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Branding from emerging countries: how to compete internationally?

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Branding from emerging countries: how to compete internationally?

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Abstract

Purpose – This paper aims to clarify the challenge of emerging countries' firms regarding their brand policy. The purpose of the paper is to examine the branding options offered to emerging countries companies when expanding internationally.

Design/methodology/approach – After having clarified the two paradoxes faced by emerging countries' brands by way of synthesizing various works, the author formulates a model that provides a representation for the possible brand strategy choices of emerging country companies.

Findings – The authors formulate a framework with four brand management options which may be put into practice in emerging countries' companies and suggest 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.

Practical implications – 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 research provides support for a branding strategy embedded in the local emerging countries context and tally with research showing that more and more firms from emerging economies are using foreign image association strategies as important components of their branding and marketing strategies.

Originality/value – The proposal reinforces the contingency perspective of international marketing according to which brand policy may depend on company criteria, as well as foreign market specificities. The research confirms the competitive capacity of emerging countries' companies' brands, broadens the scope of international branding knowledge by shifting the focus to under-researched regions of the world.

Keywords Brand strategy, Marketing strategy, Emerging countries, Emerging countries' companies

Paper type Conceptual paper

Introduction

After they were successful as an outsourcing destination and a place for cheap manufacturing of commodities in the 1980s and the 1990s (Cayla and Arnould, 2008; Eckhardt, 2005; Guzmàn and Paswan, 2009), emerging countries realized that, in many industrial sectors such as consumer goods, luxury goods or electronics devices, the major profit area in the value chain was not coming just from the manufacturing location. Rather, it was being derived from final distribution or from conception and

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development which takes advantage of brand image to get out of the commoditization process. Therefore, a need for branding can now be observed in emerging countries to compete abroad with Western companies (De Chernatony *et al.*, 1995; Kapferer, 2005; Whitelock and Fastoso, 2007; Usunier, 2011). The new challenge for companies from emerging countries in international markets is to develop their own brands (Magnusson *et al.*, 2008) and to create a link with the consumer that is not just based on production costs. The aim is to define how to convince the overseas markets to directly buy their products within an international competitive environment that entails a higher level of competition of every nature (Samiee, 2011; Magnusson *et al.*, 2011). And yet, one difficult truth cannot be ignored: in the last publishing of Interbrand's (2013) Best Global Brands ranking, no brand from any emerging country was listed, and even a country such as China does not have one single globally recognized consumer brand to date.

Therefore, among the most relevant problems related to emerging countries' companies is the question of how to manage brands effectively (Sharma, 1999; Slater and Olson, 2001; Johnson and Selnes, 2004; Guo, 2013) so as to create higher added value when going international. Three key international marketing questions are connected to the issue of branding from emerging countries:

(1) the identification of the key factors to consider at the moment of developing or launching an emerging country company's brand on foreign markets;

(2) the impact of emerging countries' brands on the customers' perception and trust in the product portfolio; and

(3) which approach should be chosen between local or global rooting emphasis.

However, although an important body of research already exists in the academic field on international branding policies in and from developed countries (Urde, 1999; Kapferer, 2000; Strebinger, 2004; Wong and Merrilees, 2007; Yi-Min, 2010), specific research on the processes for developing and managing brands in and from emerging countries' companies has not grown at the same pace as the creation and expansion of these countries' economic importance (Whitelock and Fastoso, 2007; Chailan and Ille, 2011). Particularly, the branding options offered to emerging countries' companies have not been widely studied yet, although a better understanding of emerging countries' companies' policies and practices in regards to brand management can contribute to changing the focus of marketing to a superior, strategic decision-making level (Baldinger, 1990; Brown, 2005; Mattsson *et al.*, 2006; Varadarajan, 2010).

To fill the gap between the importance of the new brand role in emerging countries' companies' strategy and the small amount of research conducted about this role, this work examines branding options for emerging countries' companies developing businesses out of their home country, with a focus on two questions:

(1) How should their brand strategy be built to gain customers' trust, purchase preference and loyalty?

(2) Can localness be a source of competitive advantage for an emerging country company brand?

The article is divided into four sections. Section one analyzes the state of the situation relative to development and brand management in and from emerging countries. This analysis leads to a second section presenting the two major brand paradoxes that

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companies located in emerging countries must face. Section three describes a conceptual model encapsulating the key drivers for emerging countries' companies' brand policy which are to be considered when going international. The final section highlights implications of the proposed model and identifies perspectives and opportunities that came out of this research.

Conceptual background: brand management from emerging countries in the international context

The standardization vs adaptation debate has been a contentious issue for many years (Theodosiou and Katsikeas, 2001; Kustin, 2004; Hult, 2012). On the one hand, technical driving forces in the areas of transportation and communication and significant economies of scale justify standardization policies, whereas, on the other hand, critics of standardization have questioned the significance of these economies of scale and the cost-savings underlying this approach. The overall challenge facing companies, including those from emerging countries, is to decide which marketing-mix elements they should adapt in regards to their foreign markets' presence objectives (Gabrielsson *et al.*, 2012; Xie, 2012). Amongst these elements, brands play a primordial role, as brands can be viewed as both key value-creating resources and useful sources of sustained competitive advantage because of the fact that they are company-specific, protected by law and inimitable (Urde, 1999; Teece, 2000; Barney, 2001; Morgan *et al.*, 2012).

A key question concerning brand choice for businesses in emerging countries is that of the decision to transmit – or not – elements allowing for the country of origin to be identified. Several studies have revealed that consumers have stereotypes of countries, and these stereotypes affect the way they perceive the products originating from these countries (Tan and Farley, 1987; Peterson and Jolibert, 1995; Verlegh and Steenkamp, 1999). These country of origin images, together with factors such as brand and price, influence the way consumers evaluate products and their performance (Maheswaran, 1994; Hall, 1999; Gürhan-Canli and Maheswaran, 2000; Papadopoulos and Heslop, 2002; Papadopoulos, 2004). Recently, research has been investigating consumer perceptions through different competing geographic-based brand models because many brands have been associated with a country (Kavaratzis, 2005; Van Gelder, 2008), and the brand could be an indicator of the degree of the product's localization/globalization thus as such either adds or removes value for the customers (Theodosiou and Katsikeas, 2001). Research has consistently shown that this country-of-origin effect is particularly important for certain product categories because the use of country endorsement refocuses the brand on its historical *raison d'être* (Kapferer, 2000; Chailan, 2010), as it enhances the brand's roots, heritage and authenticity. However, this effect may lead to biased perceptions of foreign products (Johansson *et al.*, 1994), is context-dependent and may vary across situations (e.g. product types) and culture-specific factors (Gürhan-Canli and Maheswaran, 2000). Moreover, the same country can bring about positive associations (e.g. Russian caviar) or negative ones (e.g. Russian cars), depending on the product category considered. In the same vein, recent research on perceived brand non-localness or foreignness (Zhou *et al.*, 2010) refers to a consumer's perception that a brand is of foreign or non-local origin (Batra *et al.*, 2000) and is considered as an antecedent to the value of brand equity, which involves a set of associations with local or non-local product appeal (Pappu *et al.*, 2007; Zhou *et al.*, 2010).

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However, these scholarly debates historically lead to a very Western economies-centered tropism whose main question is how can emerging countries' companies execute the existing brand strategy model?

Facing the development of emerging economies, a reformulation of this debate therefore seems necessary for emerging countries' companies. Should they fit their brand practices into a classic perspective, or rather work for a new core paradigm, with practices specific to them and distinctive from their usual practices?

As mentioned by Hult (2012), "International competitiveness is a measure of an organization's advantage (or disadvantage) in marketing its products and/or services in global market" and the question of market-entry method (rather than the issue of market selection or market attractiveness) is therefore critical (Couturier and Sola, 2010). Localness-rooted drivers can be of very high importance when looking to build an emerging country's company's difference and designing global brand strategies based on differences may outweigh similarities. A central issue is thus that of how emerging countries' companies can achieve international competitiveness in a global marketplace that promotes similarities in brand management practices.

Emerging countries' brand paradoxes

The very nature of a brand is to provide an indication of the origin of the product which guarantees a certain standard of performance and leads to consumer confidence (Farquhar, 1989; Kapferer, 1991). But Western consumers often associate emerging countries brands with poor quality or disappointing products, or ones that do not comply with international expected standards (Zhou *et al.*, 2010). These negative associations (Aaker, 1992) toward emerging countries' brands create an absence of trust and/or low loyalty levels. Therefore, most consumers are not willing to pay as much for products from emerging markets (Magnusson *et al.*, 2008); thus, the situation of emerging countries' companies when going international is complex because they must confront numerous prejudices and preconceived notions (Russell and Russell, 2010), which weaken them in regards to what consumers expect as benefits from their products (Park *et al.*, 1986; Strebinger, 2004; Berthon *et al.*, 2009) and hence can represent a major obstacle to their success.

This situation is at the origin of a double paradox associated with emerging countries' brands. A paradox is a proposition which contains, or seems to contain, a contradiction of logic and, by extension, a situation in which two opposing aspects conflict.

The first emerging countries' brand paradox is that of trust vs risk; the second is that of localness vs globalness.

Both are presented in detail below.

Emerging countries' brands' trust vs risk paradox

The first paradox associated with brands from emerging countries is that of the intense contradiction between the trustworthiness that consumers come to expect from brands and the possible mistrust generated by an emerging country's brand. The transfer and application of trust (Bhattacharya *et al.*, 1998) to brands is well documented in academic research (Chatterjee and Chaudhuri, 2005; Rosenbloom and Haefner, 2009; Romaniuk *et al.*, 2012) and is associated with brand equity (Ambler, 1997), brand loyalty (Riezebos, 2003) or market share (Chatterjee and Chaudhuri, 2005). A brand transfers a benefit to

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the client based on the confidence relationship provided by the brand (Brucks, 1986; Riezebos, 2003). This relationship acts like a trust pact which helps to identify the source of the product or service, represents a performance standard for which it is purchased (Kapferer, 2000) and guarantees consistent quality regardless of the intermediary between the producer and the end consumer (Aaker, 1992; Baldinger, 1990; Keller, 2012). For this reason, a decrease in perceived risk is set forth as the consumer's first expectation of a brand (Roselius, 1971; Farquhar, 1989; Berthon *et al.*, 1999; Kapferer, 2005). The higher the perceived risk, the higher the need for the brand as a tool of reinsurance at the moment of purchasing – whether this risk be financial, physical, technological, psychological or social (Kapferer, 1991).

The trust vs risk paradox comes from the fact that – contrary to consumer expectations – an "emerging" origin or a brand that carries with it the notion of an emerging country can often be perceived as a risk amplifier instead of a risk reducer (Zhou *et al.*, 2010; Chailan and Ille, 2011). Numerous prejudices may be associated with a product's emerging-country origin and these prejudices have been reinforced by a considerable number of scandals linked to certain renowned brands such as Nike and child labor in Vietnam and Pakistan, Mattel toys made in China with lead paint or Procter & Gamble's Iams pet food brand market recall of its products because of dangerous contamination by raw materials coming from China. These, a priori, have been reinforced by local outrages such as contaminated milk from local Sanlu brand in China (Custance *et al.*, 2012), counterfeits (Hieke, 2010; Jiang and Cova, 2012) or poor service (Ahmed *et al.*, 2002). As a result, overall emerging countries' production could often be associated with a supplementary risk while the very *raison d'être* for a brand is to reduce consumer's risk perception. Every company from an emerging country must confront this trust vs risk paradox when it envisions determining its brand policy rationale.

Emerging countries' brands' local rooting vs globalness paradox

The local rooting vs globalness paradox refers to the grade of localness a company should emphasize when choosing its brand(s) name(s) and to what degree it should capitalize – or not – on the brand origins, especially as it develops abroad (Zhou *et al.*, 2010). This paradox is that of the opposition between the common perception that an emerging brand is, by nature, a local one versus the company's aspiration to go global. These brands are facing the "provenance problem" described by Deshpandé (2010), meaning that the brand or product origin does not help and puts creating strong brand associations from emerging countries at a disadvantage.

Emerging countries' companies are often associated with weak quality, misleading features, a disappointing product or one that does not comply with international standards (Guzmàn and Paswan, 2009; Usunier, 2011). Furthermore, emerging countries' brands have little name-recognition outside their own country (Rosenbloom and Haefner, 2009) and, as such, provide low brand equity both to customers and companies, while a branded product is commonly more valued by the consumer than a product without a brand name (Sappington and Wernerfelt, 1985; Farquhar, 1989; Keller, 1993; Baker and Cameron, 2008). Even more so, in certain product categories emerging countries' brands are still similar to me-too products without any real distinction, and the identification of origin effect (Riezebos, 2003) tends to be especially adverse against firms from emerging markets (Magnusson *et al.*, 2008).

A key consideration for emerging countries' brands is thus regarding how much localness should be emphasized vs how much globalness should be conveyed to the customers. Many consumers around the world have been exposed to a greater number of global goods and services than ever before, which leads to a new kind of consumer desiring to partake in the global consumer culture (Alden *et al.*, 1999) and perceiving global brands to have higher credibility and superior quality (Batra *et al.*, 2000; Steenkamp *et al.*, 2003; Holt *et al.*, 2004; Alden *et al.*, 2006; Özsomer and Altaras, 2008; Strizhakova *et al.*, 2008). However, conventional wisdom has recently been challenged on several fronts. Some findings have questioned the asserted dominance of global brands through the consumers' view (Johansson and Ronkainen, 2005) or the hypothesized positive relationship between brand globalness and behavioral intentions (Dimofte *et al.*, 2008), or trustworthiness (Schuiling and Kapferer, 2004; Rugman, 2005). Emerging countries' companies must thus confront this local rooting vs globalness paradox at the moment they consider expanding their business out of their home country.

Toward an interpretative model of possible brand strategies for emerging countries' companies

So as to create a response to emerging countries' two brand-specific paradoxes of trust vs risk and local rooting vs globalness, emerging countries' companies must thus establish appropriate brand strategies when addressing overseas markets. To clarify the brand options in light of the two aforementioned paradoxes, we have developed a theoretical framework which facilitates understanding the rationale behind each one of these options. The model is built around two axes that provide a graphic representation for the possible brand policy choices and present four brand management options which may be put into practice in emerging countries' companies. The model is based on two key dimensions of brand strategy, being, on one hand, consumer expectations and, on the other, the company's needs in terms of differentiation positioning.

The *horizontal axis* of the model represents the degree of localness or globalness that the company wants to spotlight in promoting its products. For businesses, international brand strategy is linked to factors such as capitalizing on an existing brand, the power for differentiation that a brand can offer and the necessity for positioning anchored in roots that are either local or more universal. The more the company wants to "minimize" its origins, the more it must strive to use brands that evoke globalness, as seen on the left-hand side of the axis. This increases the international or cosmopolitan environment meaning (Caldwell *et al.*, 2006; Riefler and Diamantopoulos, 2009), so that the production region will not be a factor taken into account by the consumer at the time of purchase. Nonetheless, the opposite approach may be desirable: the emphasis can be put on local rooting, as seen on the right-hand side of the axis. In this case, the place of origin is considered by the company as a pertinent criterion of differentiation highly appreciated by the consumer. As such, the company asserts its local origins or roots, for instance, by using a brand which it has developed over time in its local market.

The *vertical axis* represents how much risk reduction is required by the consumer at the time of purchase (Kapferer, 2000). A consumer may be more or less willing to take a risk, and the primary role of a brand is to reduce the risk taken when making a purchase. A consumer totally averse to taking a risk is very brand-sensitive (Laurent *et al.*, 1995; Brown *et al.*, 2011), and the "brand" variable will be overly influential in their purchase

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process. This type of consumer is not prepared to make a cognitive learning effort to try out a new brand. This cognitive effort corresponds to accepting a certain level of risk-taking associated with testing out unknown brands. The higher the customer's brand expectations and risk-reduction research, the lower his/her cognitive learning effort will be. This is the opposite of a less risk-averse consumer who is more likely to be prepared to make a cognitive effort to explore a new brand in a given product category in relation to his/her expected benefits (Strebinger, 2004). This category of consumer better accepts new(er) aspects or features of an unknown brand and less explicit brand information due to his/her higher cognitive effort.

The more the consumer is risk-averse – above the axis – the more he/she will be looking for known brands which will increase their trust and reduce the risk taken at the time of purchase. Conversely, the more a customer accepts assuming a certain level of risk at the time of purchase, the more he/she will be inclined to purchase unknown or new brands. Thus, this vertical axis highlights the propensity for the consumer to favor a brand as a means of reinsurance while evaluating the competitive environment at the time of purchase. A perceived elevated risk or likelihood toward risk avoidance equates to a strong inclination for known brands. On the contrary, a perceived risk which is low, or the tolerance of a certain level of risk at the time of purchase, equates to acceptance of unknown brands.

A typology can thus be established in regard to either local or global rooting focus and from the customer's degree of risk aversion. Figure 1 presents this typology.

International brand policy Option 1 – buying already existing well-known brands

In this option, emerging countries' companies' foreign development is based on the purchase of well-known existing brands. This strategy – upper-left-hand quadrant of the model – corresponds to an emphasis on globalness, with low cognitive effort requirements from the customer so as to almost completely eliminate the risks created by the double paradox of emerging countries' brands.

The company can counteract the negative effects of country-of-origin perceptions by acquiring familiar brand names from developed markets (Brouthers *et al.*, 2005) and, as such, gain access to already existing brands and brand associations (Keller, 1993; Riezebos, 2003). This opportunistic approach rapidly broadens the market presence of emerging countries' companies, deepens their marketing expertise and represents a time

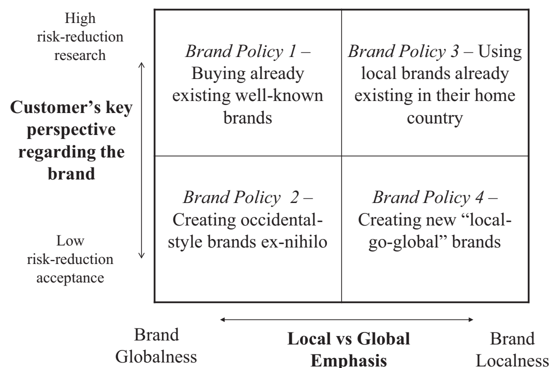

Figure 1.
International brand policy options for emerging countries' companies

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gain by bypassing the learning curve associated with path dependency (Kogut and Zander, 1992; Teece *et al.*, 1997) while limiting the risks of negative brand associations. The many roles that these global brand names play in consumer perceptions of brand value are found to materialize through multiple mechanisms such as perceived product quality, cultural capital or sense of belongingness to the global consumer segment (Steenkamp *et al.*, 2003; Özsomer and Altaras, 2008; Zhou *et al.*, 2010).

Buying already existing well-known brands has been implemented by automakers such as Shanghai Automotive Industry Corporation who bought Rover a few years ago, or in 2010, when the Chinese automobile manufacturer Zhejiang Geely Holding Group Co. Ltd completed the acquisition of Volvo Car Corporation, the iconic Swedish brand. In the same vein, in July 2013, Fosun of China launched a takeover bid on the French company Club Med, whose major asset is its brand, known worldwide.

This brand policy contains some weaknesses. The first disadvantage relates to the high cost of the process (Volvo cars was purchased for US$1.5 billion and Zhejiang Geely had to raise $1.2 billion more cash two years later) and legal difficulties encountered while closing the deals. The second weakness of the *buying-already-existing-well-known brands* policy comes from cultural barriers. A brand is intimately connected to a business' culture, and to the ensemble of the processes and competencies established over the course of time (Chailan, 2008). Yet, the purchase of even a known brand does not guarantee that this balance will be maintained. These cultural barriers probably contributed to TCL's failure in developing the French television giant brand Thomson which it bought out in 2004, but then had to file for bankruptcy two years later. In 2009, Shanghaï Automotive Industry Corporation faced the same situation with its South Korean brand Ssangyong, bought some years earlier. In addition, this extremely globalized brand policy has often been criticized for its homogenizing influence, displacing indigenous products or hurting local economies (Batra *et al.*, 2000; Czinkota and Samli, 2010). For instance, the Chinese company Haier had to withdraw its bid to purchase Maytag in the face of hostile American public opinion.

International brand policy Option 2 – creating occidental-style brands ex-nihilo

In the *creating occidental-style brands ex-nihilo* option – lower-left-hand quadrant – emphasis is also placed on globalness, but it is coupled with a higher cognitive effort by the customers, meaning they do not really know the brand itself, although it may resemble brands they are familiar with. Emerging countries' companies are developing their own occidental-style brands by adopting brand names that conjure up positive images for the customer (Magnusson *et al.*, 2008; Usunier, 2011). By embracing and implementing these tactics, the company can offset the risk associated with its home country's perceived image and make consumers perceive the product as being from a different country. This option allows the company to capitalize on its existing know-how in terms of production of products or services, without having to assimilate the procedures or technologies coming from elsewhere as is the case in Option 1, and for which the learning curve and skills transfer can be lengthy and a source of failure.

This policy was typified by Japanese companies in the early 1960s with brands such as Panasonic, Canon and Seiko. The choice here is not to export the domestic culture with the product (Schultz, 2008) but to reposition the company's product image when going international. This policy relies on a market-oriented approach greatly supported

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by significant investments in advertising to reassure consumers by avoiding transmitting negative prejudices associated with the real origins of the brand. This brand strategy has been recently implemented by the Chinese company Qingdao Refrigerator Factory when creating the German-consonance Haier brand with a motto “patently geared for global stardom” (Batey, 2002). This induced suggestion of technology competence and higher quality helped the company to become the world’s number one brand in 2010 in household appliances with a 5.1 per cent share of the world market. The same approach was chosen by the Mexican company Sociedad Cooperativa Trabajadores de Pascual when launching the Boing brand to enter the US fruit juices market. In the same vein, Geely, the leading independent Chinese carmaker, has changed the name of its vehicles which going forward will be known as Gleagle, Englon or Erngrand to make production more readily exportable.

The most significant disadvantage of this approach is the elevated cost associated with the substantial risk of building up from scratch a positioning which is capable of getting, and holding, the attention of foreign consumers. A less notable weakness could be linked to the proliferation of foreign-looking brands associated with lower than expected performance which may have attenuated consumers’ trust in foreign-looking brands (Zhou *et al.*, 2010).

International brand policy Option 3 – using local brands which already exist in their home country

This policy – upper-right-hand quadrant – makes use of already existing locally powerful brands. Emphasis is on localness, and the company’s purpose is to reduce customers’ perception of risk on the basis of its home-market success. The *using-local-brands-which-already–exist-in-their-home-country* policy nurtures a strong differentiation from competitors on foreign markets because the company chooses to export its domestic culture with its products (Rosenbloom and Haefner, 2009), which makes imitation difficult if not impossible. Schultz (2008) has described the model as a “develop products, brand and promote them, and – from a strong domestic base – export those brands” as one. Then the challenge is to convince other consumers to accept the product and the brand along with the culture that generated it.

Natura – a cosmetic brand from Brazil – has been using this policy to expand worldwide and, for instance, recently established its French subsidiary by emphasizing its huge brand success story in its home country. Along the same lines, the Armenian brandy brand Ararat is developing its international sales by capitalizing on its secular history and success in regions close to Armenia, where it is said that Noah planted the first vines after the biblical floods. This brand policy also corresponds to the one adopted some years ago by Corona beer brand from Mexico or Tsingtao beer brand from China when they began exporting to the USA and Europe. As the local leaders at home, both brands arrived at the conclusion that it was this #1 position in their own very demanding markets which could represent true added value for consumers in foreign countries. This policy carries with it the power of double-authenticity, as while the brand draws value from its local and national identity, it also gains strength from its success within its country of origin. The main stumbling block of this strategy is managing to reach a sufficient foreign target audience so that international expansion has durable economic direction. Moreover, this option requires finding consumers who

are sufficiently "culturally exogenous" to use a product which is not part of their usual benchmark.

International brand policy Option 4 – creating new local-go-global brands

This policy – lower-right-hand quadrant – highlights the positive components linked to the brand's local origin and it is considered that local rootedness adds value to the brand and, as such, may attract customers. The goal is to create new brands deeply rooted in their local environment so as to capitalize on that environment and strengthen the differences within the supply, while simultaneously being able to convince customers to take the risk and purchase an as yet not-well-known foreign brand. The *creating new local-go-global brands* policy corresponds to a desire for global presence by the company but requires a high cognitive effort from the consumer, i.e. placing a well-known international brand on the same level along with a brand aiming to become international and recognizable.

Li Ning sportswear brand is typical of this branding policy option. The brand was created from scratch in the 1980s by the former Chinese Olympic gymnast Li Ning. The brand's goal is to compete with the very well-known Western sportswear brands such as Nike, Reebok or Adidas. The value proposition associates a quality comparable to its major competitors with a story rooted in the local success story of Mr Li Ning, famous for winning six medals at the 1984 Summer Olympics. More than a "me-too" brand, Li Ning is very distinctive because the brand proudly draws on its local Chinese origins to immediately be positioned as a global brand in its reach and universal values. Shanghaï Tang, the luxury goods brand based in Hong Kong, is also a good example of a locally rooted brand, taking advantage of its local differentiation to expand abroad, in the USA, Middle East and, more recently, in Europe. The principle is similar to the previously mentioned approach in that Shanghaï Tang aims for a global market while emphasizing its local origins, as indicated by its name.

The risks of this fourth option are linked to a lack of a real international market for the product. Localness may or may not be a valuable asset when going international and some national or regional particularities may not correspond to the consumer expectations. A second key issue to this policy lies in the need for financial resources as a means for obtaining brand recognition and developing its notoriety. Investments may be considerable because the risk of a limited audience is more significant with this option, as consumers must have a dynamic relationship with a brand to make the jump, which, otherwise, might prevent them from trying out an unknown brand.

Table I presents some examples for each one of these four branding policies:

Brand policy 1 Buying already existing well-known brands	Brand policy 2 Creating occidental-style brands ex-nihilo	Brand policy 3 Using local brands already existing in their home country	Brand policy 4 Creating new "local-go-global" brands
Volvo	Haier	Tsingtao	Li Ning
Jaguar	Boing	Ararat	Shanghaï Tang
Think Pad	Englon	Natura	Zain
Cerruti	Qela	Kuna	Juan Valdez

Table I. Examples of emerging countries' companies' brands for each identified pattern

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Discussion

The model supports the suggestion that the two emerging countries' brands paradoxes – trust vs risk and local rooting vs globalness – are not a given. While some are looking for ways to neutralize the image of emerging countries which get transferred to their brands (Kustin, 2004; Guzmàn and Paswan, 2009), our analysis not only suggests that emergence is not a curse, but rather that it can help a company to build up a different identity by capitalizing on its localness.

First, the analysis suggests that it is possible to get around the *trust vs risk* emerging countries' brand paradox, as trust and guarantee can be provided to customers by emerging countries' brands, as well as by any others. Japanese companies between 1950 and 1980 have demonstrated that an initial negative country-of-origin effect can be changed, as has been the case for Toyota cars moving from the "junk status" to the panacea of quality in three decades. Emerging countries' companies may successfully adapt a branding strategy that consumers should connote with a positive country image to more easily create points-of-difference (Keller, 2012); confirming, as such, a growing body of literature which suggests that consumer response to globalization may be less dichotomous than previously assumed (Alden *et al.*, 2006). These businesses believe that foreign appeal brings about a higher quality perception for their brands and has a positive impact on brand beliefs and attitudes. This concurs with recent results on perceived brand localness (Zhou *et al.*, 2010), which can be used to foster the consumer's sense of confidence and trust toward the product. The model also tallies with research showing that more and more companies from emerging economies are using foreign image association strategies as important components of their branding and marketing strategies (Batra *et al.*, 2000; Zhou and Belk, 2004; Eckhardt, 2005).

Second, our proposal provides support for a branding strategy embedded in the local emerging countries' brand context and, as such, surpasses the *local rooting vs globalness* emerging countries' brand paradox. Locally rooted brands with a worldwide dimension are conceivable and emerging countries' companies may hybridize global and local cultural differences resulting in unique outcomes. Emerging countries' companies may successfully use existing local brands or adopt a local-go-global branding strategy that consumers should connote with a positive image, associations and benefits (Riezebos, 2003; Strebinger, 2004). The model opens new insights on "reverse globalization" which consists of exporting localness to the world in juxtaposition to the classic globalization approach (Turner, 2003; Boli and Eliott, 2008), consisting of maximum standardization to export worldness to local markets. The research suggests that in an era of global branding and sourcing, emerging countries' companies may try to emphasize the brand's local origin, and that it is meaningful to create associations with the "emerging" dimension from where the brand is originally from.

The assertion of uniqueness through authenticity (Ger, 1999; Steenkamp *et al.*, 2003; Eckhardt, 2005) might thus become an institutionalized global practice for emerging countries' brands, celebrating brand identity and playing a major role in having their products accepted in different world markets.

Managers should carefully avoid automatically following a global-only-oriented trend, and ought to perform an in-depth assessment of the values linked to their brand localness as a way to enhance major differentiating points from more conventional international competitors. Factors such as cost and the time allotted for setup should also be particularly well evaluated because establishing a brand – and even more so

creating a brand – is not a short-term project. Each one of the four possible brand strategy models has intrinsic strengths and weaknesses which must be evaluated as such. In terms of cost, purchasing an existing brand or creating a Western-style one ex-nihilo are the most expensive options while from the point of view of time investment, development from a local base is the most time-consuming, whether using a local brand or creating a local-go-global brand.

Conclusion

The contribution of this paper is to offer 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. Emerging countries' companies may purchase existing, well-known brands; create occidental-style brands; create local-go-global brands; or develop an already existing successful local brand. Emerging countries' businesses are trying to improve their competitiveness by implementing innovative branding strategies. Some of them are buying existing Western brands to benefit from a long-term image; some developing their own brands, either by using some Western approach or by capitalizing on their own local idiosyncrasies. Our analysis feeds the standardization vs adaptation debate by reinforcing the contingency perspective of international marketing (Cavusgil *et al.*, 1993; Theodosiou and Katsikeas, 2001), according to which the difference between standardization and adaptation is in degree, rather than in kind. The analysis shows that the brand policy options inspired by the predominant Western model are, by their nature, no longer the only relevant ones.

The model suggests 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 question "is it necessary to emphasize the *origin* dimension of the brand by declaring it or not?" can be answered by noting that using country endorsement in a way refocuses the brand on its authentic meaning and mission because branding was historically aimed at identifying a product's manufacturer with its name and location (Kapferer, 2000; Chailan, 2008). This option is of high interest, as it features originality and differentiation because the companies who apply this approach "declare" their local rootedness and, at the same time, present themselves as global. This kind of policy is in line with glocalization, capitalizing on the specificity of strong local and differentiating savoir-faire, while simultaneously trying to attract new consumers outside the confines of the country of origin.

The research confirms the competitive potential of emerging countries' companies' brands and broadens the scope of international branding knowledge by shifting the focus to under-researched regions of the world as suggested by Whitelock and Fastoso (2007). As such, this offers useful insights for emerging countries' branding policies research in line with some recent calls for a better understanding of how to improve brand leveraging liability (Keller and Lehmann, 2006). A contribution of this paper is to argue in favor of future research that is oriented more toward emerging countries than currently is typical.

It is hoped that this article would encourage researchers in the field to further test the potential generalizability (Hillebrand *et al.*, 2001) of the model, for instance, through large-scale surveys on emerging countries' companies. Other approaches could develop a more general framework on the advantages and consequences of the emerging

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countries' companies' branding options by examining the role of culture, structure, geographic origins or company size as catalysts or impediments for brands development and brand policy implementation.

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