



[GLOBALIZATION

A BRAND POINT MANAGEMENT PERSPECTIVE

EXECUTIVE SUMMARY

No one doubts that the world's economy is truly global. Whether it's a Fortune 100 company that sells on six continents or a local concern whose bottom line is affected by the cost of raw materials that originate across the ocean, every business is tied to the global economy. And ambitious companies look to become more global by the day.

And why not? Nestlé has reported massive double-digit growth in its China business. Procter & Gamble has

acknowledged that emerging markets will account for 25 percent more business in a few short years. India will be a top-five consumer-packaged-goods market by 2010. The average salary in that country is growing by more than 10 percent a year. Global means growth potential.

And the potential is staggering. By 2030, the world population will have gained nearly 50 percent over 2002, and developing nations will represent 90 percent of the world's population, up five percentage points.

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2

But the challenges match the opportunities. There are significant practical hurdles to entering new regions and operating with efficiency and agility. There are distinct market drivers, cost structures and government regulations, to name just a few. And there are strategic and creative challenges in leveraging a brand's inherent, universal strengths while acknowledging consumers' local preferences and traditions.

As the *Harvard Business Review* put it:

To succeed, transnational companies must manage brands with both hands. They must strive for superiority on basics like the brand's price, performance, features and imagery; at the same time, they must learn to manage brands' global characteristics, which often separate winners from losers.¹

Brand point management addresses both sides of this challenge, the practical and the consumer-focused. In previous papers, we have explained brand point management as envisioned by Schawk®, and we have delved into how the category of brand point management promotes operational efficiency and marketplace agility in the service of a greater good: more compelling and consistent consumer experiences with a brand. In this position paper, we will see how all of these are played out on a global scale.

WHAT IS BRAND GLOBALIZATION?

The *Oxford University Press* offers this succinct definition:

Marketing on a worldwide scale, reconciling or taking commercial advantage of global operational differences, similarities and opportunities in order to meet global objectives.²

But the full interpretation of the idea has evolved in the three decades since it was conceived. The *Harvard Business Review* (cited above) noted that one of the early formulations was “the economics of simplicity” responding to “a global market for uniform products and services.” This led to a movement toward standardized products, packaging and communications “to achieve a least-common-denominator positioning that would be effective across cultures.”

But the article explains that marketers soon discovered that while global scale on technology, production and

organization is desirable, there must be localization on product features, communications, distribution and selling techniques. Thus, “glocal” became the buzzword.

Now, according to the article, another layer must be added. Global brands must market with an awareness of their status as “behemoths with extraordinary capacities and power.” This calls for careful crafting and positioning of the company image, the wooing of skeptical consumers, the credible expression of social responsibility, and so on.

It's a complicated equation. But the category of brand point management has answers to all of the issues raised above. Schawk defines brand point management this way:

The strengthening of a brand through the delivery of compelling and consistent brand experiences that create greater affinity between consumer and brand. Brand point management touches all phases of a product's life – from ideation to design to market implementation – because all phases contribute to that moment of interaction between that consumer and the brand.

Schawk's first white paper, *Brand Point Management: Creating Compelling and Consistent Brand Experiences*, explains fully that brand point management is the synthesis of efforts across strategy, creative and execution; that it provides a template for the contributions of people, processes and technology; and that it guides the life of brand communications as they appear in the home, on the go, at the store and on the shelf. In this paper, we extend these across another dimension – the global marketplace – to understand how the category of brand point management can promote compelling and consistent brand experiences worldwide. We operate from the brand point management premise that “the big idea” can be created anywhere but it is the implementation of the idea that requires more localized knowledge and capabilities.

ACHIEVING THE BENEFITS OF BRAND GLOBALIZATION THROUGH BRAND POINT MANAGEMENT

Synthesis of skills, processes and technology is at the heart of brand point management services; all of this can take place on a global scale with a commitment by the brand and the use of vendors who can execute on this synthesis. We can see the many ways to achieve efficiency and power in brand globalization when we examine the benefits and explain the means of achieving them. It's instructive to

¹Holt, Douglas B., et al. “How Global Brands Compete.” *Harvard Business Review*, Sept. 2004.

²Oxford University Press. “Glossary of Marketing Terms.” <http://www.oup.com/uk/orc/bin/0199267529/01student/glossary.htm>

divide the benefits into **process benefits** and **marketplace benefits** – the former relating specifically to internal benefits, such as effective and efficient processes, the latter relating directly to more compelling and consistent brand experiences in the marketplace.

Process Benefits

The integration of suppliers and services: As brands expand globally, there has been a complementary response: vendors of services such as strategy, creative, premedia, printing and technology have become more global through expansion and acquisition. This allows for the consolidation of resources and efforts around a project or an entire brand lifecycle. One example: **“closed-loop” services** can consolidate such elements as premedia, printing and fulfillment of retailer promotional materials under one roof, creating time and cost savings and allowing transportation resources to be focused on the final delivery of products, not on intermediate stages. Currently this process is benefiting retailers who operate over huge geographical areas.

Another example is the **consolidation of all premedia services** within single vendors instead of production being handled by the creative agency before the hand-off to another company for prepress. This trend of **“decoupling”** production from advertising agencies (of which global brands can have dozens) is growing in Europe and, has proven attractive to pan-European and Europe-based global brands. It saves them money and time by putting production in the hands of vendors who handle most of the executional phase already, creating efficiencies and improvements in work quality.

These examples bring up an important issue. The consolidation of services often generates resistance within some segments of a brand’s management team, as it results in a perceived loss of control over the vendor-relationship process. But there are proven cost savings, and companies have reconciled the issue by demonstrating to managers that the savings can be reallocated into additional marketing initiatives – which are the most important overall. When this **savings/reallocation mechanism** is applied over a global landscape, the benefits can be enormous.

Agility and speed-to-market: These topics have been treated extensively in the original Schawk white paper, *Brand Point Management: Creating Compelling and Consistent Brand Experiences*, and in the companion position papers on operational efficiency and marketplace agility.³ Their

Asian Footprint: Brand Point Management Done Globally

When a large U.S. retailer of housewares needed packaging executed throughout Asia to sync up with the sourcing of a line of bed linens, it turned to Schawk. Working through Schawk’s Shanghai office, the U.S. account supervisor leveraged strong familiarity with printers throughout Asia to identify likely partners. These were presented with the project parameters, including substrates, four-color printing requirements and press specifications, and Schawk analyzed the resulting samples.

Once the printers were secured, Schawk placed native-speaking employees on-press in all five countries – China, Turkmenistan, Dubai, Turkey and Pakistan – with excellent results. On a short timeframe, the product was coordinated with the printed insert cards and appeared on U.S. store shelves, with absolute consistency in material, color and quality of printing. Schawk has since been retained to handle the brand’s 120-SKU bedding line.

This project exemplifies brand point management at work globally. Schawk handled crucial executional stages of the printing process, coordinating between the U.S. and five Asian countries, to maximize agility, efficiency and quality and to deliver product to store shelves seamlessly.

³Operational Efficiency, the Brand Point Management Perspective, and Marketplace Agility, the Brand Point Management Perspective. See www.schawk.com.

When strategists collaborate with their creative and executional counterparts from day one of a project, there are huge savings in materials and energy.

4

application to global branding is direct and powerful. They can be summed up this way: by **synthesizing efforts** around strategic, creative and execution, brand point management **eliminates redundancies and inefficiencies** in resource allocation and makes a brand more agile in its response to market forces and business imperatives.

New or revamped products and marketing materials can reach the market measurably sooner – crucial in categories where each day means a seven-figure bump in revenues (or larger, in the case of global products) or where there are penalties for missing retailer deadlines for delivery of product and materials. These benefits are especially strong in the global context, where it's crucial to **coordinate the roll-out of products** across borders and over huge geographical areas. Decoupling in Europe has shown 20 percent time savings and 30 percent cost savings, for example.⁴ **Synching design and premedia processes digitally** among worldwide offices allows work to continue literally around the clock, with revisions being made while supervisors sleep.

Finally, **agility and efficiency in the production of supporting materials** enable ad buyers to secure more favorable rates. A global brand can produce more than 10,000 distinct graphic advertising pieces in a year. Thus the savings in placement costs can be enormous, and system-wide time-savings can mean large strategic advantages in ad rates and placement schedules.

Much-improved workflow and oversight: The process improvements described in the sections immediately above involve people executing on superior processes. But technology is a crucial contributing factor. Global branding can't happen without advanced technology linking people, processes and regions. The category of brand point management leverages a wide range of technologies, including **graphics lifecycle management**, (workflow management, digital asset management, online proofing), **retail-performance and campaign-performance management software, printer-characteristic research** and more.

Workflow management is crucial to effective global branding. As digital files progress through the complex process from design to printing, many people will work on them. Workflow management software monitors that process, identifying bottlenecks and slowdowns and encouraging the efficient execution of repeatable tasks.

An additional benefit of computer networking technology is **online proofing**, which allows all contributors in the production of brand materials to proof definitive versions of those materials online and for careful oversight of the revision and approval process. The benefits include the elimination of errors, accidents and lost files, as well as time-savings and improved final products through more focused attention to definitive versions. Clearly there are savings of resources such as paper, ink and electricity, as well as fuel in the delivery of proofs – and time.

Digital asset management and brand protection: In marketing a major brand, the brand and its partners can make use of brand images hundreds of thousands of times a year, not just in finished materials but in internal communications and early versions of final marketing products. In addition, there are other brand assets, such as important advertising copy and ingredient “decks,” an array of rich media, legal and marketing boilerplate and so on. **Digital asset management** software can organize a huge “library” of such assets for the brand to control, encouraging authorized contributors to access definitive brand assets while limiting access to others. No matter who uses brand assets on the path from strategy to printing, digital asset management programs ensure that there is no dilution or degradation of those assets. (Also important, it keeps intellectual property in the right hands.)

When the brand controls its assets this way and makes them available in an efficient manner, it saves considerable time and money over inferior “systems” in which each stage of the process (and each vendor, such as advertising agencies) has its own non-definitive set of brand elements and typically charges for the work of finding and reproducing them each time they are needed. Such reproductions can cost hundreds of dollars each time, hundreds of times a year, or more. But accessing a definitive image on a brand-owned, networked system can cost as little as a few minutes of employee time. Played out over the globe – encompassing product launches and revamps, advertising and promotional materials, multiple regions, languages and agencies – the benefits are enormous. And compelling and consistent brand messages are much easier to produce.

Sustainability: Almost every element of global brand point management has a tie to sustainability. Every process that is digitized and streamlined uses less paper, less ink and less electricity. When product and print quality

⁴“Market confidence increased whilst reducing overall costs by over 20%.” Schawk client case study, 2006.

Schawk's assets contribute directly to speed-to-market for its clients. Its global scale allows its strengths to be leveraged wherever markets exist, printers are located and materials are sourced.

are improved, on-press mistakes are fewer and resources are saved. When printing and fulfillment **processes are centralized** at strategically located regional installations, transportation costs can be limited to the delivery of the finished, printed product. And when strategists collaborate with their creative and executional counterparts from day one of a project, there are huge savings in materials and energy. Roughly two-thirds of a project's material requirements are set in the strategy stage. Finally, these real benefits make for a compelling, genuine sustainability story that can build **brand goodwill** at a time when "antiglobals" – as they are called in the Harvard paper – are quick to point out the perceived detriments of global business.

Marketplace Benefits

Consistency and quality of creative materials: Marketers acknowledge the need for consistency in core brand messages and attributes, and with global brands the stakes are especially high. Once a global brand has made the careful decision of how to position a product, it must be confident that crucial attributes will be maintained globally while regional or local variations are executed with equal discipline. The benefits of disciplined execution here are great, as are the repercussions of sloppy or disorganized execution.

Brand point management achieves compelling and consistent brand materials – and experiences – globally by linking people, processes and technology. When the process gives downstream contributors vital information on brand strategy and materials, they can prepare for their contributions and inform upstream contributors of ways to make the process more efficient and effective. In a global example, print-supervision personnel can inform premedia personnel of press characteristics, which allows files to be prepared to ensure **strict adherence to brand standards of print color and quality**. When print and premedia personnel inform upstream partners of limitations and advantages of available packaging substrates, designers can produce concepts that account for those factors, and strategists can avoid campaign features that are difficult to execute.

Brand "capacities and power": The Harvard paper quoted above urges global companies to think not only about global efficiencies and local variations but about consumers' desire to see global brands as having "extraordinary capacities and power." The global benefits

of brand point management described above can contribute to this perception, because these benefits directly encourage more compelling and consistent brand experiences. As strong strategies are carried out in creative that is empowered by superior processes and technologies, and as execution – everything that occurs between approval of brand materials through their public display in digital or printed form – is focused, strengthened and streamlined by superior processes and technologies, global brands can live up to consumers' highest expectations, worldwide.

SCHAWK AND BRAND GLOBALIZATION

Schawk's delivery of compelling and consistent brand experiences leverages all of the benefits described above. Through more than five decades of growth, Schawk has created a company of more than 3,000 people on four continents who are experts in the synthesis of strategy, creative and execution of brand initiatives. Schawk is leading the trend of decoupling in Europe, and on a global scale it is maximizing the impact of its clients' marketing spend through its integration of people, processes and technology.

Schawk's assets contribute directly to **speed-to-market** for its clients. Its **global scale** allows its strengths to be leveraged wherever markets exist, printers are located and materials are sourced. Its **collaboration across divisions** significantly improves the consistency and quality of creative materials. And its **enterprise technologies** tie everything together, offering graphics lifecycle management (such as workflow management, digital asset management and online proofing) as well as retail- and campaign-performance management. Schawk's **deep relationships** with printers worldwide – and its **industry-acclaimed analysis** of print characteristics and standards – ensure superior printed products globally. And it has taken a lead in sustainability efforts, with its own, **in-house sustainability** initiative and with processes and technologies that directly promote the savings of natural resources and the shrinking of brands' carbon footprint.

Schawk encourages readers of this paper to read its companion papers for fuller explanations of the category of brand point management, operational efficiency, marketplace agility and sustainability, as Schawk is capable of executing globally on all of these vital facets of a brand's lifecycle.

SCHAWK![™]

Schawk, Inc., (NYSE:SGK), is a leading provider of brand point management services, enabling companies of all sizes to connect their brands with consumers to create deeper brand affinity. With a global footprint of more than 60 offices, Schawk helps companies create compelling and consistent brand experiences by providing integrated strategic, creative and executional services across brand touchpoints. Founded in 1953, Schawk is trusted by many of the world's leading organizations to help them achieve global brand consistency. For more information about Schawk, visit <http://www.schawk.com>.

Visit www.brandsquare.com, powered by Schawk, to participate in a one-of-a-kind, exclusive online marketing community. Registration is fast, free and easy. As a registered member, you'll have access to news and trends from leading blogs, magazines and webcasts. You will also be able to ask questions and join threaded discussions on hot topics. All this and more at www.brandsquare.com.

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