

## **THE INVESTIGATION OF THE ROLE OF BRAND EQUITY IN INTERNATIONAL AND GLOBAL MARKETING**

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### **ABSTRACT**

Globalization is a widespread phenomenon that makes familiar companies and Global Brands with new opportunities. Today's organizations pass revolutionary changes from the industrial age to the information age and organizational success is dependent on their plans and strategies which how they can achieve benefits from expanded markets. Today world is the era of trade and commerce. Economy is global, and technology is advancing rapidly. Addressing marketing and having marketing strategy, it is required. In world marketing, must consider main environmental factors which constantly are changing and interact with each other, such as: economics, technology, politics, law, culture and marketing strategy for each country can be designed according to these factors, and especially, environment cultural values must be considered to increase sale. Variety of different products has led clients are faced with many choices. On the other hand, companies have found that the cost of attracting new customers is five times the cost of retaining current customers. Brand is one of the factors that in maintaining current customers has a significant impact on the process of purchasing by customers. Hence, a strong brand makes confidence and reduces the risk of the customer. Also, marketers can by attracting customers creates right image of brand in the minds of the customers, and increases their sales. This paper by description of the brand and brand equity, and issues related to global and international marketing, investigates the role of brand equity on international and global marketing. Researcher method is reviewing method and data collection is done by a library method.

**Keywords:** *Brand, Brand Equity, Globalization, International Marketing, International Marketing*

### **INTRODUCTION**

Along with globalization in all dimensions, marketing as international and global was introduced. International marketing is related to meet the needs of customers in several countries, and global marketing is focused on the needs of the world. The ultimate goal of dynamic companies is presence in the international and global competitive arena. To achieve this goal, we need global marketing. This type of marketing without a strong and effective brand which has dimensions of brand equity is not possible. Brand equity in the customer's mind creates an advantage than competitors and will be associated with more sales and more profits, and ultimately firms dynamics. One of the most valuable assets of any company is brand of that company. Whatever the value of the brand in the minds of consumers is more the company can achieve higher profits from consumers. To participate a company in the international and globalization competition, the need for a strong brand that evokes in the mind of the customer to be felt. Globalization of markets has been one of the most discussed issues among academic researchers and business professionals in the last two decades. Government's efforts to increase its share in international trade, makes this argument much more important. Very impressive growth of China's trade share in recent years is a good example of this claim. The role of international marketing and non-oil export in increasing countries share in international trade as an important tool for economic development is undeniable. The presence of the top brands in this business will provide international marketing development. For various reasons, the brands of one country are available to consumers in other countries. In such cases, international marketers must have a good understanding of the sources of brand equity of products. Dansen considers trading equity (between supplier and end user consumption) as part of market value which is result of value of distribution channel (in terms of supplier and intermediary) and

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intermediate value (in terms of producer and consumer) (Amini et al., 2011,113) .Some researchers with understanding the importance of the above mentioned brand equity want to inclusion brand equity in research studies in the field of international customers. For example, if brand equity managers want to manage and control effectiveness of brand equity, brand equity measurement for all international borders is necessary. Nowadays, many organizations have come to believe that one of their most valuable assets is the brand of their products and services. A powerful brand, both for the customer and for the organization creates value. On the one hand, a brand provides concise tool to simplify the process of choosing and buying the product or service for client, and makes much faster and easier process data and information for them. On the other hand, production and product design processes can easily be copied, but true picture which is made in the minds of individuals and organizations based on many years experience of marketing activity and brand can't be replaced simply and be copied (Keller, 2005).

### **BRAND**

As defined by the American Marketing Association, brand is a name, term, sign, symbol, design or a combination of all these elements which in order to identify the goods or services of one seller (or a group of sellers) with the aim of creating competitive differentiation, is used. Nowadays, many organizations have come to believe that one of their most valuable assets is the brand of their products and services. A powerful brand, both for the customer and for the organization creates value. On the one hand, a brand provides concise tool to simplify the process of choosing and buying the product or service for client, and makes much faster and easier process data and information for them. On the one hand, a brand provides concise tool to simplify the process of choosing and buying the product or service for client, and makes much faster and easier process data and information for them. On the other hand, production and product design processes can easily be copied, but true picture which is made in the minds of individuals and organizations based on many years experience of marketing activity and brand can't be replaced simply and be copied (Keller, 2005).

The concept of brand equity, which is the most important marketing concepts today, was formed for the first times in the 1980s.

Brand is a name, term, design, symbol or any another features that is used to identify and distinguish one vendor from another vendors. Simply definition of the brand (identity or image), is responding to the needs and demands defined using marketing (product, price, place, promotion) in the consumer marketing, brands often provide the primary points of differentiation between competitors, for this reason, they are so vital to the success of the company. It is not surprising that definition of the brand and brand power is an issue in the field of marketing and brand, and mostly is considered an accounting issue (Wood, 2000, 662). Brand is psychological dependences set done by customer, in addition to the perceived value of product or service. This dependency must be unique, exclusive, featured and desired. Actually, brand is always a competitive advantage for firms which are looking to develop goal market and achieve a series of features to meet the requirements (Hamann, 2007,98). Brands are some of the information, concepts, experiences, feelings, images, and so on and have relationship closely with different interdependent lines of authority (H. Walvis, 2008, 180). Different ways in defining the brand is derived from the difference visions. For example, a brand may be defined from consumer or the brand owner's perspective (Wood, 2000, 664). Brand is one of the most important communication tools is a suite of customer relationship management, and is valuable for customers because of two reasons, First, it reduces the risk of the consumer, and second it saves decisions-making costs. (Dehdashti SH et al, 2010,71).

### **LITERATURE REVIEW**

Kumar (2013), in his study entitled "Evaluation of the nature and history of the brand and its brand equity " reviewed the role of records and past the hospital on brand equity and its dimensions and concluded that previous experience of brand is an important factor affecting the hospital brand. This study provides evidence that the dimensions of previous experience of brand (sensory, affective, behavioral and

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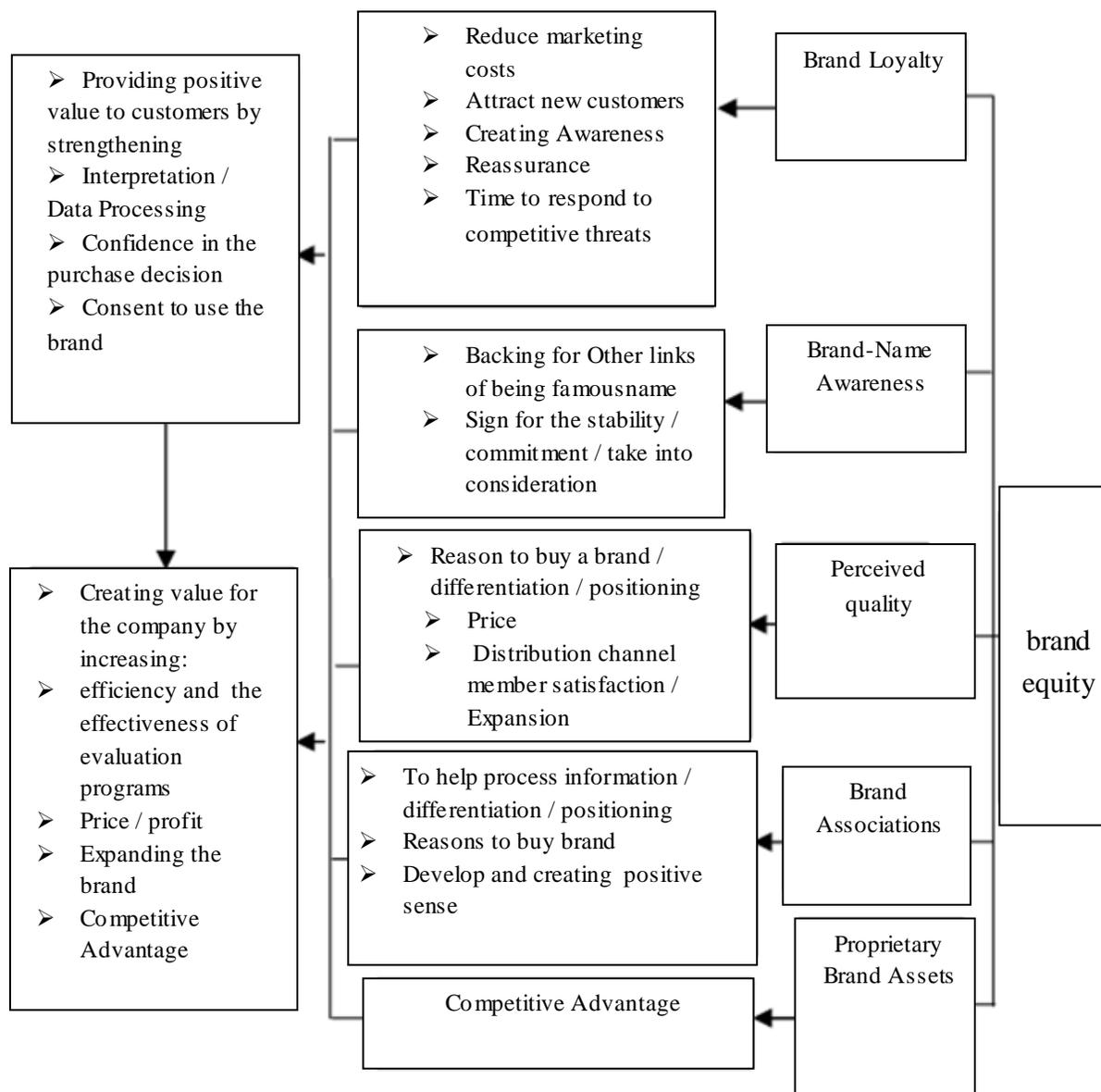
intellectual) have positive impact on the five dimensions of brand equity (brand awareness, brand association, perceived quality, brand trust and loyalty to brand). In this study, the effect of brand equity (brand awareness, brand association, perceived quality, brand trust and loyalty to brand) in a hospital in brand equity based on customer is confirmed. Isberg, Pitta (2013), in a study entitled "Evaluation of brand equity using financial analysis" noted that the measurement of brand equity is an unattainable goal for product managers. While qualitative studies are in hand, to quantify the value of a product or brand equity, few studies are needed. Using the techniques of financial analysis, focusing on return on equity and return on assets, the results were analyzed and in separate strategies about brand equity, these results were obtained: First, growth by profit growth, and second, the development brand. Using historical financial information for Safeway Inc., to calculate the brand equity, two distinct marketing strategies were used. For example, the basic development of brand than brand traditional management has higher brand equity. BuilandMartinez(2013) examined "the effect of brand equity on customer response" and concluded these results: The results show that the dimensions of brand equity, brand awareness, perceived effects, quality and brand links has relationship with each other. Loyalty to the brand mainly is influenced by the brand links. Finally, perceived quality, brand links and loyalty to the brand are the basic principles. Findings also proved positively impact brand equity on customer response. Paul Andrew and Salter (2013), in study of "Exploring the view of qualitative research in international marketing " concluded that the interview is the most popular way together information, while another methods also are expanding. There is trend of increasing transparency and their collection and analysis, but there is need to more extent. As well as the findings show, there are several areas that can help researchers to identify qualitative gaps in international marketing studies. Global coverage requires more development and increasing in comparative studies should be done. Thinking of qualitative studying of international marketing, but in three or more countries, is rare. Veronis et al (2009), in a study entitled "International marketing adaptation versus standardization of multinational corporations" showed: This article asserts that, previous researches of multinational companies in a linear chain shows that the general attitude towards compliance and standard describes the relationship between baseline variables and the other variables. Moreover, the reasons leading to consistency and standardization is the importance and environment, and insight into the practical application, will be more valuable.

### **BRAND EQUITY**

Marketing Association (1989) defines brand equity as: the value added that is created by name in the market through better profit margin and market share for the product. The value added by customers and other channel members as financial assets and a set of desirable behaviors and relationships is considered. Also, the power of a brand in learned issues, emotions, seen and heard by consumers through experience the brand over time is achieved. Keller (2003) defined brand equity from the customer's perspective as: Different effect that brand awareness has on customer response of that brand, is produced. Mr Aaker, brand equity as assets or liabilities defined that they are attached to it and cause value creation for it or loss it (Aaker, 1991).

Multiple viewpoints related to brand equity are presented, which can be considered customer-based brand equity and brand equity based on financial value as the most famous of them. Fans of brand equity based on financial value, extracted equity from other assets of company. Based on this approach, brand equity is increased cash flow that is achieved from products named, in addition to the cash flows that from sales of anonymous products is derived (Cutler, 2008). In contrast, researchers defined customer-based brand equity as different impacts which brand knowledge has on customer responses to marketing activities on brand (ZIAEI fleece Shahbandarzadeh and ZiaeiBideh, 2012). Keller (1998) states that: brand equity is the different effect which brand recognition has on consumer response to the marketing of that brand. He believes that when brand has positive brand equity from the perspective of the customer which consumers ideally react to a known brand. Also, when customers react to marketing activities associated with a brand adversely, brand equity from customer perspective has a negative value (Hosseini and Ahmadi Nejad,

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**Figure 1 - Model of Acker Brand Equity**

2008, 43). Brand equity means: The full value of a brand as a separate asset when it is sold, or a scale for measuring the degree of dependence customers to a brand, or description of the relationship and ideas which customers have about brand, often, the first definition as brand equity, the first definition as the attraction of the brand (synonymous with loyalty to a brand), and third definition are expressed as brand image, Wood (2000) represents equity brand is associated with additional value, in other words, brand equity, including value that through customer relationships and perceptions of a brand has added to product. In general, a set of relationships and behavior of customers, members, distribution channels, and brand of the company, which allows no-name products, more profit is achieved, it can be particularly valuable brand defined business) Greenwood, 2000, 665).

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In general, a set of relationships and behaviors related to customers, distribution channels members and specific company allowing the brand achieve, more profit than no-name products, it can be defined as value equity (Wood, 2000, 665). Dansn, considers brand equity (between supplier and end user) as part of market value which is result of distribution channel value (in terms of Suppliers and intermediaries) and intermediate value (in terms of Producer and consumer) (Amin et al, 2011,113). Brand value can be discussed as the degree of loyalty to brand, and this means a guarantee of future cash flows. This concept from the perspective of the manufacturer, the retailer or costumer is discussed and examined. While, manufacturers, wholesalers are interested in brand equity strategic functions, investors are more interested in financial concept (Wood, 2000,662). In the customer-oriented dimension, Acker model, 1991, as one of the best theories presented have been accepted. He, in 1991, stated that brand equity consists of Brand-Name Awareness, perceived quality, Brand Associations, Brand Loyalty and Proprietary Brand Assets (such as intellectual rights and distribution channels, etc.). This model has been accepted by most researchers (Shah-Hosseini et al, 2012, 65). The intrinsic value of a brand has different dimensions such as awareness, loyalty, perceived quality, Association and differentiation. In other words, the value which consumers give a brand that that brand is reflected in brand dimensions (Papua et al, 2000).

### **BRAND EQUITY APPROACHES**

#### **- Brand equity financing approach**

Methods based on financial value, extracted brand equity from the other assets of the company. Based on this approach, brand equity of cash flow is increasing, which is achieved from products named addition to (brand) on cash flows which is derived from the sale of no-name products.

#### **- Approach of customer (valuation models of oriented behavior or psychological)**

Since financial models focused on quantities such the value of stock market, the value of potential income, revenue derived from license, acquisition costs (education) and only prices and more profit margins, customer focus, marketing theorists about the financial models have had Criticisms. These criticisms led to presentation of new concepts including brand as an element based on demand (Hosseini et al, 2009,11).

### **GLOBALIZATION**

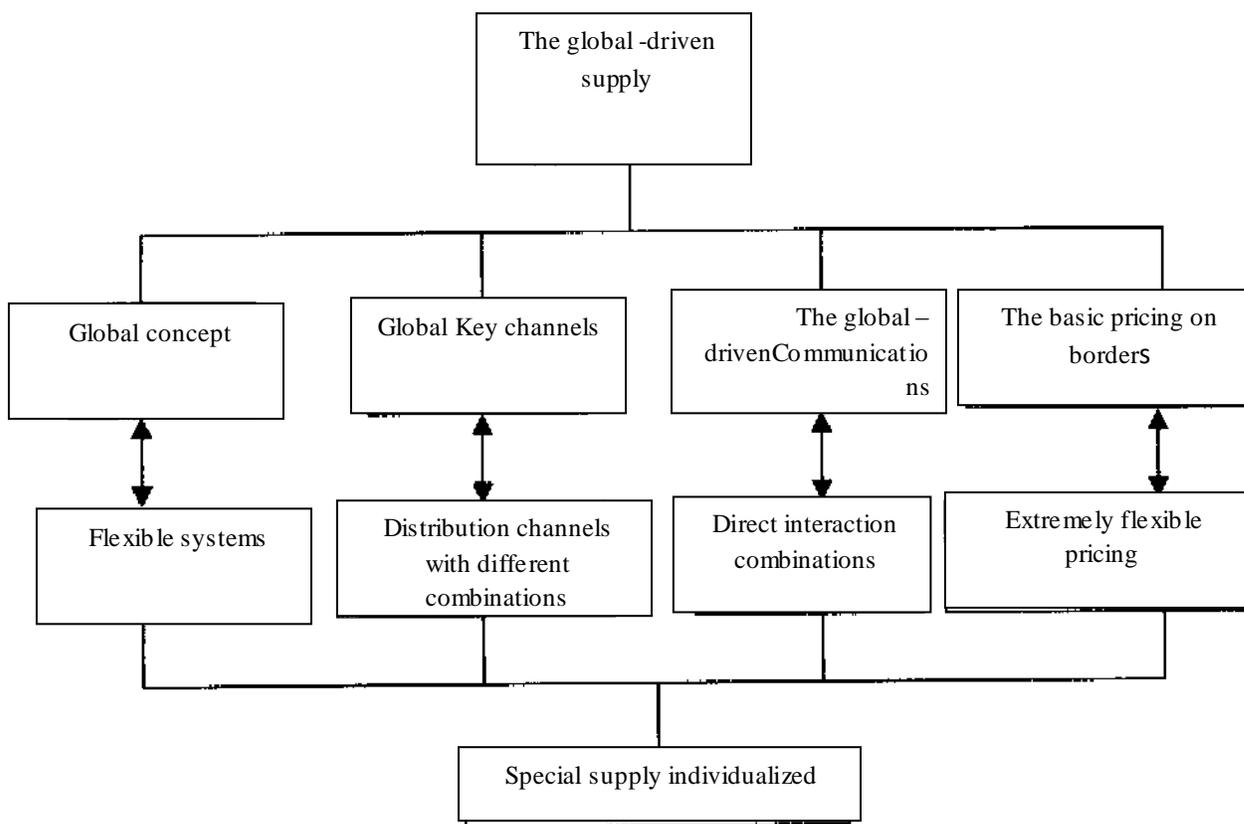
Globalization has various meanings, there is not any consensus for a single definition of phenomena, because, this phenomenon is not yet reached to final evolution border and has changed over time, over time, new dimensions are appeared. Due to technological great communication events and entry of new players into international arena, the role of Nation – state has no required shine. So, in new globalism, governments are not the main decision makers. Without border markets are arises when four main streams (products, people, money and information) by market activities and without government intervention are lead. In this Market without Border, marketing activities related to procurement, marketing mix and customer understanding, is changing (Nasimi, 2006, 33). Focus, and expansion and Internationalization manufacturing industries of consumer goods, expanding affluent class of consumers in all countries, the spread of democracy, Class boundaries, Accelerating the flow of information through the business media, all have contributed to the development of the global market (Artold,, 2006,39). Companies to obtain growing opportunities for future, must seek foreign markets. Global brands such as Coke, Lake and Pepsi, Levi's because of their ads have been largely successful; these companies have a strong emphasis on being an American. However, global brands will be faced with many conflicts. This struggle for companies that want to build a unique image of a brand in the global market will be more critical. American brands are known across the world, and have a long-term validity, and have high quality and prestige. Because of this positive property, U.S. brands in global markets have different powers. For this reason, consumers for raising their self-esteem and Merit are seeking to acquire global reputation in addition to being modern. However, this phenomenon can be dependent on the product of the target market. Therefore, brand owners need to realize that, consumers in different countries, how they evaluate

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brand, how to select and how to distinguish between them, and what actions show against various brands (Doaei Hassan Zadeh, 2010, 26). Global brands, are increasingly used by companies around the world., In fact, a large number of global brands have reputation, and are influenced by the international media, including the Internet, television channels, films and as well as dynamic consumers (such as labor flexibility and without boundary Tourists) and expand their influence. This influence has effect of cloning and improving for a global consumer culture, which makes consumers are driven toward global brands. Consumer while exchanging comments about the company, in images made by companies, through the use of global brands, are involved globally (Batra and Alden, 1999).

**MARKETING OPERATIONS**

Marketing operations for implementing new practices are adapted. In this case, a global central supply is provided that across the global market is recognized. Then, under the umbrella of a big brand with critical changes in performance, it can provide several supplying to different groups. Lore perspective provides an example so that crushing the big brands sub-tributaries rather than weaken them, to give them strength. Global central supply strategy supports create and develop opportunities to provide special supply to each of customers using a combination of marketing practices. These operations are explained in the following model.



**Figure 2 - Global Marketing Operations**

**INTERNATIONAL AND GLOBAL MARKETING**

Global Marketing is the evolution limit of International Marketing, in this kind of marketing, an organization is responsible for coordination, integration and control of a series of marketing activities as a global effort. In other words, rather than a strategy is for a particular foreign country, organization creates

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an overall strategy, which is able to operate in a global market (NourSina, 2005, 139). In Literature, International and Global Marketing are used for two concepts. The first aspect of this perspective is the concentration of companies and their involvement in foreign operations. In the second concept, Global Marketing decrees state that the company ignore the differences between nations, do its marketing strategies around the world as a standard, centralized. In this case, the products, trademarks or advertising practices and other activities, as coordinated are done. Companies such as Coca-Cola, has pursued this strategy, and its products worldwide offer as standard (BahrainiZadeh, 2007). Pepsi-Cola is trying to provide a face which for the world has charisma and charm. Stores of fast food, especially McDonald's, make it possible for all consumers around the world that shows same value and consumer preference. Goods known as Nivea, Coca cola, with almost no change, come in all global markets, and have a lot of buyers (Artold, 2006,39). In global marketing, main environmental factors that are constantly changing and interacting with each other together, such as: economics, technology, law and politics, and culture must be considered and marketing strategy for each country according to these factors must be designed, and in particular environment cultural values to increase sales must be considered. Each product however is produced with high, As long as the product does not sell, and does not cover the costs of production and investment, and is not economically valuable. For sale, whether internal or external, we need marketing. Globalization of the economy, its markets move towards evolution and integration, and on the other, move toward to be more competitive. In these distributive and competitive markets, with no plan and practical and scientific applications, marketing can't be developed and achieved good share, and maintain it (BahreinZadeh, 2007, 378).

Relatively simple laws to import coupled with increasing purchasing power, has increased the demand for foreign products in Iran. Additionally, more than 60% of the population 75 million people are under thirty years old, which makes Iran an attractive market for Western apparel brands (FakharManesh and mianDehi, 2012, 146). It is hoped that with the cooperation and collaboration of businessmen and all practitioners, not just across this market, but also worldwide the world is full of Iranian brands that has crested equity in customers mind.

### **BRAND IN IRAN**

Unfortunately, it must be acknowledged that, little studies have been done about brand, its importance and dimensions. It appears that, this aspect of the marketing has been ignored by writers and directors. Marketing managers in our country must note that, as much as the quality of services is critical, given the brand is critical, considering brand is so important and in creating competitive advantage and loyalty clients is essential. (SeyyedJavadinand Shams, 2007).

### **DISCUSSION AND CONCLUSIONS**

Along with globalization in all aspects, marketing was introduced as international and global. International marketing is related to meet the needs of customers in several countries, and global marketing, is focused on the needs of the world. The ultimate goal of many dynamic companies is to participate in international and global competitive scene. To achieve this goal, we need global marketing. This type of marketing without a strong and effective brand that has dimensions of brand equity is not possible. Brand equity in a customer's mind will create an advantage over competitors, and more sales, will create more profits and finally, dynamic companies. In this article, we tried to briefly address this issue and mention successful companies in this context. So, we can create many Iranians international and global brands by imitating these companies.

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