

A white paper by **WARC**

Local, global or glocal:

Effective brand governance in the age of marketing transformation

WARC
AN ASCENTIAL COMPANY

 **Frontify**

About this report

Brand governance deploys a set of models, processes and tools to ensure creative consistency and integrity across a brand's assets.

It is a complex enough task within a nation's borders, but this paper looks at brand governance on a global scale – examining not just how brands achieve and excel at consistency, but also how brands take account of local cultural mores and cross the language barrier.

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The view from Frontify

Delivering 'on brand' is hard. We know that first hand because we talk to global brands and agencies every day. One creative director once described creating brands to us as "putting so much love and effort into bringing a brand to life, and then handing that baby of yours over to wait for it to become bastardised."

Of course, brand management goes deeper than that (and not every brand story has such a dramatic journey). We know that brand inconsistency and lack of efficiency can be a money pit, but we have also seen companies overcome these obstacles and find simple ways to spend more time on brand building and less time on tedious busy work.

It takes a proverbial village to grow a brand, but brand governance is not rocket science. We published this report because we wanted to drill deeper into the topic of brand governance. By learning more about the challenges and opportunities of global brands and their agencies, we can share some of the next examples of successful brand governance.

Over the years, we've seen a shift in brand management. Brand governance used to mean a small team of brand experts ruling over a brand with an iron fist – controlling the use of assets, putting a stamp of approval on every project, and enforcing guidelines across every team. But now that globalisation, social media, and real-time news updates are driving customer behaviour,

brands have to move faster than ever to keep up. Today's customers expect a seamless omnichannel experience, which forces companies to look for new ways to manage their brands. Add collaborations with external agency partners to the mix and getting everyone on brand becomes quite the challenge.

Brand governance has been flipped on its head. Now, instead of using top-down control to maintain brand consistency, businesses are sharing brand ownership with everyone in their organisation and their agency partners, on a global and local level.

As a result, brand teams are taking on a smaller but more significant role as brand coaches, trainers, and strategists. By providing

a strong brand framework, employees and agency partners can experiment more freely with messaging and design elements. Brand governance has gone from policing to enabling.

We believe that the right tools enable agencies and in-house teams to spend more time on what matters: building beloved brands. With this report, we take a closer look at the critical elements that can make or break a brand. We aim to demonstrate that agency-brand operating models can overcome global to local brand management challenges, such as brand inconsistency and inefficiencies, through effective brand governance.

Enjoy.



Industry experts interviewed for this report



Cecilia Bottai Mondino
Global Marketing Director
Beyond Beer – Heineken



Jeni Spinks
International Marketing Director,
Planning & Deployment
Beam Suntory



Alexis Herail
Global Holistic Content Owned
Assets Lead, Group Marketing,
Nestlé Global



Tati Lindenberg
Vice President
Marketing at Unilever – Dirt Is Good



Steven Amir
Ex-Head of Marketing Effectiveness
De Beers Group



Antonis Kocheilas
Global CEO
Ogilvy Advertising



Simon Gregory
Joint Chief Strategy Officer
BBH



Caitriona Henry
Global Lead and Strategy Partner
OMD



Kevin Mercer
Ex-Director of Brand Strategy
The Lego Group

Overview

1

Global brand governance: Why now?

Why has this topic risen to the top of the agenda at this moment for global marketers and international agency networks?

2

Global brand: The theory

Three frameworks for organising global brands, conditions for adoption, and the pros and cons of each.

3

In practice

How it works in real life given the complexities, the challenges, the cultural differences and the people.

4

Preparing for the future

Three trends identified by our contributors, and how technology can help to navigate them.

What does it mean to be a global brand today?

Effective brand governance is a necessary condition for the growth of global brands. Kantar's BrandZ has quantified this, contributing significantly to our understanding of how important it is to have well-managed global brands.

Their Top 100 Most Valuable Global Brands are selected from brands that are the most salient, meaningful and different. And their collective value rose 23% for 2022 to reach a total value of nearly \$8.7 trillion, building on a rise of 42% in 2021.¹

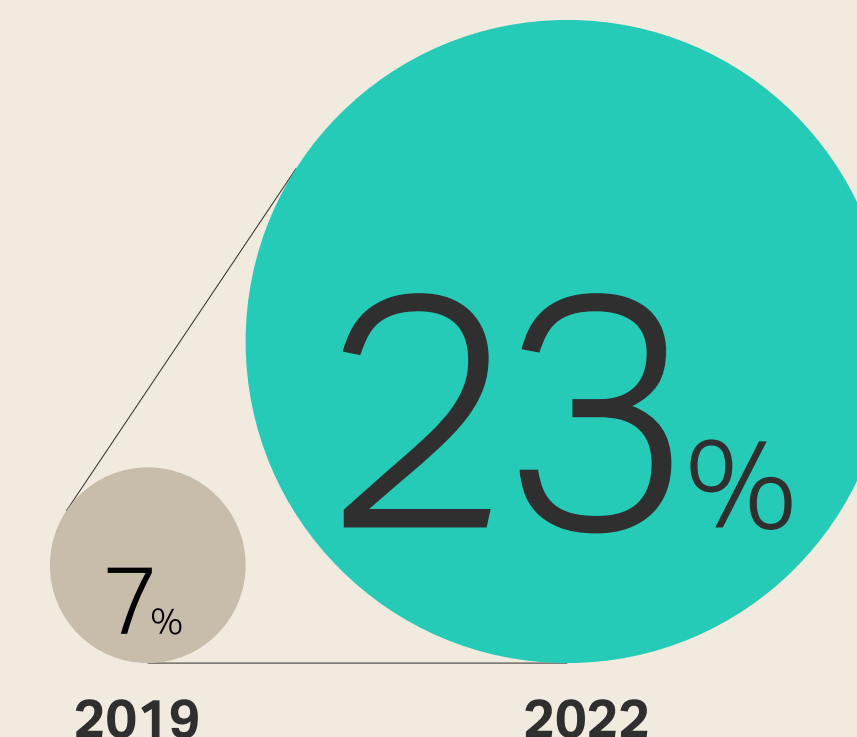
We also know that global brand growth is outpacing local-oriented brands. BrandZ research in 2020² determined the 10 countries with the brands with the greatest 'overseas exposure' – the portion of their financial value earned in international markets. These 10 include Germany, Italy, France, the UK and the US. For example, the Italian brands that generated half or more of their financial value in international markets increased their brand value by 20% year on year, while those with less than 50% overseas exposure remained flat.

It is fair to say that the discipline of brand governance has somewhat of a low profile in the marketing industry. There is no award category for it. However, WARC was overwhelmed by the response when canvassing for interviewees to speak about the topic, with many senior people from the industry keen to share learnings, highlight trends and model success. Clearly, there's a huge demand for more information and discussion around the topic.

This report looks in depth at how to effectively govern global brands – sourcing from academic findings and some of the most compelling case studies on WARC and from Frontify, this paper's sponsor. We explore not just how to structure for success today, but also how to anticipate and overcome challenges and prepare for the trends that will affect global brands in the years to come.

The top 100 most valuable global brands rose 23% YoY for 2022 to reach a total value of nearly

\$8.7 trillion



¹ Source: BrandZ Top 100 Most Valuable Global Brands, 2022

² Source: Graham Staplehurst, BrandZ Global Director BrandZ 2020 Brand Valuation report

Chapter 1

Global brand governance: Why now?



Every brand is a global brand

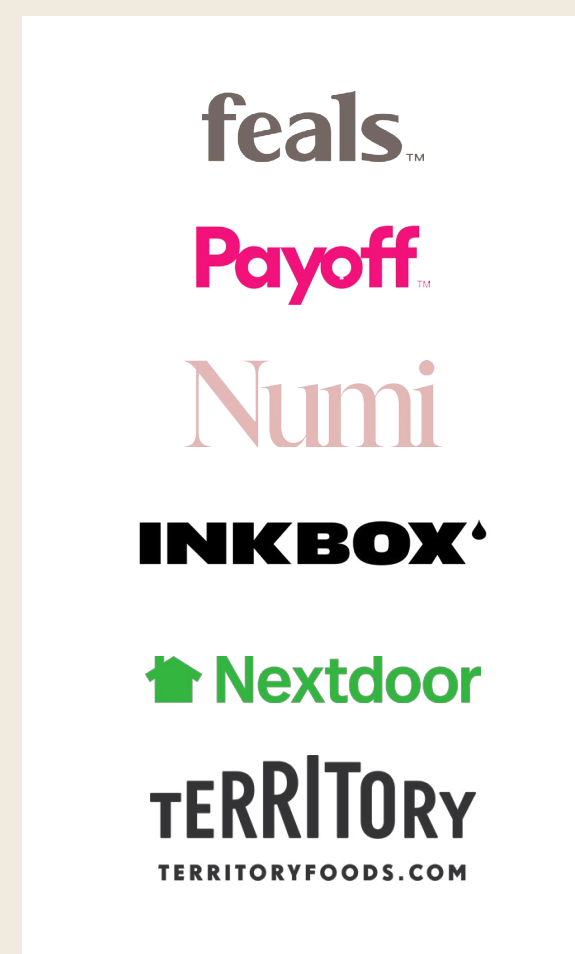
Brand governance on a global scale has been necessary for brands for decades. So why is it such an in-demand topic right now? There are several factors behind this.

First, there's been substantial growth in global brands. As trade barriers have been negotiated away between nations, brands from many sectors have taken the opportunity to expand across borders. Additionally, there has been an explosion in Internet-based service and digital product brands that see the world as their target market. Indeed, many must expand into global markets to reach their ambitious growth targets.

Social media has also enabled anyone to see a brand's output from anywhere in the world. Simon Gregory, Joint Chief Strategy Officer at BBH says, "You can't manage brands on a local level anymore. You see something on your Twitter feed from Ford – it could be Ford in the States, Ford in India, Ford in South Africa. You have to think about every market you're in."

Social media

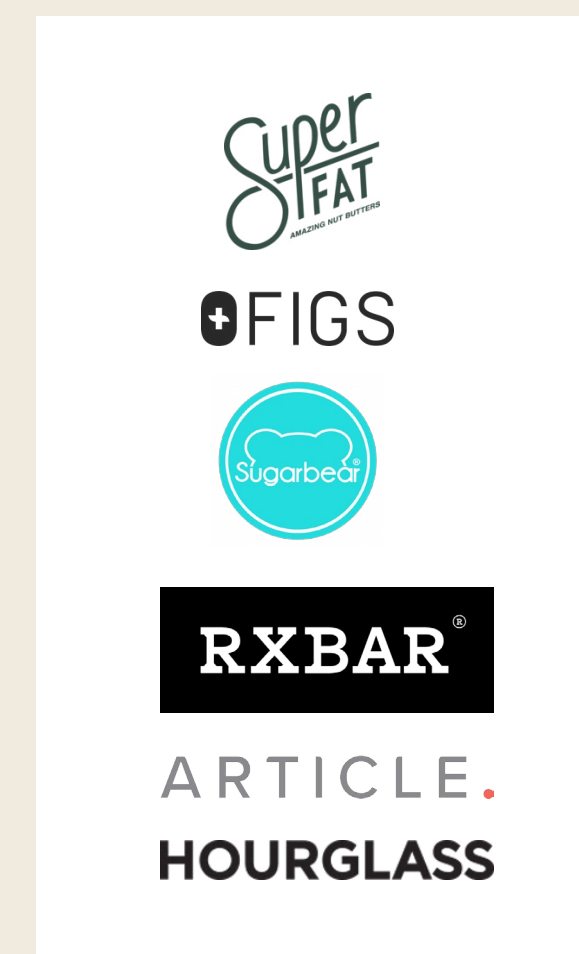
Sampling of brands that are primarily advertising in this channel



(Establish their customer base)

Podcasts, out of home, satellite radio

Sampling of brands that have added these channels to their media mix



(Broaden their audience beyond loyalists)

Multiscreen TV

Sampling of brands that have added TV to the media mix



(Make the 'big bet' on scale and growth)

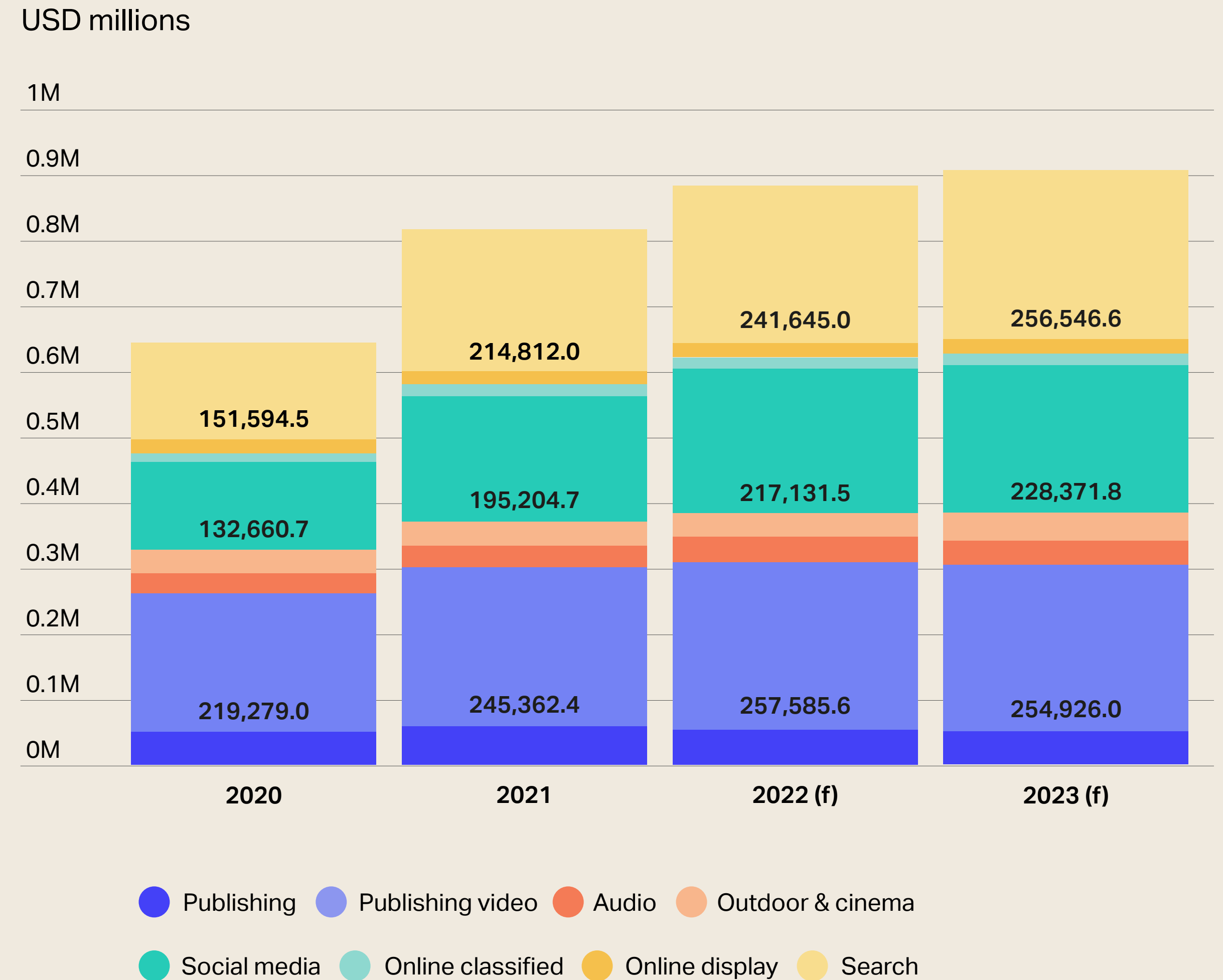
DTC brand maturity

The challenge of keeping up with media fragmentation

Second, there's been an explosion in the number of media channels, many available globally. With increased and growing investment in digital advertising, fragmentation will continue and accelerate. In this challenging environment, a scalable approach to brand governance is increasingly important. In response, global brands have been seeking the means to react to developments quickly and consistently – and find the means to communicate this to both their internal teams and partner agencies. This issue is especially acute for brands targeting young people.

Kevin Mercer, Ex-Director, Brand Strategy at The LEGO Group said, "When we think about our audience of kids, the number of touchpoints they use has exploded. We have to be where they are and understand how to show up. How does that platform align with the values and perspectives of The LEGO Group? There are so many questions that come up."

Global, advertising spend by medium



Source: WARC, The Ad Spend Outlook 2022

The drive for improved customer experience

Third, improving customer experience (CX) is the biggest issue for senior marketers in 2022.

“Real-time experience design is increasingly a customer expectation and business imperative”, according to research firm Forrester.³

Brands are facing the challenge of ensuring assets and messaging are consistent along the entire funnel – from brand to performance to loyalty-based comms. However, there’s a risk that frictionless CX can become faceless. So in response, brands are building memorable, creative, tech-driven experiences that require branding discipline as well as creative latitude,⁴ plus a ‘real-time approach to customer

journey planning’.⁵ All this needs efficient tech and guidelines to deploy and execute ads and content at speed.

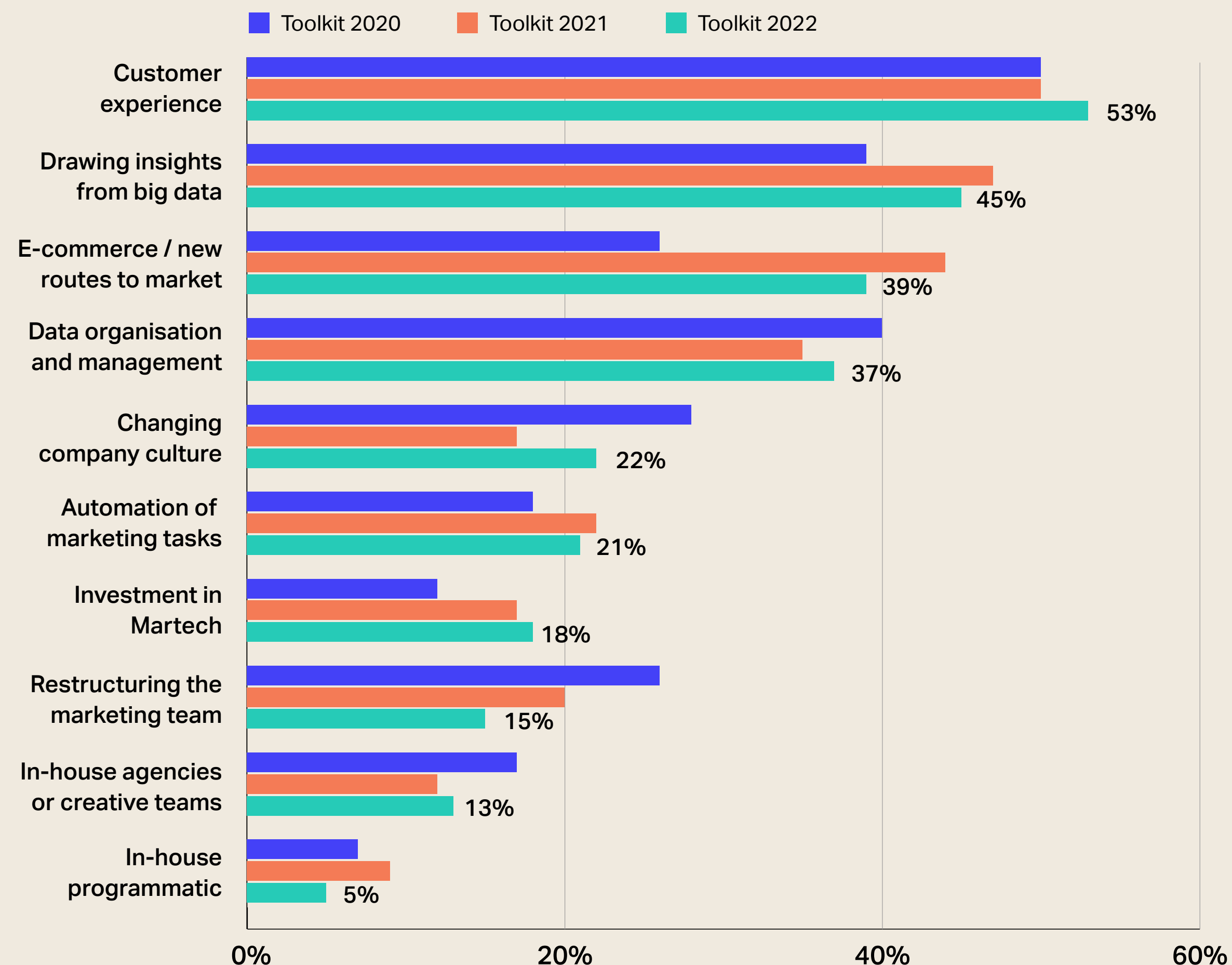
There are two big changes at play now, according to Global Marketing Director at Heineken, Cecilia Bottai Mondino. “Firstly, we understand the importance of creativity; you have to be more insightful and become a part of the conversation over simply taking a top-down approach just saying how amazing my product is and secondly, the role of digital. You have to be more present with local content in real-time with digital; that wasn’t the case before.” Excellent governance encourages both compliance along the funnel and encourages high creative standards to spread consistently across the world.

³ Source: Forrester ‘Journey Orchestration & Consumer Expectations’ research, 2020

⁴ Source: WARC, The Invisible Enabler - Unlocking the creative potential of technology, 2022

⁵ Source: The WARC Guide to Customer Journeys in an Omnichannel World, 2022

Which elements of digital transformation will be most important in 2022?



Source: WARC, The Marketer’s Toolkit 2022: Global Trends Report

In-housing

The trend of brands creating internal teams to handle media, creative or production is known as in-housing, and this has also prompted increased focus on brand governance.

Whereas agency-based governance has evolved to its current state over many years, establishing an in-housed global entity needs a new set of processes to be rapidly instilled into a new team that cannot rely on trust and established relationships. Instead, disciplined application of process, tools and technology has enabled these new teams to roll out at speed, producing consistent work on a global scale.⁶

Nestlé's Global Holistic Content Owned Assets Lead, Group Marketing, Alexis Herail confirms this point: "Managing these global brands imposes a new way of working. We need to know how brands are classified (i.e. global vs. local), in order to successfully manage Nestlé's brand fundamentals and its content operating models." On the agency side, multiple setups have merged into larger, more global entities, often selling brand consistency as a benefit.

Heineken's Cecilia Bottai Mondino says about this, "Having a big network agency helps. One big agency helps keep the consistency of your brand. Network agencies also have local hubs that bring market-specific relevance. This can be very effective."

⁶ Source: WARC, What we know about in-housing



Marketing transformation & automation

Finally, marketing transformation has encouraged global brand managers to think beyond static PDF brand books.

New platforms, technologies and approaches are enabling rapid distribution, monitoring and even automation of the use of the right assets in the right place on a global scale.

Jeni Spinks at Beam Suntory argues that digitalisation has “Made it easier to manage brands despite there being more things to manage. There are many digital tools we use now; very little is now left to chance. We have the pinpoint accuracy of brand visuals, frameworks and tools all easily and quickly shareable digitally.”

So, whilst demand has increased for global brand governance, with increased complexity, there are now many more technology-based solutions to successfully create and manage global brands, their assets and their communications.



Focus on Nestlé: 'Brand Building the Nestlé Way'

Nestlé's Alexis Herail talked WARC through their approach for developing global brands using their framework called 'Brand Building the Nestlé Way' (BBNW). The framework defines key components a brand needs to prepare for any communication. This includes everything from essential tools in defining target consumer portraits, audiences, crystallising the brand purpose to developing the big idea and the brands' communications.

Alexis says, "They're guidelines and Communication Toolkits we have developed especially for global brands, and we use technology for this." One new element of Nestlé's brand fundamentals from the 'BBNW' framework are the Strategic Content Territories (SCT's). "These are three to five territories that define a given brand with an associated topic. So, all Nestlé brands are developing strategic content territory guidance and storing them on a brand management integrated platform called the Nestlé Content Hub Category Portal powered by Frontify." The platform enables Nestlé's brand-building community all over the world to have both the brand fundamentals as well as tools for strategic delivery all seamlessly connected in one place to help them stay 'on brand' no matter which market they are in.

Nestlé Content Hub Category Portal powered by Frontify

PACKAGING DESIGN (INTENT) MASTERFILES
Core front panel construction (Nescafé Classic)

BRANDMARK(S)

The NESCAFÉ Brandmark is composed of two iconic brand elements:

- The NESCAFÉ Brand name
- The Red Accent

This is the primary brandmark. Do not redraw or modify.

Please note: the black rectangle shown above is used for presentation purposes only, and does not indicate an approved shape or holding device for the brandmark.

Protection Area

To maximize brand presence and visual stand-out, there is a defined minimum clear zone around the brandmark. This clear zone defines the area into which no other graphic elements, such as text, imagery or other brands, can invade.

Focus on Nestlé: ‘Starbucks At Home’ global roll-out

Nestlé is rolling out a much more centrally led approach for some of their global brands. Its 2021 Virtual Investor Seminar highlighted how successful this approach had been for the launch of their global coffee alliance with Starbucks At Home.⁷

To support the ambitious roll-out of the launch in 70+ markets, Nestlé leveraged their new operating model “Coffee Content Studio in South Africa” in partnership with their lead creative agency. This ensured a consistent look and feel as well as a premium brand experience across all major digital platforms and ecommerce partners worldwide. The integrated communication plan included more than 600 master assets first created centrally by the studio

and creative partner. Localisation of these global master assets was then managed through integrated marketing services (Nestlé shared services in key locations) including a fully automated process, CGI product images technology and AI capabilities for content identification enabling 30,000 assets to be created in 60 languages. Overall bringing agility and speed with efficiencies of 65% for content creation and website deployment. Becoming one of the fastest growing billionaire brands at Nestlé, this launch set a new standard for all its global brands rolling out this new content operating model.

2021 Virtual Investor Seminar

600 MASTER ASSETS

30 000 ASSETS IN 60 LANGUAGES

CASA, PROVALO ORA

MAKE IT yours AT HOME.

STARBUCKS BY NESCAFE DOLCE GUSTO

⁷ Source: Nestlé Virtual Investor Seminar 2021 – Accelerating Our Digital Transformation; <https://www.youtube.com/watch?v=VmiFgbD1f4A>

Chapter 2

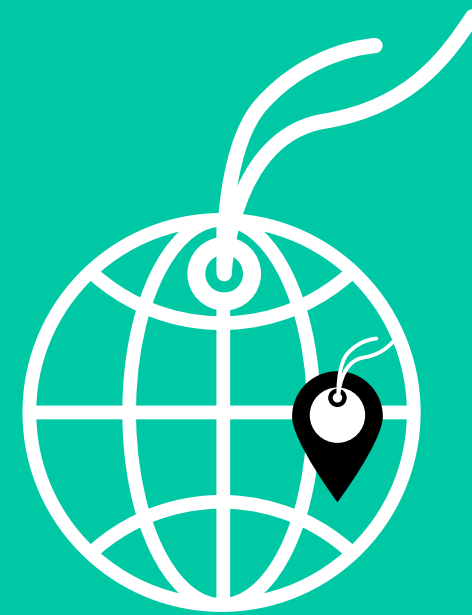
Global brand governance: The theory



Three frameworks for global brand governance

There are a number of approaches to global brand governance, outlined over the years in a series of papers and studies, all attempting to find the right balance between control and autonomy for brand managers.

As Caitriona Henry, Global Lead and Strategy Partner of OMD says, "The real challenge is how to have freedom within a framework."



Localised

A light touch from the centre, and local markets are left with autonomy and produce most of their own assets.



Centralised

A strong central marketing function generates the bulk of the assets, whilst local markets translate and adapt.



Glocalised

A hybrid approach, where global campaigns are partially created centrally for ATL channels, whilst local markets feed in insights for adaptations – often to regional hubs – and create their own promotional campaigns.

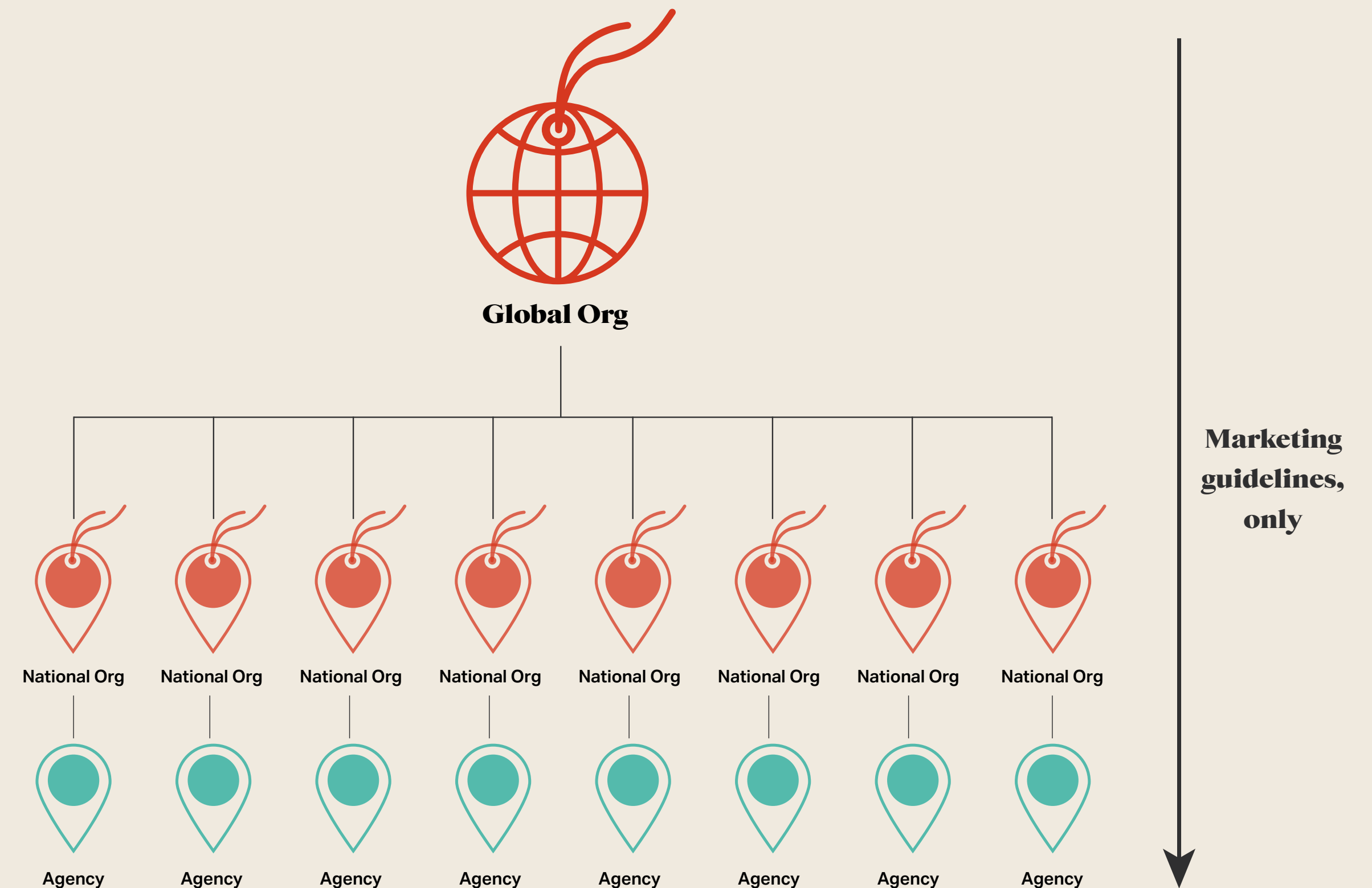
The localised approach

The first approach is to govern a global brand with a light touch, localised approach. This can often be the go-to for a multinational organisation formed via cross-border mergers or acquisitions, and therefore lacking a strong central brand identity or set of processes.

A highly localised approach to brand governance can generate both faster growth and greater returns on investment.⁸ It can find favour with consumers too – for example, McCann’s 2019 research study ‘The Truth about Global Brands 2: Powered by the Streets’ found an increase in preference for local brands – from 40% in 2015 to 59% in 2018.⁹

The ‘con’ to a localised approach for global brands is that inconsistencies can grow over time, which ultimately are much more time-consuming and expensive to fix. Agencies proliferate, adding complexities and alternative points of view. And changes in direction or pivots are a great deal slower and more complex to execute successfully. Steven Amir, Ex-Head of Marketing Effectiveness at De Beers Group says of this, “Too much localisation creates too much proliferation, and with that comes a lack of understanding of who you are as a brand.”

Localised model



⁸ Source: WARC Best Practice 2022 – What we know about multinationals marketing

⁹ Source: McCann’s 2019 research study ‘The Truth about Global Brands 2: Powered by the Streets’

Leveraging a localised approach

Some brands aim for a localised approach very deliberately.

For example, Grab, South East Asia's leading ride-hailing and services app, has focused on a hyper-local strategy to drive expansions across multiple markets and category verticals.¹⁰

Nestlé has established Milo and KitKat as local brands in many countries in Southeast Asia (e.g. Indonesia and Malaysia) despite both brands being global in nature¹¹, whilst many food brands like KFC adapt their menus entirely for significant local markets.¹²

¹⁰ Source: Low Lai Choi, Event Reports, FUTR Asia Summit, October 2018

¹¹ Source: 'Consumer sentiment and behaviour continue to reflect the uncertainty of the COVID-19 crisis' McKinsey & Company, 2021

¹² Source: Harvard Business Review: KFC's Radical Approach to China, 2011



The centralised approach

The second way to approach global brand management is through a highly centralised approach. Almost everything is generated by a central in-housed studio or single global agency. This approach is most efficient in terms of budget allocation and media spend, and also reduces the need to police local adaptations.

Brands that are perceived as being global can have greater stature with consumers. McCann's 'The Truth About Global Brands' survey shows that 85% of surveyed consumers believed that global brands have the power to make the world better, 78% that the world is a better place because of global brands and 87% that global brands have the power to expand opportunities for themselves, their families, and their cultures.¹³

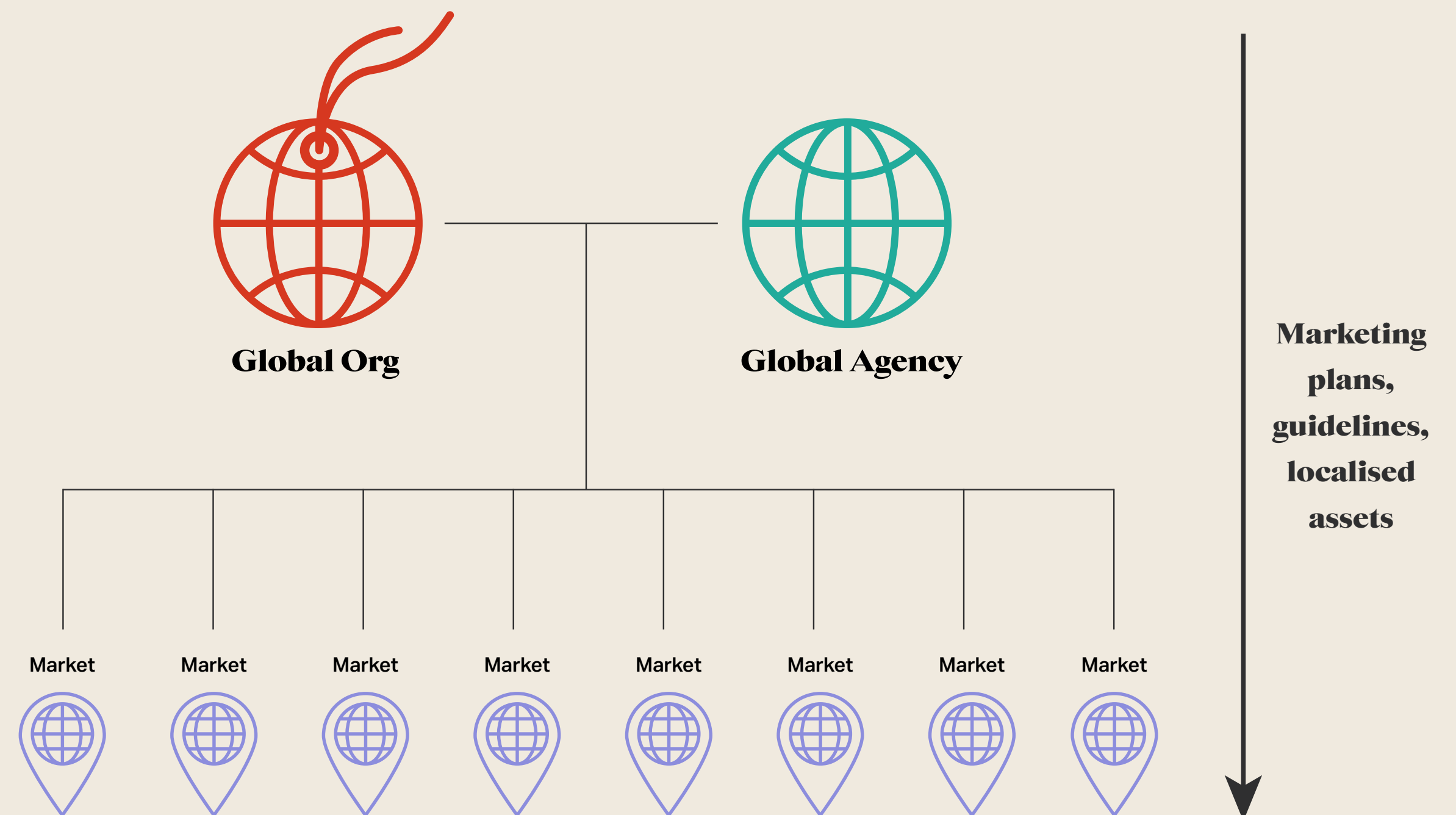
At the same time, centralised brands can appear to lack relevance and responsiveness. In Asia, for example, global brands once had an advantage, as they were associated with quality and safety standards. However, over the last ten years local brands built on local insights have become more sophisticated and have outmanoeuvred global brands struggling to adapt to local culture.

Brands struggle to adapt to the quirks of British culture too. Simon Gregory of BBH cites from experience a German brand that had been in the UK for a number of years but had never really cut through as its communications did not deploy humour successfully – a perceived prerequisite for success in the country. Consumers can also fear the dominance achieved by global brands if their presence is too overwhelming. In the McCann's study above, 67% of people also feared global brands overcoming and displacing loved local brands.¹⁴

¹³ Source: McCann's 'The Truth About Global Brands' survey, 2018

¹⁴ Source: McCann's 'The Truth About Global Brands' survey, 2018

Centralised model



Cartier keeps it centralised

In the luxury sector, brands typically tend to retain tight control over their local teams. Luxury consumers travel internationally, and the brands are often complex and executed via strong in-person experiences. Therefore, brand managers are not prepared to risk the dilution of their brands through local reinterpretations.

The French luxury brand Cartier designs and manufactures its products exclusively in France and Switzerland, and it manages its governance structures from its headquarters. In addition, Cartier's key executives in other regions like the Middle East (including its CEO and head of HR) are Cartier veterans originally from Paris, helping to ensure the company's values and norms are consistently upheld even in this geographically distant subsidiary.¹⁵

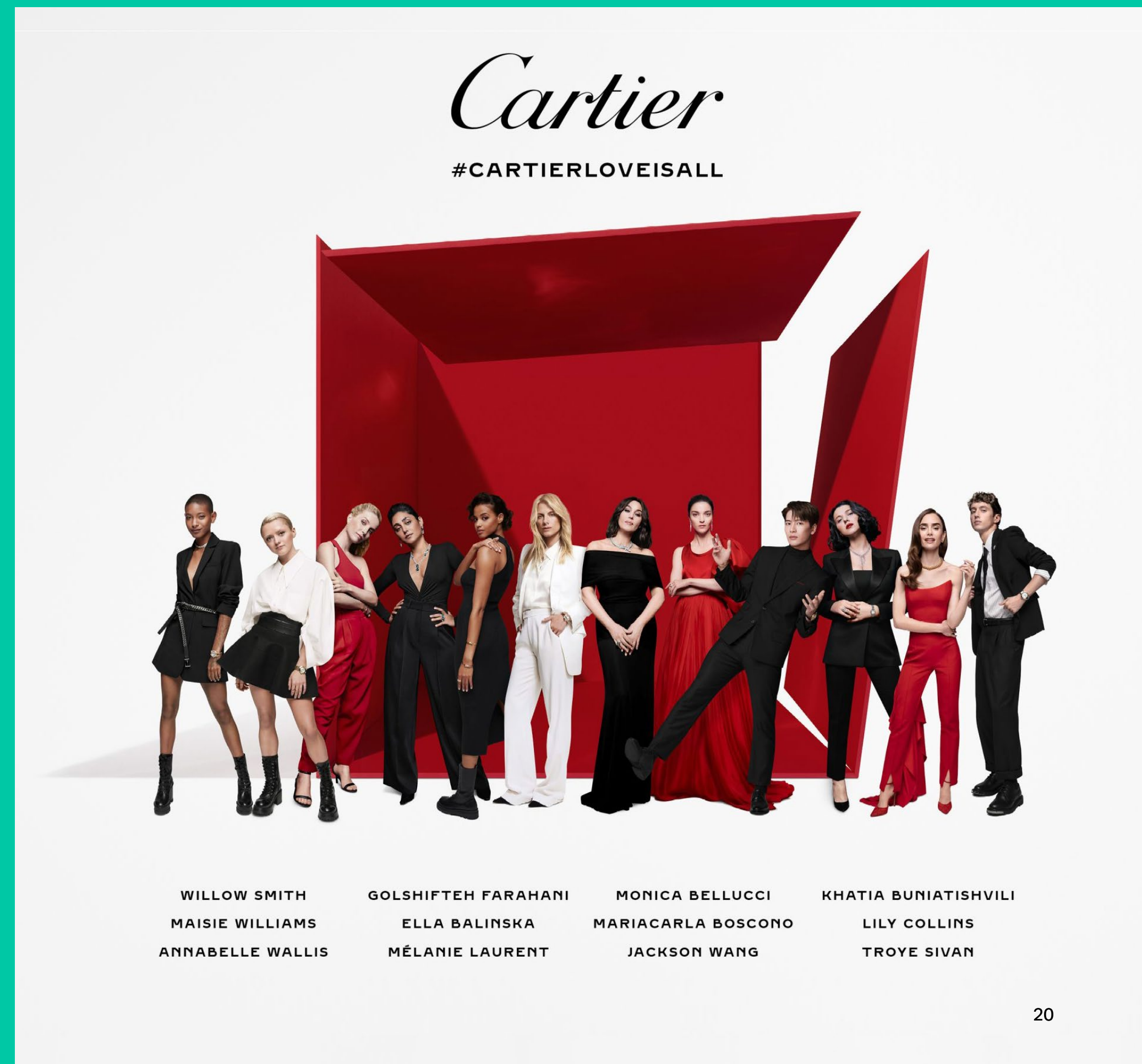
¹⁵ Source: Harvard Business Review: Multi Organisational Study 2022 (100 interviews with execs at global corporations)



IMAGE CREDIT: INSITE OOH (INSITEOOH.COM)



白敬亭
宋佳
李现
邓紫棋
王嘉尔
刘浩存
mandarin 乐队



WILLOW SMITH
MAISIE WILLIAMS
ANNABELLE WALLIS
GOLSHIFTEH FARAHANI
ELLA BALINSKA
MÉLANIE LAURENT
MONICA BELLUCCI
MARIACARLA BOSCONO
JACKSON WANG
KHATIA BUNIATISHVILI
LILY COLLINS
TROYE SIVAN

The glocalised approach

The third and increasingly popular approach is to deploy technology to combine the best of global and local approaches – commonly known as ‘glocalisation’.

In this instance, core brand assets and specific campaigns and media formats are owned by the centre. Meanwhile, markets contribute insight, have input into the trajectory of the brand and originate activations locally.¹⁶ As Simon Gregory from BBH says, “You work out what’s fixed and what’s flexible, applying the central idea whilst overlaying local insight.”

Glocal is not a new concept. As an idea it is 20 or so years old. It is also the hardest model to get right. But it is fair to say that it is an increasingly relevant model, given the challenges of a multipolar world which prizes local insight and adaptation, but uses global media and tech platforms.

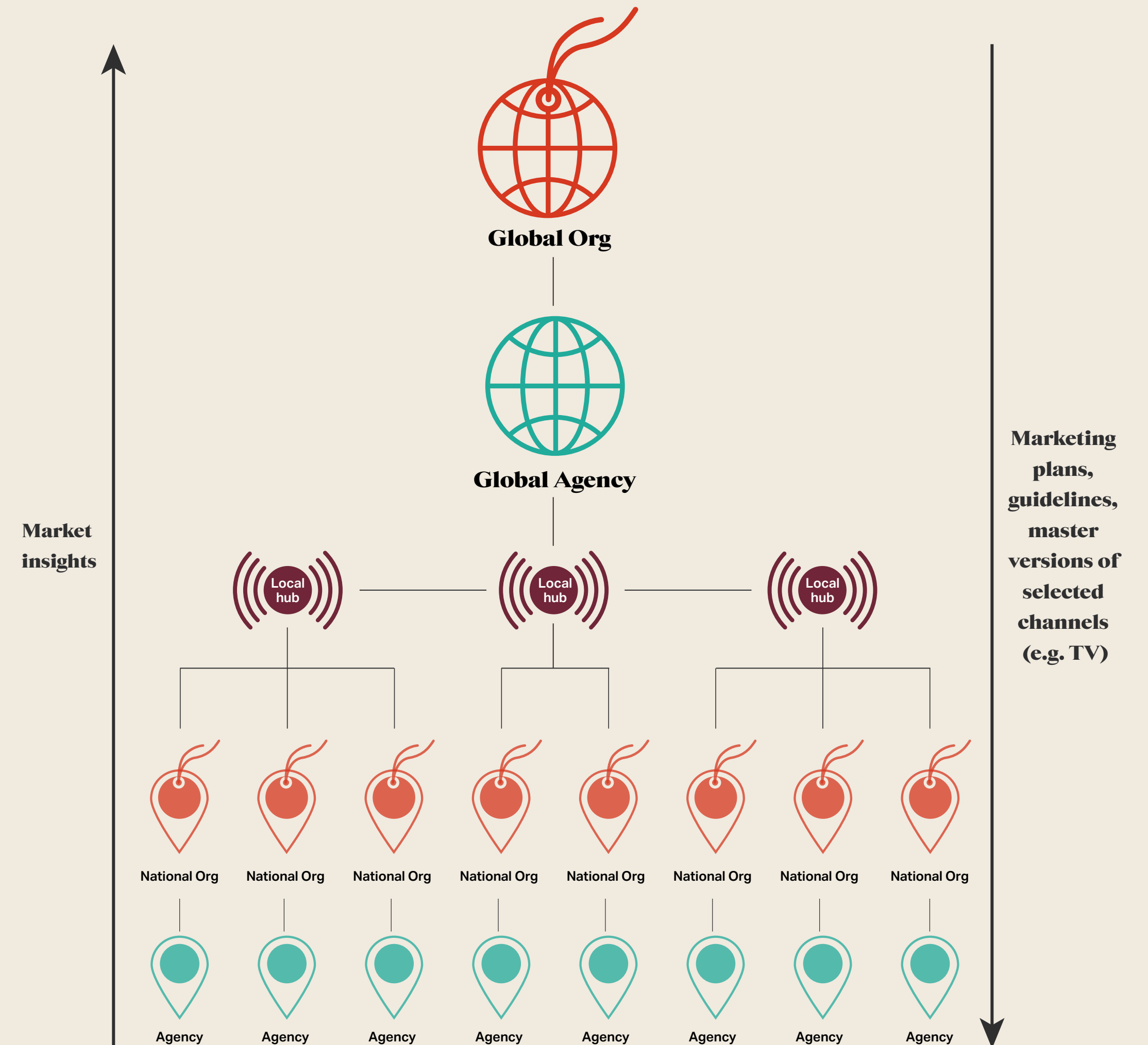
Often in this case, a single global agency and strong in-house capabilities

are matched by best-in-class local agencies. This has been facilitated by tech developments and an overall trend towards remote working. With the ability to communicate instantly and globally, platforms to distribute guidelines and assets, as well as easy templates for transcreation and adaptation, the administrative burden of this approach has greatly reduced over recent years.

Caitriona Henry of OMD sees this approach as most relevant for today’s challenges. She says, “I see clients trying one thing and then moving back to more hierarchical structures, but the one thing that’s consistent is that there has to be more integration across the global and local teams, both horizontally and vertically, to really deliver brand governance in a modern world.”

So there is a centralised approach, a localised approach and then their more modern cousin, glocalisation – a deliberate blend between the two – facilitated by technology.

A glocalised model



¹⁶ Source: WARC Best Practice – What we know about multinational marketing

McDonald's roots their global brand in local culture

Brands with a glocal approach speak directly and meaningfully to different cultures. They keep their core global identity but root their communications in the cultures in which they operate.

McDonald's serves as a great example of this. Whilst they are known for creating solid global platforms based on universal truths, they then take this one level deeper by applying local nuances that live powerfully in culture.



Focus on Beam Suntory: Global education plus Gemba

Jeni Spinks is Beam Suntory's International Marketing Director, Planning & Deployment.

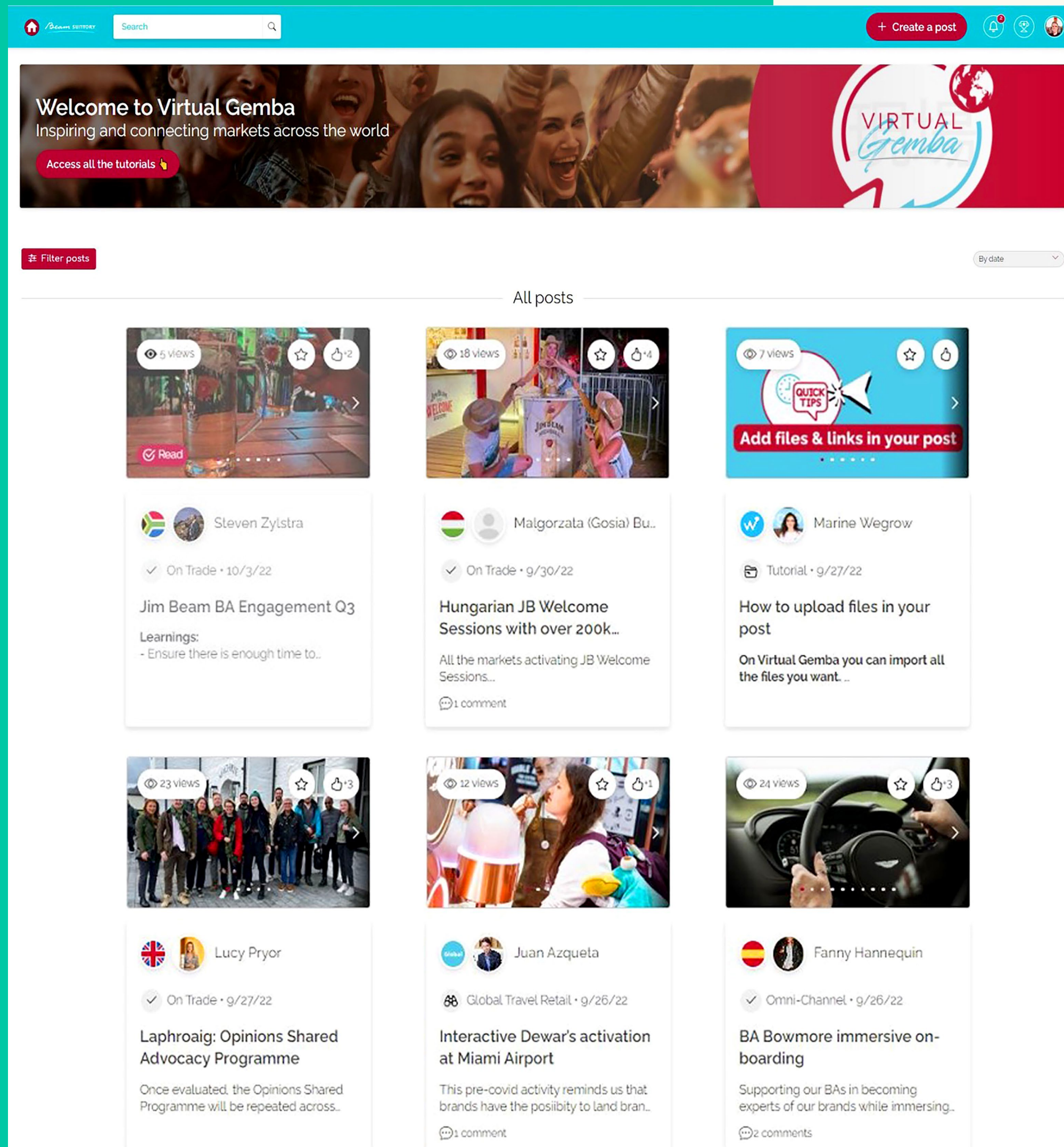
After spending 15 years at Heineken, her focus when she joined Beam Suntory was on building centralised global brand consistency for their premium brands. "When you deal with premium spirits, especially whiskies, you're looking at brands that can be 200-300 years old. Considering the founders' original intentions will give us the true DNA of our brands – these will not change over time. Everybody buys into this. And leading on, this is why our brand foundations will remain constant year on year." To support this, Beam Suntory created an operating model new to the business allowing them to focus on "The long term growth of brands in their key markets".

However, for Jeni, it's not just about models. It's about a mindset and proper training. "It's more about instilling the right way to do this and enabling markets to execute locally with excellence. We utilise an aligned framework which has been developed and

honed over the past 3 years. It was an education-led process and we're still learning, building and improving year on year. Everyone joining the company will be taken through the process and our ways of working."

Because the premium spirits market relies so much on success at the point of purchase, Beam Suntory have adopted a Japanese approach: "We have a key philosophy we follow being a Japanese company – GEMBA. It's a Japanese word which translates to 'where things happen'." And she gets help from her global network of agencies, who are "really good at this and providing inspiring and practical solutions."

Beam Suntory has created a portal to bring the concept to life. "The new portal encourages all markets to upload anything from a photograph of our best-practice in market or a piece of activity a competitor is doing, to a great digital execution or something they've seen in the press. Anyone in the business wanting to look at our own brilliant executions, a competitor or a type of activation, for instance, can do so."



Chapter 3

In practice



The client-agency relationship

Whilst there are three distinct approaches to the governance of global brands, in practice it is rarely so clean cut.

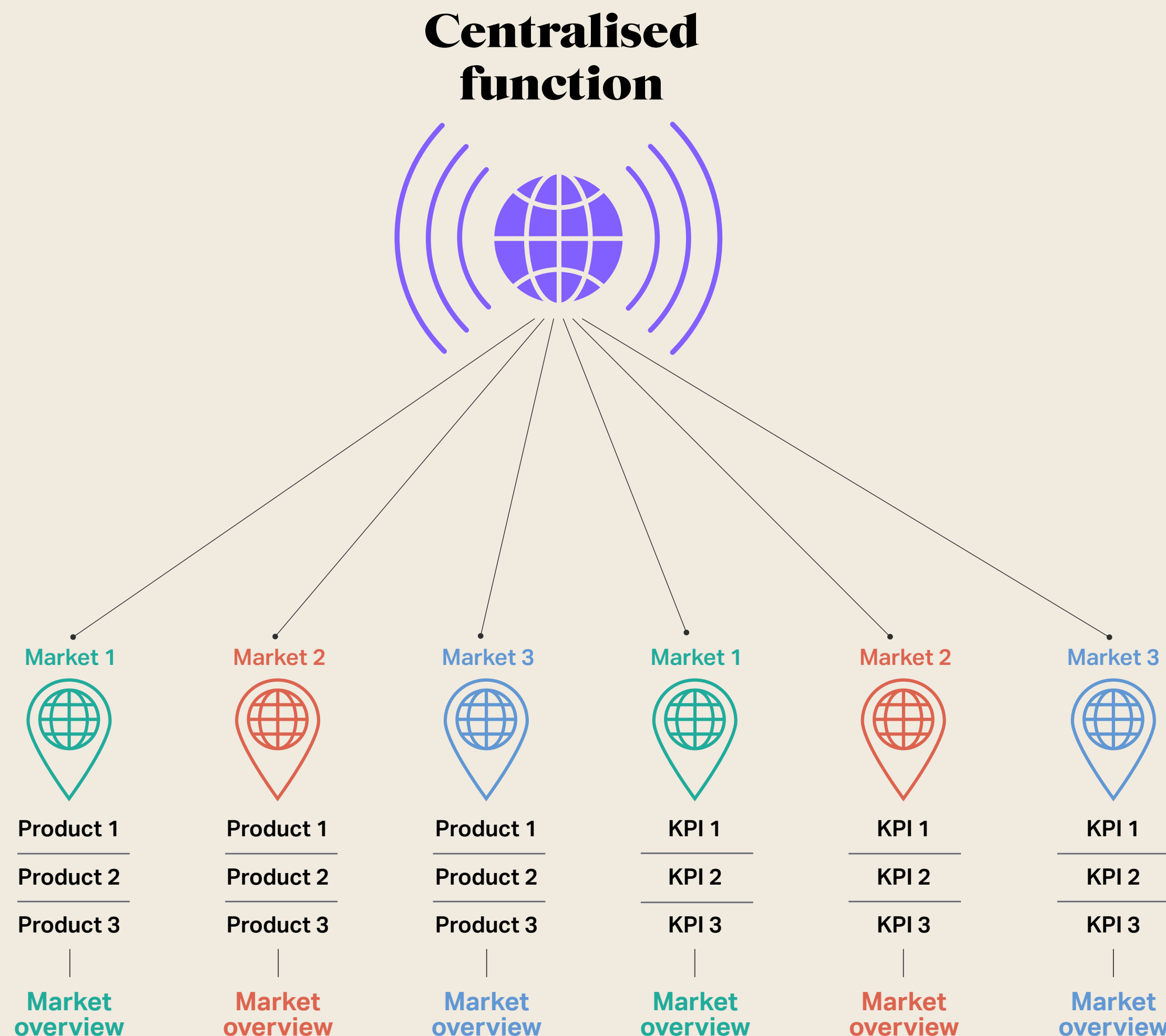
As Caitriona Henry says, "The one thing is to accept that it's going to be fluid."

From a client-agency perspective, many are grappling with the many possible ways to structure for success. The WFA's 'Survey On The Future Of Agency Rosters' revealed that 55% of clients believed that their existing agency models are not fit for purpose.¹⁷ Observatory International, in their report 'Structuring Marketer-Agency Partnerships for Effectiveness' outlined an automotive case study,

with the ambition to deliver more centralised, channel-organic strategic thinking. The solution was a new centralised team, built around establishing a consistent taxonomy and governance structure.¹⁸

According to the study, in practice this means insisting all markets and agencies use the same terminology and language structures when talking about the business, products and campaigns. This enables breaking down tech silos so that data can be harnessed more effectively across business divisions and markets and using consistent measurement metrics so that information from single markets can be combined and compared.

Establish a consistent taxonomy and governance structure



¹⁷ Source: The WFA's 'Survey On The Future Of Agency Rosters', 2018

¹⁸ Source: Structuring Marketer-Agency Partnerships for Effectiveness, The Observatory International, 2020

New operating models

In Heineken's case, Cecilia Bottai Mondino describes the main benefits of centralisation as "creative excellence and quality in everything we do. But it's also about efficiency; instead of creating three campaigns in different markets, we have one."

This central content production model really works for Nestlé's Alexis Herail: "We created an operating model – we have the Coffee Content Studio in South Africa that is developing a large part of the brand's key content needs on an annual basis."

Unilever's Dirt is Good brands execute via a three-tier system using a mixture of agencies at each level. According to Tati Lindenberg, "The big idea is always crafted by IPG. The complex adaptations are also made by IPG, but usually one of

their regional agencies e.g. MullenLowe Singapore. And, when it comes to digital commerce and in-store assets, we tend to work with creative independents or in-house design agencies."

The main benefit of this approach is speed and point of influence. "From a global point of view, we have no intention to craft nor produce everything for everyone. We've moved from a world where we would create a global campaign and carefully adapt it to run in at least 10 countries. It required a lot of investment and time. Now, we are moving to a model in which we have a big idea, create a master (or a playbook) which sets the campaign's tonality and then hand it over to the markets, who are equipped to do it faster and better!"



Overcoming global to local tensions

There are often conflicts between a central, global brand owner and the local markets, who believe they have a far better understanding of what their customers will want.

Hayes Roth, principal at HA Roth Consulting, his own brand consulting firm, says brand guidelines “are useless unless you have the authority to enforce them.”¹⁹ Alexis Herail of Nestlé says, “I do know that it can go terribly wrong when you don’t give all your markets the content they need. And when they are not equipped with all the guidance from the brands, things can go off.”

So how can these tensions be overcome? For Tati Lindenberg, Vice President, Marketing at Unilever, the key is listening and respect: “Local knowledge is critical. On some rare occasions, things do not

go as intended because we have not considered the local nuances as we should have. That’s why a constant and candid dialogue between central and local teams is fundamental. For instance, even though I am Brazilian, I do not dare to sign off a voice-over or approve a casting without the Brazil team because I moved out of São Paulo nine years ago.”

Antonis Kocheilas, Global CEO of Ogilvy advises that a starting point is via commonalities. He says, “If you have the mindset to identify similarities, you can create scalable solutions. Ideas travel. Executions don’t.”

From Simon Gregory’s perspective, it’s about understanding the differing points of view and building connections. He says, “Spending time with people has always made the biggest difference and markets are always going to want to do their own thing.”

And for Steven Amir, formerly of De Beers, it’s about being agile and building on success: “You need to reinforce change by selling quick wins, celebrating successes and also pivot and optimise response.” And Caitriona Henry says, “If you want hearts and minds you need to get everyone involved in it – consulting them when you’re creating the content, so they’re actually engaged in the process.”

Cecilia Bottai Mondino at Heineken believes in engaging a few markets initially and being evidence-based. “What we’ve learned is that it’s best to engage with a few markets right in the beginning. They are going to be your campaign’s ambassadors. They are in the briefing, creative idea generation and are a part of the whole process from the start. We also test ideas in several markets and have the data to show that it works”.



¹⁹ Source: Hayes Roth, principal at HA Roth Consulting, 2021

Global brand building for success – some examples

WARC's 'What we know about multinational marketing' mentions two examples of brands that have excelled in global brand governance: Airbnb and Nike.

Airbnb has built its business by transforming marketing into cultural conversations, aligning its advertising with social issues, and making local connections always relevant to its brand promise: creating a world in which people 'belong anywhere'.²⁰

Nike's Olympic-themed ad, Best Day Ever, was part of a powerful global strategy, in which a universal truth – the power of play, embodied by the brand's Play New platform – is flexed locally in a variety of different, culturally-specific ways.²¹

²⁰ Source: WARC: What We Know About Multinational Marketing
²¹ Source: WARC: Harnessing Localisation as the Engine of Global Brand Growth



Coca-Cola

Best practice WARC case study

WE ADDED THE
PHONETIC
TO EACH NAME



Context

Coca-Cola's phenomenal Share A Coke campaign that put people's names on cans was a global success for a number of years. In 2018, Coca-Cola's South Africa region was asked to reignite the campaign.

Because of the country's complex past, they knew that a campaign about names had to be culturally relevant to bring South Africans together. They wanted to open up conversations around identity that have always been swept under the rug. They were tasked to make the countrywide

summer campaign one of the most successful to date and to steady brand love in a rapidly declining market.²²

Key objectives

- Recruit and drive consumption intent
- Romance summer and continue to build the Share a Coke platform
- Turn relevance / love into consumption
- Behaviour change

Strategy

25 years after apartheid, South Africa has 11 official languages but the truth is that people still struggled to pronounce each other's names. Coca-Cola added the phonetics of each name from all the different cultures and languages to their cans – teaching South Africans to greet each other, by name, correctly. They took a globally successful brand asset platform and applied a culturally meaningful nuance to drive a huge impact locally.

RESULTS

- 158% increase in brand love, in the context of declining love in the soda category
- 27% increase in consumption of Coke Zero (which was the hero pack during our campaign)
- 5.4% overall Coca-Cola volume growth, compared with the same period in the previous year
- 3.2 billion impressions – engagement up by 195% compared to the same period in the previous year where a more global-focused campaign was flighted

²² Source: Coca-Cola - Phonetic Can: Cannes Creative Lions, Entrant, Creative Effectiveness Lions, 2021

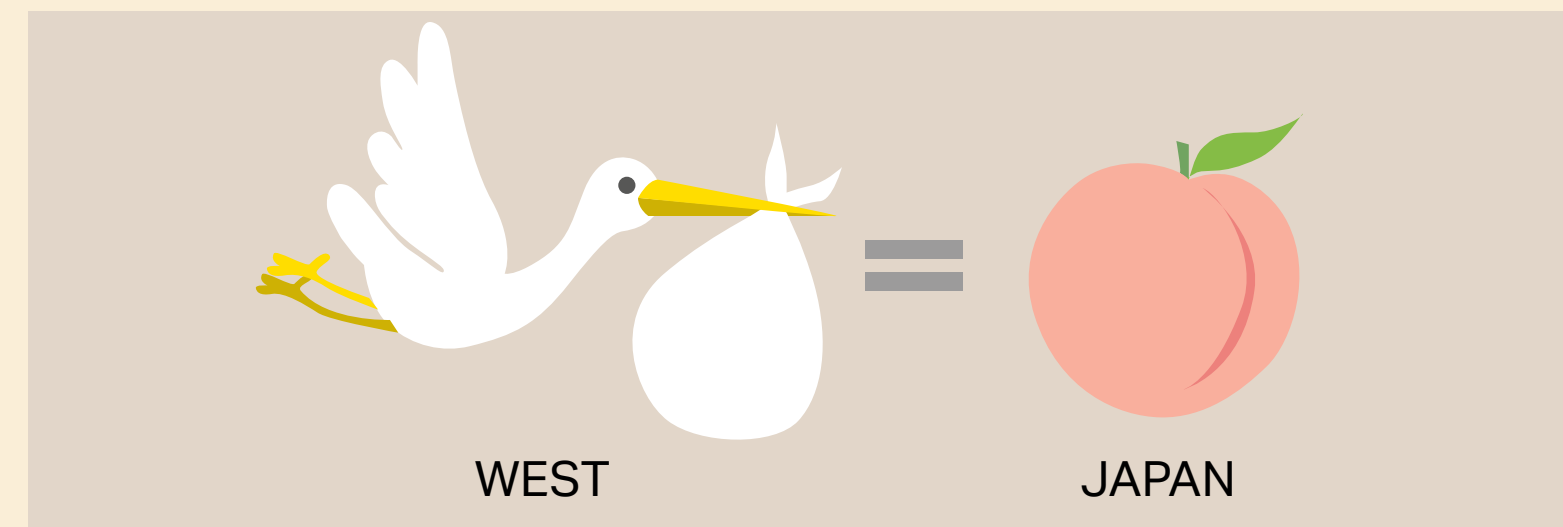
10 global brand governance missteps

There are also many examples of where global brand governance goes wrong.

As Kevin Mercer, formerly of The LEGO Group says, "It's not often easy to know when things have gone wrong! And it can be very time consuming to plan for recourse further down the line".

Our experts have told us that things go wrong when communication breaks down, and global teams ignore local advice or local markets decide to do their own thing. Whilst these issues will never be publicly disclosed, we can and have identified where translation and transliteration have gone wrong in the past. So, we present to you 10 of these well-known global brand governance missteps.

1. When Procter & Gamble started selling its Pampers diapers in Japan, the packaging featured an image of a stork delivering a baby. Unfortunately, the tale of a stork delivering a baby to parents isn't part of Japanese folklore. There, stories involve giant floating peaches bringing babies to awaiting parents.²³



2. KFC is generally known as an extraordinary success story in China. Yet, in the beginning, KFC made Chinese consumers a bit apprehensive when "finger licking good" was translated as "eat your fingers off".²⁴

'Finger licking good' ► 吃掉你的手指
▼
'Eat your fingers off'

²³ <https://thunderbird.asu.edu/thought-leadership/insights/its-peach-not-stork-how-pg-recovered-pampers-fail-japan>

²⁴ <https://medium.com/@amirsanroberto/cultural-epic-fails-brands-gone-wrong-and-what-brands-can-learn-from-kfc-mercedes-benz-and-pepsi-a57d823b76fd>

3. Ford launched an ad campaign in Belgium that execs thought said, "Every car has a high-quality body". However, when translated, the slogan read, "Every car has a high-quality corpse".²⁵



4. IKEA introduced the "Fartfull workbench". Although fartfull means "full speed" in Swedish, in the United Kingdom, the ad copy read as 'FARTFULL'.²⁶

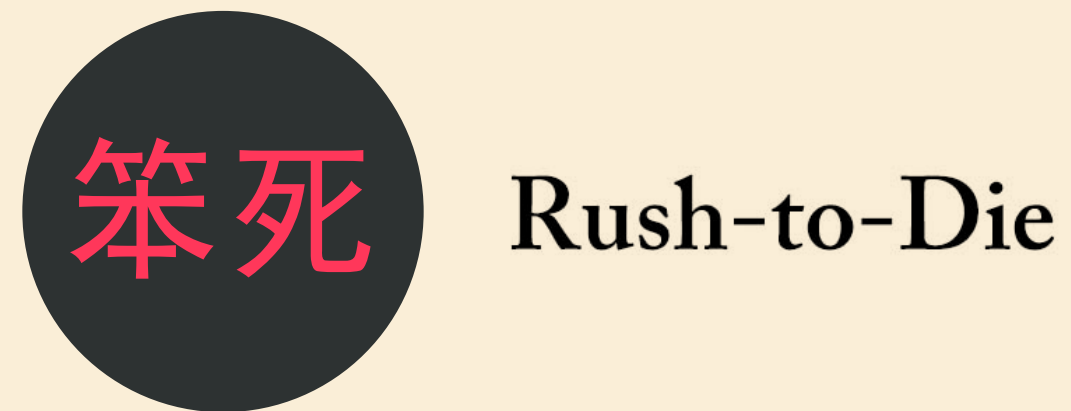
SWEDEN
FULL SPEED
UK
FARTFULL

²⁵ <https://www.businessinsider.com/slogans-that-dont-translate-2013-12>

²⁶ <https://www.marketingweek.com/big-ideas-local-insights-multicultural-content-marketing-made-easy/>

10 global brand governance missteps – continued

- 5. Mercedes-Benz entered the Chinese market under the brand name “Bensi”, – which means “rush to die”.



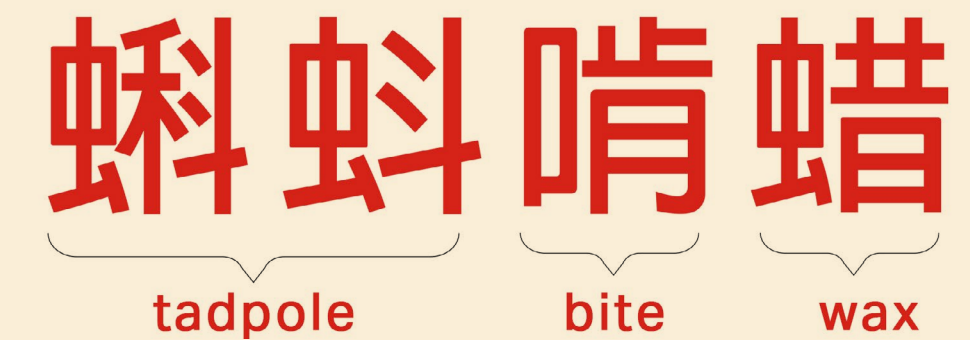
- 6. When Procter & Gamble introduced Vicks into the German market, they later discovered that Germans pronounce “v” as “f” – turning Vicks into a German slang word for sexual intercourse.²⁷



- 7. Pepsi’s slogan “Pepsi Brings You Back to Life” debuted in China as “Pepsi Brings You Back From The Grave”.



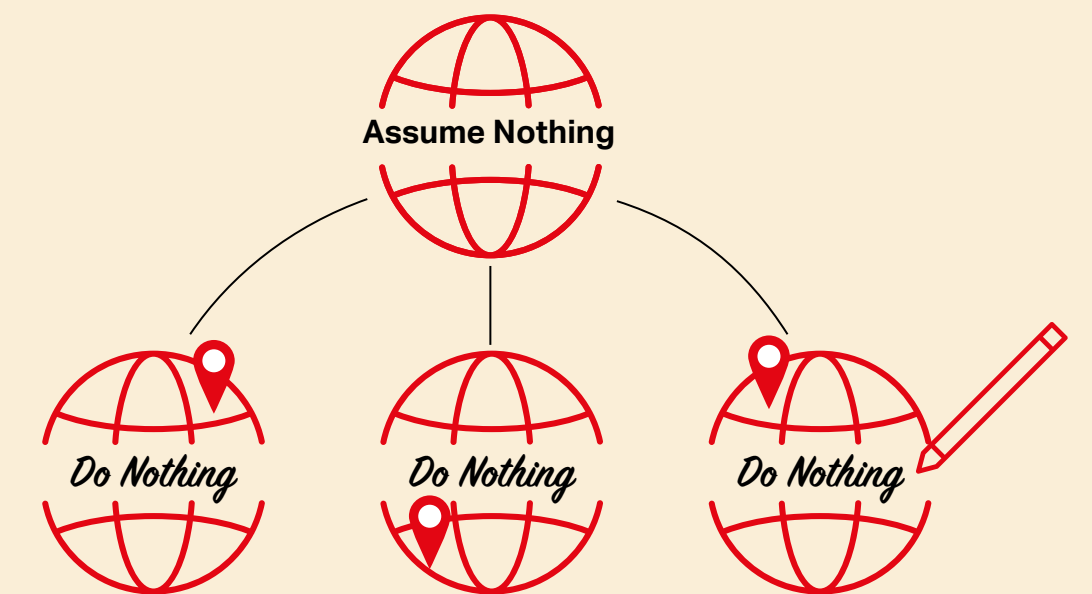
- 9. The most famous example of a bad brand name translation into Chinese is that of Coca-Cola, when it first entered the China market. The translation of ko-kä-kö-la meant something like “bite a wax tadpole (蝌蚪啃蜡)”.



- 8. The Scandinavian company’s ad campaign boasted, “Nothing sucks like an Electrolux”.²⁸



- 10. HSBC – in 2009, the worldwide bank spent millions of dollars on its 5-year-old “Assume Nothing” campaign. In many countries, the message was translated as “Do Nothing”.



²⁷ <https://www.campaignasia.com/article/cultural-blunders-brands-gone-wrong/426043>

²⁸ <https://www.translationroyale.com/brand-name-mess-ups-2/>



Focus on Heineken: Access to excellence for global brand governance

Heineken's Global Marketing Director, Cecilia Bottai Mondino explains how tech is used to manage the brand and campaigns globally; "We have something called 'The Bottle' where we add all our campaigns. It conveniently has past campaigns and everything else in one place. We did this four-five years ago, and it works quite well in terms of technology."

The main benefit is time saved, as well as compliance. "You go to The Bottle and see the assets for keywords like 'functional', 'emotional' or 'occasions', etc. It saves a lot of interactions and mail exchanges. The evolution of this is when we centralise digital media learnings so we can have global learnings on what assets are working, adapt in real time on a global scale but also create very quickly for specific local needs."

Chapter 4

Preparing for the future



WARC canvassed our experts for a point of view on the trends that would most affect global brand governance over the next few years. Here are the common themes that emerged:

Trend 1: Sustainability and the cost of living crisis

First, both net zero and the cost of living crisis will result in global brands focussing on reducing waste and duplication.

Caitriona Henry of OMD says, "It pains me to see so many assets created that never get used. We all need to work harder to deliver a more efficient ecosystem." WARC's report on Net Zero Marketing points out how distinctive assets will be key. "Shorter ads will likely mean less carbon emissions. In this context, brands with distinctive brand assets that can generate quick recall, will have an advantage."²⁹

Antonis Kocheilas of Ogilvy agrees: "During periods of economic recession, the importance of global branding is emphasised. Why is that? Because marketers need to create economies of scale. They have less money to spend, and they need to find one singular solution for every challenge that they are facing." Global brands also tend to drive purpose-driven initiatives at scale, encouraging the purchase of greener products and changing consumer behaviour across markets.

²⁹ Source: WARC Guide to Net Zero Marketing, 2022, Rich Kirk, Chief Strategy Officer, Zenith UK



Trend 2: Gen Z & the democratisation of content

Second, an ascendant Gen Z will present a challenge for brand managers. This generation has grown up with a rapidly changing universe of brands, and campaigns that evolve from one year to the next.

Kevin Mercer, formerly of The LEGO Group says, "They haven't had, for example, 50 years of American Express telling them, 'Don't leave home without it.'" With brands chopping and changing, they don't have the same sense of permanency. They expect to make brands their own – remix them, show them off and demonstrate them in both the real world and virtual worlds.

Tati Lindenberg of Unilever says of this, "Creatively speaking, it is all about 'power to the people'. In the future, brands are unlikely to entirely control their narrative as more and more people are creating and owning content. We used to have a higher degree of control when working with influencers. Now, there is a significant amount of content crafted by micro-influencers and people who simply want to share their point-of-view on a brand, a behaviour, etc."



Trend 3: Brands, blockchain and the metaverse

Web3 and the metaverse are both important new considerations for global brand managers. Web3 means letting go to some extent with new radically democratic brands and platforms putting power in the hands of their users.

At the same time, blockchain-based technology is being used to underpin traditional conceptions of luxury and scarcity. Steven Amir, formerly of De Beers says, "There's a real call for transparency and provenance, so De Beers now has a blockchain platform."

Jeni Spinks at Beam Suntory is also using digitisation to enhance her brands, deal with product scarcity and address some of the sustainability issues mentioned in the previous trend. She says, "Gifting in premium spirits is growing in relevance from an already high base. But does a gift these days have to be a bottle with loads of cardboard and a free glass? Probably not. It doesn't hit anyone's sustainability objectives, customer or consumer"

Meanwhile In the metaverse, ad-funded branded content is the second most popular feature among users interested in socialising in in-game worlds. There's a huge challenge to prepare brands for use in this uncharted environment.³⁰



³⁰ Source: Newzoo Metaverse survey

A way forward with technology

Technology will continue to make global brand governance more accessible and efficient for many – especially as brands invest in marketing transformation. A platform to manage brand assets and distribute those assets will be the cornerstone of tech-based investments for global brand marketers over the next few years.

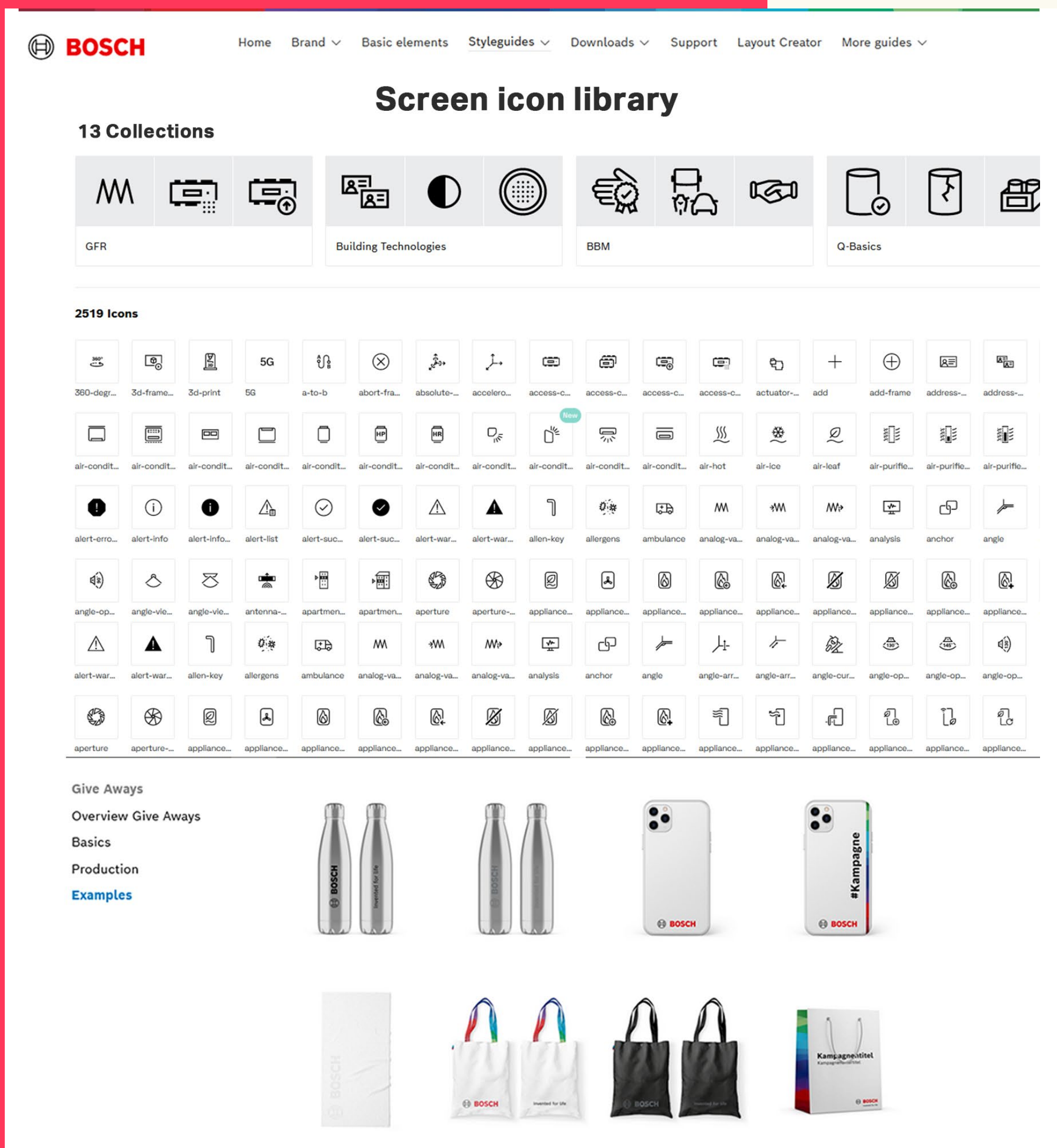
But this technology is still developing and there are a few gaps to be filled. Beam Suntory's Jeni Spinks says, "It'd be great to have the same level of data and insight across all markets. Markets like the UK or the US are data-heavy. You're required of course to make the same decisions in all your markets but the rigour of data is not always there for you."

Antonis Kocheilas says attributing ROI to investment in global infrastructure is not straightforward: "There is a lot there that doesn't directly impact your sales or figures. This always comes with a global price tag that no one wants to pay; nobody can attribute the ROI to that kind of cost."

Investment in Martech is helping with this – providing a way to track and measure adherence to global brand guidelines that track efficiencies, effect on brand equity and agility that ultimately correlates with brand value. For example, a Forrester Total Economic Impact report on Frontify's Brand Management Platform has demonstrated an ROI of 367%, coming via greater brand adoption, having a single source of brand truth and providing higher value work.³¹



³¹ Source: Frontify, Forrester, Total Economic Impact Report, TEI



Focus on Bosch: A flexible, future-proofed hub

Bosch, one of the world’s biggest brands in home appliances, found itself with scattered assets and PDF brand guidelines comprising more than 3,000 pages. The company needed a single source of truth to help manage its brand and sub-brands on a global scale and engage its 400,000 employees in 60 countries in building brand experiences.

Legacy systems complicated brand governance: With assets and information spread across systems, it was difficult for the teams to follow guidelines, leaving little room for adaptation to fit cultural and local standards.

Bosch needed to make a change: In 2018, the company and its lead design agency set out to re-think how to enable their

global teams and sub-brands to create a coherent and distinct brand experience. They quickly saw the need for a centralised single source of truth that could serve the local markets while offering an easy-to-use platform that saves time and resources. Bosch required a simplified, clear, and user-friendly interface that enabled its teams to become part of building the brand, rather than policing any potential inconsistencies.

After implementing the digital brand management platform Frontify, global teams can now easily follow brand guidelines and find the right assets, leaving more time for localised, on-brand content. Accessing all the assets in a single hub – and thanks to integrations also directly within PowerPoint – increased the efficiency of producing on-brand solutions. With a flexible platform that connects to other systems, Bosch has set itself up for a future-proof and seamless user experience for employees and partners alike.

Effective global brand governance: Summary

1 Get the model right	2 Two-way process	3 Clear, dynamic governance	4 Organisation and communication	5 Measure for success
Select the appropriate model and structure to manage your brand, depending on the size, resources and complexity of your setup.	It's clear that listening to local markets aids the production of relevant guidelines, driven by the right insights and appropriate flexibility where needed. It also will improve trust and adherence if local brand managers feel that the set of guidelines are built with their needs in mind.	Guidance from global teams can have far greater relevance if it's constantly updated to help local markets navigate new channels and formats.	And here, the wisdom is anything is better than emails. Face-to-face is impossible for brand managers with oversight of dozens of markets, so a brand management platform that allows constant communication and a dynamic approach is best suited for this.	Define metrics that can measure and demonstrate comms effectiveness, efficiency, brand value and savings to fuel further investment.

Who we are

At WARC, our purpose is to save the world from ineffective marketing by putting evidence at the heart of every marketing decision.

We believe that effective marketing is based on facts and not opinions.

Since 1985, we've brought confidence to marketing decisions through the most trusted research, case studies, best practice, data and inspiration.



Today, we help 75,000+ marketers across 100+ countries. Our clients include the world's leading brands, advertising and media agencies, media owners, research companies and universities – including the top-five largest agency groups and top-five largest advertisers in the world.

Learn more about WARC Advisory [here](#).

For more information on bespoke advisory projects contact imaad.ahmed@warc.com or edward.pank@warc.com

About Frontify

Frontify provides all-in-one brand management software for increased brand consistency and clarity – cloud-based efficiency for businesses of all sizes.

As a single source of truth, the Frontify platform optimises brand governance through dynamic brand guidelines, centralised assets, design systems, and templates to ensure on-brand marketing collateral. The B2B SaaS company is headquartered in St. Gallen, Switzerland, and empowers thousands of companies worldwide, including Lufthansa, Vodafone, and Allianz.

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