Intern. J. of Research in Marketing 29 (2012) 5–12

Contents lists available at SciVerse ScienceDirect

Intern. J. of Research in Marketing

journal homepage: www.elsevier.com/locate/ijresmar

# The process of global brand strategy development and regional implementation

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ARTICLE INFO

*Article history:*
First received in September 30, 2010 and was under review for 7 months
Available online 23 December 2011

*Keywords:*
Global brand strategy
Standardization–adaptation
Dynamic capabilities
Kimberly-Clark
Extended case method

ABSTRACT

Although standardization–adaptation has long been recognized as a dynamic negotiation, less is known about the attendant processes within organizations. Accordingly, this study “pulls back the curtain” on a new global brand management strategy at Kimberly-Clark (KC). An extended case method was employed, comprising three rounds of semi-structured interviews with senior regional and global marketing managers on six continents. Global brand strategy development at KC entails sharing information and best practices, implementing common brand planning processes, assigning responsibilities for global branding, and creating and implementing effective brand-building strategies. Indeed, KC's approach, predicated on accountable empowerment and capacity-building, is transforming the organization by increasing marketing capability locally while instilling better processes and disciplines centrally. An examination of these seemingly orthogonal objectives allows us to see how brand strategy cohesiveness is maintained in an unconventionally decentralized structure.



## 1. Introduction

The global integration of markets has spurred a convergence in consumer preferences (Townsend, Yeniyurt, & Talay, 2009), prompting organizations to search for more effective ways to serve international customers and enhance their worldwide competitive positions (Wang, Wei, & Yu, 2008). Within this context, globalization is defined as the distribution and creation of products and services of a homogenous type and quality worldwide (Rugman & Moore, 2001). The attempts of multinational corporations (MNCs) to globalize have resulted in the development and promotion of global brands (Townsend et al., 2009; Wang et al., 2008). Therefore, as competition globalizes, an MNCs' success hinges on its ability to position and manage brands across the numerous countries in which it operates (Usunier & Lee, 2005).

Although most MNCs recognize the advantages of global brands and the value of developing effective brand strategies that nurture their global identities (Motameni & Manuchehr Shahrokhi, 1998), many are grappling with the challenges and complexities of competing in a global environment (Cavusgil, Yeniyurt, & Townsend, 2004). These complexities are amplified by the assumption that most MNCs are regional, not global, and that there is no single global market or single global strategy (Rugman & Moore, 2001). Thus, Townsend et al. (2009) argue that additional research using *examples* of the globalization of brands can provide managers and scholars with a deeper understanding of global brand management strategy. Prior literature has explored components of global branding and the ways MNCs can exploit global opportunities, but limited attention has been paid to branding within a global context (Cayla & Arnould, 2008). Furthermore, no consensus has been reached on the relationship between global standardization and centralization in global branding (Özsomer & Simonin, 2004; Quester & Conduit, 1996).

We sought to extend current knowledge of global brand management by deconstructing and learning from the strategies and processes of a well-known and successful global MNC. The study viewed the global brand-building process as a dynamic capability of MNCs, and the research therefore considered how dynamic and ongoing tensions are managed between global standardization and local adaptation, as well as the resultant decisions that shape corporate strategies and processes. Our focal MNC was Kimberly-Clark (KC), which provided an ideal and constant context by “set[ing] the limits on the range of relationships to be expected”, (Johns, 2001, p. 33). KC's global marketing and branding strategy has recently undergone extensive changes, thereby providing a rich context within which to understand the processes, procedures, and practices involved in becoming a Global Marketing Organization. After presenting an extended case method (Burawoy, 1998; Kates, 2006), we focus on understanding the dynamics of the KC setting (Eisenhardt, 1989) in order to explore and build theory (Yin, 1994).

The manuscript is structured as follows: We review the literature, concentrating on global brands/branding/brand management and on dynamic capabilities; describe the case setting and the method; discuss the findings; advance a process theory of global brand management at KC; outline theoretical and managerial implications, acknowledge study limitations and provide directions for future research.

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doi:10.1016/j.ijresmar.2011.11.002

## 2. Literature review

### 2.1. Conceptualizing global brands

Van Gelder (2003) defines global brands as brands that are available across multiple geographies without any specific continental requirements. In contrast, Hankinson and Cowking (1996) define global brands as brands that possess consistency of brand proposition and product formulation. Aaker and Joachimsthaler (1999) provide a more detailed definition, proposing that global brands are "brands with a high degree of similarity across countries with respect to brand identity, position, advertising strategy, personality, product, packaging, and look and feel" (Aaker & Joachimsthaler, 2000, p. 306). Global brands can therefore be envisaged as tools that enable organizations to portray and manage consistent corporate and brand images across a diverse customer base.

In accordance with Appadurai's (1990) 'political ideoscape' conceptualization, Askegaard (2006) contends that the 'global ideoscope of branding' is colored by local variations dependent on the market context. Hence, the true homogenization of world markets is less about media and consumer convergence and more about the "…consciousness of the necessity of special symbolic attributions to consumer goods in contemporary market-based economies" (Askegaard, 2006, p. 99). Indeed, the rise of a more globalized culture does not imply that consumers share the same tastes or values (which Levitt, 1983). Rather, as Holt, Quelch, and Taylor (2004) argue, "People in different countries, often with different viewpoints on a range of issues, participate in a shared conversation, drawing upon shared symbols. One of the key symbols in that conversation is the global brand" (p. 70).

According to ACNielsen (2001), a brand can be considered 'truly global' if it is sold in all 30 countries used in the sample (which represent 90% of the world's gross domestic product), and if more than 5% of its sales come from outside of its home region. Further, Interbrand (2006) identifies six principles shared by the Best Global Brands: recognition, consistency, emotion, uniqueness, management and adaptability. Kleenex, one of KC's core brands, was named a billion dollar brand that could be considered truly global based on these definitions and principles (ACNielsen, 2001; BusinessWeek/Interbrand, 2009).

### 2.2. Global brand management

Although extant literature is replete with examples of 'global' brands (Jain, 1989), there is a dearth of prescriptive theory on "how brands become global" (Townsend et al., 2009, p. 540). Advocates of standardization suggest promoting the same brand image in all countries in which the company operates (Bennett & Blythe, 2002), while those who favor local adaptation suggest accommodating differences in marketing strategy and brand expression across markets (Van Gelder, 2003).

Several global brand management strategies have been proposed, but they tend to be limited to specific business contexts (Ger, 1999; Melewar & Walker, 2003). In a more generalizable sense, Van Gelder (2003) calls for brands to be 'harmonized' across markets to ascertain which aspects of the brand proposition should be the same *across* markets. These core aspects can then be standardized without upsetting (but rather, inspiring) local managers and/or consumers.

To determine the best to way to manage a brand globally, firms must understand the extent to which factors relating to the brand vary across national boundaries (Van Gelder, 2003). Moreover, managers should be aware that in some instances, a single brand cannot be imposed on all markets (Keegan & Green, 2005). To achieve a balance between standardization and local adaptation, Kapferer (2005) proposes seven globalization strategies, all based on the notion that the brand is a system consisting of concept, name, and products or services. These strategies range from the "fully strict global model gradually to the full local model" (Kapferer, 2005, p. 323). Thus, MNCs must also deduce what processes and strategies can be standardized and how best to manage decision making authority within their organizations in order to find the balance necessary to manage global brands.

### 2.3. Centralization and decentralization

Centralization determines the extent to which decisions are made at high levels of executive authority in an organization, while decentralization delegates decision making to lower levels of authority (Zannetos, 1965). The type of decision making method that will be used is usually determined at an organizational (Edwards, Ahmad, & Moss, 2002) or marketing level (Özsomer & Prussia, 2000). Edwards et al. (2002) further explore these decision making philosophies in terms of the level of autonomy an MNC gives to its subsidiaries. However, determining how much control an organization exerts over its subsidiaries is not easy (Harris, 1992). Indeed, most global organizations embrace both philosophies (Heiden, 2007). Success in global markets may therefore require MNCs to incorporate both centralization and decentralization in their structures to enable them to act quickly locally while leveraging global best practices (Wickman, 2008).

### 2.4. Dynamic capabilities

Dynamic capability theory may help explain the ways in which firms build and reconfigure their brand strategy and decision making structures in response to changing environments (Teece & Pisano, 1994). Dynamic capabilities are a learned pattern of collective activity and strategic routine through which organizations can generate and modify operating routines to achieve new resource configurations (Eisenhardt & Martin, 2000).

Brands can be instrumental in assisting firms to build, attain and enhance their competitive advantage (Abimbola, 2001), while top management can help develop and implement a firm's dynamic capabilities (Rindova & Kotha, 2001). Indeed, when top management develops and implements a branding strategy to reconfigure existing resources and capabilities in a turbulent environment, branding can be viewed as a dynamic capability. We conceptualized global brand management as the leveraging of knowledge-based intangible resources to facilitate learning, innovation, and knowledge transfer across global markets, and concluded that dynamic capability theory provides a suitable theoretical foundation for exploring and explaining the recent development and implementation of a new global brand management process at KC.

## 3. Research approach

### 3.1. Study context

KC is one of the world's leading manufacturers of health and hygiene products, with manufacturing facilities in 36 countries and products marketed in more than 150 countries. In addition to being a large MNC in terms of geographic scope, KC is ranked 126 on the Fortune 500 list (Fortune, 2010). Moreover, ACNielsen (2001) identified Huggies and Kleenex, two of KC's flagship brands, as billion dollar brands that 'could be considered truly global'.

KC originally established its business in silos that divided the world into discrete regions, creating powerful regional organizations by operating under a business model focused on reinvigorating its product range. Recently, however, KC adopted a global brand management strategy aimed at increasing inter-organizational alignment and standardization. KC therefore provides a unique example of how global brands are managed in an MNC that has recently shifted from decentralized, regional brand management strategies to a global brand management strategy. The case also provides a unique opportunity to explore how, as Özsomer and Prussia (2000) note, the strategic decision to enhance brand standardization influences the firm's organizational structure.

KC's new global brand management strategy was overseen by Chief Marketing Officer (CMO) Tony Palmer, a former managing director of Kellogg's United Kingdom business. Under Palmer's guidance, KC restructured its global marketing/branding process, a move aimed at changing KC into a '...legendary marketing company…delivering a unified brand and creating a Global Marketing Organization' (Kimberly-Clark, 2007). In essence, this extended case study examined the global brand management processes instituted by Palmer, processes intended to "… help us find new ways to deliver the promise of our brands through product and service innovations, help us discover new and surprising ways to better connect with consumers with relevant and meaningful messages, and help us maximise the return on our marketing investment" (Kimberly-Clark, 2007).

### 3.2. Research design

The study employed the extended case method (ECM) (Burawoy, 1998; Kates, 2006) to examine global brand management. Cayla and Eckhardt (2008) note that ECM is the preferred method for researching the types of global and cultural questions explored in this study because it "engages with the contexts in which the phenomena occur" (p. 218). Moreover, single case studies are considered more effective in providing theoretical insights than are multiple cases (Dyer & Wilkins, 1991). Thus, single case studies can be used to describe real-life contexts in which interventions have occurred and explore situations in which the intervention being evaluated has no clear outcomes (Yin, 1994).

### 3.3. Interview protocol and sample

A semi-structured interview approach was used (see Appendix 1). Interviews ranged in duration from 45 min to 75 min. Telephone interviews were used in phase one, followed by face-to-face interviews in phase two and a combination of telephone and face-to-face interviews in phase three. With the interviewee's permission, all of the interviews were recorded to facilitate coding and the interpretation of direct quotes, as well as to increase the accuracy of the findings (Eisenhardt, 1989). An interview protocol was developed (based on a review of the literature) and used in all interviews to facilitate consistency and analysis. Due to the semi-structured nature of the interviews, the research protocol acted as a mechanism for guiding conversation. Open-ended questions and probing techniques were used to facilitate dialogue and discussion; the interviews began with open-ended questions to encourage the interviewees to reveal their attitudes about the research topic without limiting their responses (Dick, 1990). In total, we interviewed fifteen respondents (see Table 1 for respondent profiles). Of these, nine had global roles and six had regional roles (although this dichotomy is not as clear-cut in practice). Of the regional respondents, one was from Asia, one from Australia, one from Europe, one from sub-Saharan Africa (with responsibility extending to the Middle East) and two from South America.

### 3.4. Data analysis

The first stage in ECM (Burawoy, 1998; Kates, 2006) involves the reduction of empirical data into a set of themed materials. The second stage involves explaining the studied phenomenon in the context of existing theory to better understand the larger context shaping the phenomenon.

We began by evaluating the interview transcripts and formal documents to determine the context for coding (Maxwell, 2005). Descriptive codes based on the literature review were created before the interview phase commenced. The goal of coding is to 'fracture' findings (Strauss, 1987) into categories that permit comparison and thereby facilitate the development of theoretical concepts. Once the interviews were completed, the descriptive codes were considered in terms of the data to explore emerging patterns within that data. The pattern codes permitted the themes identified by the descriptive codes to be elaborated further, enabling more thorough analysis. Initial codes were based on the research questions, which allowed the interview to be conducted analytically and ensured that the coding was linked to the conceptualization of the research.

To reduce researcher bias and enhance the reliability and validity of the study, researchers read the interview transcripts and formal documents several times, and a third, independent researcher double-checked them (Lincoln & Guba, 1985). In addition, multiple data sources (interview transcripts, secondary research and company documents) enabled triangulation of the data and helped mitigate the risk of systematic biases (Maxwell, 2005). Section 4 (Findings) includes the respondent's relevant interviews (which were quoted verbatim and interpreted) to further improve the study's validity (Eisenhardt, 1989).

## 4. Findings

### 4.1. Decision making autonomy

To understand the issues and obstacles facing KC over autonomy and control between global and regional teams, we explored the perceived roles of global and regional marketing team members. Interviewee 3 observed, "The U.S. business is very different from the state of play in India, Turkey or South Africa…[so] there's…a necessity for…local positioning, but within the umbrella of…some governance around what we want the…brand to stand for". KC's global strategies seek greater alignment of their brand offering, but interviewee 5 admits that "there's probably some standardized processes that our global and regional communicators use, but we're [still] trying to get more aligned and merged". However, any uniform strategy would, according to Interviewee 7, "…fall apart because [of] the consumer nuances, the language in which you speak about the product. The need states that can be satisfied by the same product can be a wide spectrum of needs". Since standardization can be perceived as an impediment to innovation and creativity (de Chernatony, Halliburton, & Bernath, 1995), KC's global brand management strategies attempt to reduce mandatory elements, thus allowing the regions to adopt and adapt within a prescribed framework.

Interviewee 4 explained, "…at the end of the day, every market has to do what's best for them. However, part of the reason why these jobs like mine exist [i.e., a global branding role] within this company is to provide…freedom within the framework. So we have to establish some frameworks 'because you don't want…your brands to mean different things in different places". The KC framework uses various processes and templates to determine what a brand stands for, and allows the markets to "adapt what's relevant for them" (Interviewee 4), thereby giving the regions "almost total autonomy" (Interviewee 3) and creating "powerful regional organization[s]" (Interviewee 10) that have the ability to "pick and choose" (Interviewee 2) the strategies most relevant to their market. This strategy aligns with Thrassou and Vrontis (2006) assertion that marketing strategies should be customized to suit the unique dimensions of each market. Although senior executives lead KC's global brands in roles created by the recent marketing/branding restructuring process, the findings suggest that, given the firm's organizational structure, the global marketing/branding team lacks the blanket ability to mandate strategies. "My role", Interviewee 4 clarified, "is to establish what the strategy is and then establish…how each market executes their strategy because every market is in a different place in terms of development of competitive set and so forth. So then we have an overarching strategy in terms of this is [what] we want…and what we want [the] brand to mean. These are our business objectives. These are the innovation platforms that we're going to work on, and then we translate that down into each market and how each market is going to execute that".

**Table 1**
Respondent characteristics.

| Interviewee | Position | Role | Region |
|---|---|---|---|
| *Phase 1* | | | |
| *Interviewee 1 | Regional Marketing Director | Category/region specific | Southeast Asia — regional |
| *Interviewee 2 | Senior Brand Manager | Brand/country specific | Southeast Asia — local |
| *Interviewee 3 | Global Brand Director | Brand specific | Global |
| *Interviewee 4 | Global Marketing Director | Category specific | Global |
| *Interviewee 5 | Global Communication Director | All categories and brands | Global |
| *Phase 2* | | | |
| Interviewee 6 | Global Digital Director | All categories and brands | Global |
| Interviewee 7 | Global Brand Director | Category specific | Global |
| Interviewee 8 | VP of Corporate Innovation | All categories and brands | Global |
| Interviewee 9 | Global Marketing Operations | All categories and brands | Global |
| Interviewee 10 | Chief Marketing Officer | All marketing functions | Global |
| *Phase 3* | | | |
| Interviewee 11 | VP Global Brands | All categories/brands | Global |
| Interviewee 12 | Regional Director | One major category | Regional (Europe) |
| *Interviewee 13 | Regional Marketing Leader | One major category | Andean region (Latin America) |
| *Interviewee 14 | Regional Marketing Leader | One major category | Andean region (Latin America) |
| *Interviewee 15 | Regional Marketing Leader | One major category | Regional (sub-Saharan Africa & Middle East |

*Telephone interview; otherwise face-to-face.

Overall, the interviewees agreed that the global roles focused on applying and transferring global best practices, even though they had no "line of authority over regions or countries" (Interviewee 3). This experience is consistent with Aaker and Joachimsthaler's (1999) findings that global brand managers and teams often have little authority to mandate the strategies they create. Indeed, Interviewee 3 observed that the global role seemed to be about "influence, suggestion, coercion…[and] negotiation". Interviewees implied that communicating the value of new strategies and persuading regions to "opt in" is the best way to overcome autonomy issues. To this effect, KC attempted to use brand planning processes and internal brand communication while "…build[ing] relationships and trust within those relationships and confidence in those relationships" (Interviewee 5). Notably, a "spirit of partnership" existed (Interviewee 7), although local resistance, fuelled by a fear of change, occasionally bubbled beneath the surface. Interviewee 1 explained that "there's that torment of, we want to be onboard and supportive, but we're also a bit frightened of changing a very successful formula, and don't want to be forced to do something that we don't think is as good as what we're doing now".

In an attempt to minimize the resistance that regions have towards change (Jain, 1989; O'Donnell & Jeong, 2000), KC nurtures a culture in which best practices can be freely shared without altering the power dynamics of the regional teams. This concept gained general acceptance as a fundamental aspect of the firm's global brand management. Although all interviewees commented on KC's commitment to "shar[ing] learnings across countries" (Interviewee 2) through ongoing dialogue, some noted that KC "had never been the best at sharing" (Interviewee 1). Thus, KC began changing its approach (notably by creating a global marketing/branding team), which had hitherto focused on "…local execution and some global sharing" (Interviewee 1). The new process collated insights and best practices using a bottom-up strategy in which each market was researched and "individual market insight[s] that [were] consistent across all the markets [were] laddered up to global insight[s]" (Interviewee 4). Interviewee 4 also noted that several common platforms were created from which best practices and insights could be shared. The first of these was the Global Marketing University, which was implemented in 2008. The university involved "…training of the countries on the same tools and template so [that they would] all be talking the same language" (Interviewee 1). In addition to the Global Marketing University, interviewees mentioned other meetings (most of which occurred at the regional level) that focused on sharing best practices, driving innovation, and evaluating marketing campaigns.

Interviewees also identified Internal SharePoint websites, such as the global marketing website, as key sources of best practices and other information. However, Interviewee 1 stated that while the lessons from the Global Marketing University were helpful, the university only occurred once a year, leaving the regional teams to implement changes with "no one to go to and no one to help [with] the actual doing". The interviewee (who had a senior regional marketing role) suggested that senior managers on the global team may need to stay longer and go into more detail or may need to provide "…someone that you can…go to afterwards" to allow for greater usability and adoption of information.

Overall, KC's decentralized structure did not appear to be problematic or to hinder its global brand management aspirations, despite opinions to the contrary (Levitt, 1983). Instead, global leaders viewed local adaptation (achieved through regional autonomy) as a competitive advantage. As Interviewee 3 explained, "Going up against our competition, we should put that into context as well because our major competitor globally is Proctor and Gamble…and they tend to operate their brand much more globally than we do…We feel like they lose some effectiveness by doing [so], so they're just not quite as nimble at a local level, and so I think that's…part of the reason that drives our competitive advantage…part of our competitive advantage that I would not like to see us lose, actually, which might be a little sacrilegious for a…global person to say." This sentiment is consistent with the argument that global players must find and maintain the right balance between local adaptation and global standardization (Vrontis, Thrassou, & Lamprianou, 2009).

### *4.2. Balancing global standardization with regional adaptation*

KC is attempting to "get as many synergies and efficiencies as [it] can without subjecting itself to a one-size-fits-[all] view of the world" (Interviewee 11). This method of change management aims to imbed the fundamentals of global branding in the regional teams, thereby increasing their adoption of best practices. Starting with its core brands, KC's global team completed segmentation studies on six key markets whose regional leaders volunteered for the process. This segmentation work "established global strategic targets, consumer targets, and target audiences, and illustrated key target segment characteristics in various geographic locations" (Interviewee 11). Thus, with a consensus process similar to the one already used inter-regionally, the global brand team "prioritized [consumer] needs" and created a global brand promise and associated architecture. With the same strategic plan in mind, regional leaders then adapted these promises and architectures to create a more regional focus based on local market opportunities. This process combined "bottom-up local market insights and requirements and ideas with…top-down strategic assessment of the brands' problems and opportunities" (Interviewee 12).

The introduction of a global team (the majority of whose members had had less than three years of tenure at KC, while the senior regional employees had spent decades in the organization) created "a lot of angst and friction and reaction[s] of fear" in the regions. In an organization with immense regional autonomy, a (perceived) shift to a more centralized structure generated internal resistance (Schultz & Hatch, 2006), particularly because the introduction of voluntary processes prompted the resignations of senior employees, or "legacy leaders", who "weren't aligned" with the new structure. This was, however, perceived to be more beneficial than "running in a fragmented approach or worse yet…having one of the regions or one of the clusters driving the others." Within KC, the issue did not appear to be based on autonomy or power. Instead, the challenge was how to increase regional alignment. Interviewee 9 stated, "Synchronization is a big challenge in a company that never had this before, where each of these regions is run like a franchise". The purpose of establishing global branding fundamentals was thus to "change people's perspectives" so that they became more brand driven and used the "right analytics before making decisions". Therefore, if data were used as a guide for regional decision making, the findings from global studies and the results from global best practices would be enough to increase strategy adoption. However, research budgets are limited, and the "sit on the side line and cherry pick" attitude remains prevalent, particularly in the countries that were not part of the global studies. A global mindset is required to overcome this attitude, a mindset that increases the degree to which people opt in and requires an exception to opt out. This is consistent with Heiden's (2007) argument that MNCs should empower subsidiaries by giving them greater autonomy while using centralized strategies to enhance consistency and corporate compliance. Thus, without any distinct plans to reduce the autonomy of the regions, KC is seeking greater alignment and adoption with "mechanisms to drive compliance", such as standard brand measures that allow for regional comparison and modifications to employee objectives and remuneration.

### 4.3. Building regional marketing capability

Interviewee 12 saw the underlying tenant of the current global brand strategy as being less about the standardization issue itself and more about building regional marketing capability and elevating the marketing function within the organization globally. In fact, Interviewee 12 commented that KC's CMO challenged and inspired regional marketers "to do great work". This view matches the practice of facilitative leadership, where managers promote critical thinking and act as mentors or coaches to improve employee capabilities (Simonin & Özsomer, 2009). According to Simonin and Özsomer (2009), however, facilitative leadership is typically insufficient in disseminating knowledge among subsidiaries. Nevertheless, other manifestations of a firm's commitment towards developing a knowledge-sharing culture, such as instituting formal mechanisms and processes for knowledge dissemination, *can* encourage knowledge transfer and sharing (Simonin & Özsomer, 2009). Consistent with this notion, Palmer introduced rigorous new marketing processes and disciplines (such as the aforementioned Global Marketing University and standardized brand metrics) and created a culture of sharing whereby regions submit their best work for peer review. If a regional office has a genuine need to deviate from global strategy and a genuine capability to execute great marketing, the Global Sector Leadership team will empower it to act more independently. Otherwise, the regional office will be strongly encouraged to share and borrow from global best practices. Interviewee 13 explained that this approach worked because the creation of a respectful relationship based on influence meant that all levels of the organization needed to pitch ideas, which resulted in the co-construction of global strategy and the avoidance of a rigid framework.

### 4.4. Summary

Our findings explicate how KC has implemented numerous changes to become a global marketing organization. According to Interviewee 10, KC's global brand management did not appear to be about control and influence: "…control in this environment, in this world, is completely overvalued. It is all about influence and inspiration and getting people to do it because they want to…You've got to inspire them and lead them to do it…" With this sentiment rooted in its management philosophy, KC is seeking to strike the right balance between "multiple market development and local inspiration" (Interviewee 8). Interviewee 15 added that, as in all matrix structures, regional marketing leaders must be good influencers. They do, after all, perform staff functions, not line functions. Finally, Van Gelder (2003) contends that firms should standardize global brands by inspiring, not upsetting, local managers, an argument reiterated by Palmer.

The success of KC's global brand management strategy depends on balancing consistency with regional decision making autonomy. It is, notes Interviewee 8, about "delivering new benefits…in multiple markets with similar positioning, similar communication, similar product formats" without losing its local footprint or global dominance. Interviewee 7 explained that balance can be achieved by "satisfying real, un-met consumer needs on a local level…Meeting those local-level needs and then aggregating them up and looking for commonalities that might then become a global mindset and a global platform". Such balance, Interviewee 7 believes, will occur through a non-systemic, evolutionary change, assisted by global brand teams that act as "great facilitators". The balancing point between global standardization and local adaptation is dynamic; organizations are "living organisms that transfer knowledge and grow in capability" (Interviewee 10), and organizations such as KC should be designed to meet changing consumer needs.

Is KC's new global brand strategy working? Preliminary evidence suggests that recent marketing strategy changes have indeed resulted in superior financial performance. For instance, after KC improved the dissemination of regional insights within the firm, its North American division adopted successful brand strategies from Israel and Australia, a move that increased United States market share in the associated product lines vis-à-vis KC's chief competitor, Proctor and Gamble (Neff, 2011). More generally, a recent independent financial analysis predicted that KC would experience sustained financial growth in the coming years, due in part to the improved sales growth of its brands (Levy, 2011). The early evidence confirms that recent changes in the firm's global brand management process have enhanced its performance.

## 5. Discussion

Our findings show that balancing standardization and global best practices with regional empowerment and capacity-building is paramount to KC's global brand management strategy. The key to understanding the KC experience lies in deconstructing this strategy. We mapped this process in Fig. 1 and drew on transformational leadership theory and dynamic capability theory to explain how and why KC's strategy works, thereby laying the foundation for a global brand management process theory to inspire future research and practice.

### 5.1. Theoretical implications

In reference to Fig. 1, the KC global brand realignment process began with the strategic review initiated by Tony Palmer when he was appointed CMO (with the obvious backing of a more "market-oriented"

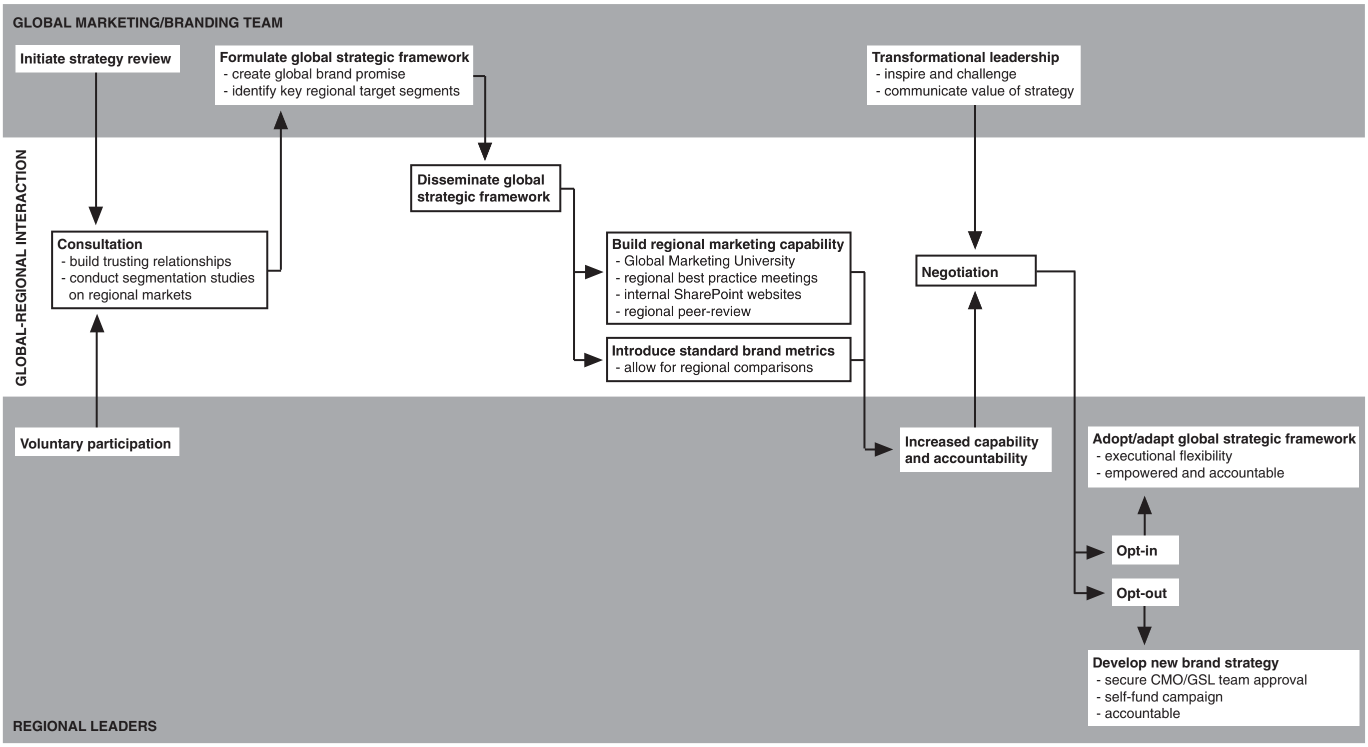


**Fig. 1.** A process model of Kimberly Clark's global brand development and regional implementation strategy.

board; see http://www.kimberly-clark.com/ourcompany/overview/leadership/board_of_directors.aspx). Palmer articulated a vision for a new type of global marketing organization, one which simultaneously leveraged the company's global scope and scale to provide centralized support and direction through well-crafted processes, while empowering and inspiring regional managers to "lift their respective games" and implement "only the best possible campaigns in their respective markets" (Interviewee 12). Strategic leadership theory suggests that buy-in from all levels of management is vital to innovation and sustained success. Indeed, Elenkov, Judge, and Wright (2005) emphasize the need for visionary leadership, inclusion, reward, and the intellectual stimulation of staff. In addition, Jansen, Vera, and Crossan (2009) demonstrate the impact of transformational leadership on innovation, which captures many of the facets of cooperation and coordination present in the KC case. In short, KC's head office consulted with regional leaders, established trusting relationships, and only then formulated (in conjunction with regional leaders) a global strategic framework.

Fig. 1 demonstrates that global–regional alignment and mutual commitment/trust converged to produce a collaborative, learning, and sharing culture that facilitated constructive dialogue and negotiation. Moreover, unlike most similar situations, the KC process deliberately avoided a major organizational restructuring (and all of the associated turmoil and loss of momentum). Interviewee 11 (a global executive based in Europe) noted that "…it's less about boxes and reporting lines. In truth, we didn't change much. It's more about better systems and processes. We're changing the nervous system and the social system, not the skeleton". Organizationally, the only real change was the establishment of the Global Sector Leadership (GSL) team, a high-level oversight committee that sits outside of the existing organizational structure. This team reports to the CMO and to two group presidents, ensuring that regional proposals are "on strategy". A region that wishes to pursue an initiative that is not on strategy would need to secure agreement from the CMO and the group presidents (but even then, the GSL team may not provide resourcing support), producing a form of accountable and qualified decentralization in the process.

The new KC strategy and processes were designed and implemented as part of an ongoing effort to extend its brand-building and marketing capabilities, accelerate growth and product innovation, and improve the effectiveness of their marketing resources (speed to market and success rates). This requires dynamic organizational and strategic routines through which firms can achieve new resource configurations as markets emerge and evolve (Eisenhardt & Martin, 2000). While one stream of literature posits that dynamic capabilities are directly associated with organizational performance, a second stream argues that dynamic capabilities are important to the development of *new* capabilities, which, in turn, improve organizational performance (Helfat & Peteraf, 2003; Zahra, Sapienza, & Davidsson, 2006). The KC experience exemplifies this second stream. Through global sharing and collaboration, KC is building local capabilities and empowering regional managers to execute the best possible marketing strategies. By becoming more agile (Chonko & Jones, 2005), innovative, and resourceful, KC should be able to operate more profitably in a rapidly changing and fragmenting global marketplace (Tsourveloudis & Valavanis, 2002). Agility, after all, means having the organizational support, resources, and intellectual capital necessary to deal with change (Chonko & Jones, 2005), which KC's new global brand strategy and processes aim to achieve.

### *5.2. Managerial implications*

On some levels, KC's global brand management is neither new nor revolutionary. For instance, in 2001, Unilever split responsibility for each of its brands between two groups: a brand development group, which had a global scope, and a brand-building group, which was charged with building the brand in the specific markets and major regions in which Unilever operated (Deighton, 2007). The difference between Unilever and KC is not in the strategic plans, but in the processes and implementation. To paraphrase Bertolt Brecht (*Mother Courage*), the finest plans are spoiled by the littleness of those that carry them out [regionally]; even [CMOs] cannot execute them all by themselves. Transformational leadership must achieve widespread buy-in *before* implementation can proceed and succeed. We saw this at KC. Other MNCs may be willing to restructure in an effort to produce immediate and measurable changes, but KC focused first on achieving buy-in, then on building local capacity through better marketing processes, and finally on empowering regions to grow. It should be noted, however, that many of KC's subsidiaries were late market entrants relative to KC's chief competitors, Unilever and Proctor & Gamble. Indeed, by virtue of their longstanding presence in numerous international markets, Unilever and Procter & Gamble have already experienced success (and mistakes) in their efforts to enhance global standardization and centralization.[1] The processes that KC implemented should therefore be viewed in the context of the firm's status as a latecomer to brand standardization.

### *5.3. Limitations and directions for future research*

This study examined the interplay between KC's regional offices and global headquarters. It devoted less attention to analyzing the role of the local subsidiaries in this relationship. The ways in which local subsidiaries respond to increased centralization and global standardization is therefore an important area for future research, as a breakdown in communication along the global–regional–local chain could mean that regional or global best practices are not adequately transferred to the local level.

By establishing the fundamentals of global brand management in all regional teams, KC has ensured that its branding teams are 'singing from that same songbook' or "singing the same thing" (various interviewees). However, balancing regional autonomy and standardization strategy is difficult. KC must determine how it can maintain consistent brand meaning while allowing a diverse customer base to adapt its brands to local customs.

## Acknowledgements

Our sincere thanks to the good people at Kimberly-Clark — from the C-suite, who gave us gracious permission to embark on this exciting project, to the executive assistants who booked interview appointments, hotels and taxis. And of course to the 15 respondents who gave up their valuable time to engage so frankly with us. We cannot name you, but you know who you are and we remain in your debt.

To three colleagues who provided peer feedback at different stages in the research/writing process: Felix Mavondo, James Sarros and Margaret J. Matanda; and to our research assistant, Joshua Newton — thank you.

Finally, to two insightful reviewers — who gave genuinely constructive suggestions to improve the manuscript; and to Aysegül Özsomer for excellent editorship, encouragement and guidance. Thank you.

## Appendix 1. Interview protocol

Grand tour Question 1: What is your understanding of the new global brand management approach that Tony Palmer and his team have implemented? What do you like/dislike about it and why?

Research Question 2: How, if at all, does Kimberly-Clark attempt to balance centralized coordination of marketing strategies with local implementation? Are marketing and branding strategies standardized (globally) or adapted (locally) to suit each market? If so, how? How well is this working?

Research Question 3: How much decision making authority/autonomy do local managers have? How do they feel about that?

Interviewer prompts (albeit seldom referred to)

- Briefly describe your current role at KC and any other previous roles at KC or elsewhere.
- What is your understanding of the term "global brand"?
- How are KC brands currently managed locally and globally?
- How does KC define global branding?
- How important is global branding to your SBU?
- What do you understand "global brand management" to mean?
- What is KC's global branding strategy, and how is it implemented?
- How are strategies communicated within KC?
- How are best practices communicated/shared within KC?
- Is consistency important in the KC global brand management processes?
- In your opinion, is the global branding strategy understood across the various regions?
- Is the global branding process consistent across different regions and different product categories?
- Is there a system that KC uses to evaluate the performance of the global brands and the global brand management process?
- What role do you (your team) play in the global brand management process?
- Who is responsible for developing global brand strategies? Who is responsible for implementing global brand strategies?
- What role do senior leaders play in the global brand management process?
- What role do local or country-specific managers play in the KC brand management process?
- To what extent are global brand strategies understood throughout the organization?
- What autonomy do local/regional marketing teams have over brand management strategies?
- How would you describe the global branding structure of KC? Of your SBU? Does this differ from the overall marketing structure?
- Who is involved in the development of brand strategies?
- Who is involved in the articulation and implementation of brand strategies?

Phase 3

Grand tour question: Have you been given some background on our study? Of the 10 people we have spoken to, only two have regional/local roles. We are therefore interested in getting more "non-global" (i.e., regional/local) insights. From your perspective, in your market(s), what do you like/dislike about the new global brand management strategy and why?

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[1] We thank Ayşegül Özsomer for this astute insight.

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