now ten years since the fall of communism, and the globalization party is over. There are no new countries left for many global brands to enter, and the easy meat of weak local brands is gone. From now on, the battle will be global brand versus global brand.

2 Most global brands were originally designed for use in Western countries in the years before 1990. Their global consumer today looks nothing like their original target. *This makes many of them vulnerable.*

3 In particular, Western brands have gotten complex over the years, as they attempted to appeal to several generations of ageing Westerners at the same time. Globally, brands must above all recruit new users. And that means they must be *simple.*

4 The user base of global brands fills with poorer consumers as the world gets richer, pulling down the average user income in the brand's franchise. Global marketers must therefore appeal to *poorer and poorer* people as time goes on.

But their Western marketing methods are designed for Western societies – where the assumption is that a brand's users get *richer* over time. *Which means much of their marketing they are doing globally is wrong.*

5 Global brands also need simple visual packs, recognisable and understandable by people who don't understand English, and who indeed may not be able to read at all. *Few global brands have such packs.*

6 Moreover, in a world where similar people can earn \$300 an *week*, or \$300 a *year* for doing pretty much the same job, depending upon where they happen to live, the prime dimension for global markets has to be price. *But few global brands currently sit in price oriented portfolios.*

7 What's more, large parts of the world's population cannot afford many everyday global brands. Global companies are thus hugely vulnerable to anyone who sets out to produce products aimed at the *average human being.*

8 Appealing to poorer consumers means much more than just cutting your prices. Poor consumers shop on foot, they can only afford goods for just the next 24 hours, and they take them home to very small apartments. Many global marketers have *yet to adapt* their brands to this environment.

9 As media targeting improves in coming years, marketers of everyday products will be targeting lower and lower income consumers in Western societies too, as financial services companies, airlines and luxury goods crowd them out of the media schedules of the affluent.

10 All in all, it's time for global brands to take stock of what they are headed.

Some have been on autopilot since they exclusively targeted Westerners in the 1980s.

But the global markets of the twenty first century are another world. Many global brands are about to find that out, to their cost.

So what should a global company do?

Change is hard, particularly for larger organisations.

Global organisations are the largest organisations in the world.

The shift from marketing to a few hundred million Westerners earning $15,000 a year or more, to marketing to the entire population of the planet, average income $2 a day, has been the biggest change in their histories.

It is therefore perhaps not surprising that, a decade after the fall of the Berlin Wall, most still have major issues to resolve.

Resolving those issues starts with a company looking at their current and potential consumer globally, rather than just country by country.

It proceeds with a reanalysis of their brands from the perspective of their global consumer.

Of course, many global companies may prefer not to do this on their own.

They may find it more rewarding to work together with a marketing services company that, in a world where everyone has been saying "think global" for years, is actually doing so.

TRUTH WELL TOLD