HOW DO EMERGING COUNTRIES' BRANDS COMPETE? PROPOSED MODEL AND EMPIRICAL RESEARCH

Claude Chailan, International University of Monaco, Monaco

ABSTRACT

A need for brand is now appearing in emerging countries' companies in order to compete with Western companies, and the new challenge for emerging countries companies is to develop their own brands in order to create a link with consumers that is not just based on costs.

Therefore a major challenge facing emerging countries' companies is to manage brands more effectively than their competitors. This situation implies a demand for a better understanding of emerging countries' companies brand strategy and branding policy. In order to fill the gap between the importance of brand role in emerging country company strategy and the small amount of research performed about this role, this article suggest a theoretical framework for analyzing possible different brand policies for these emerging country companies.

The purpose of the communication is to examine the role devoted to branding in emerging countries' company. The article is divided into two sections. Section one presents the two key brand paradoxes that companies located in emerging countries have to face. Section two describes a conceptual model which encapsulates emerging countries companies' brand policy key drivers to be considered when going international.

We found evidence that an emerging country's company can benefit from choosing to emphasize a local branding strategy, conditional to creating and maintaining the same high standards of any brand in a developed country's market. These companies may successfully adapt a local-go-global branding strategy that consumers should connote with a positive image and associations. The research shows that a relevant option could be to emphasize the 'emerging' dimension in order to more easily create points-of-difference.

This exploration raises a number of insights relevant to the choice of an appropriate brand policy in emerging country companies. Our study has direct implications for managers of firms from emerging countries' companies trying to enter developed markets. Our results lead to the conclusion that the notion that only global brands are associated with higher product quality or prestige (in relation to local brands) is not a universal truth and thus needs to be interpreted with caution. The results also reinforce the contingency perspective of international marketing; according to which brand policy may depend on company criteria as well as foreign market specificities.

Our work broadens the scope of international branding knowledge by shifting the focus to under-researched regions of the world because in a context of globalization and growing integration of local economic arenas, emerging countries' companies are under pressure to maximize their brand strategies. A theoretical model presenting the four international brand strategies for emerging countries' companies is proposed, which raises a number of insights relevant to the choice of an appropriate brand policy in emerging country companies.

The contribution of the paper is to construct a framework that suggests how an emerging country's company could create and develop the best-adapted international brand policy depending on its specific situation regarding localness emphasis and customers' risk reduction acceptance.

References available upon request