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BRAND MANAGEMENT INTERNATIONALIZATION: CASE STUDY OF NIKE

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Abstract:

Global branding relies on brand management internationalization, which is critical to building and managing brands beyond national boundaries. This requires developing brand strategies that address the specific needs and preferences of international markets while maintaining the brand's essential values and character. Various theories and models have been proposed to guide brand management internationalization, including the standardization-adaptation debate, the cultural dimensions theory, the brand identity model, etc. As a case study, Nike is a well-known global brand that has managed its international brand image through effective brand management strategies. Nike's success in international markets is due to its ability to balance standardization and adaptation in its brand management approach. Nike has also successfully leveraged cultural differences across international markets to create emotional connections with consumers. The use of technology and digital platforms has also played a significant role in Nike's brand management and internationalization efforts. Overall, brand management internationalization is a critical aspect of global marketing that requires a deep understanding of international markets, cultural differences, and consumer behavior. By leveraging the appropriate theories and models, companies like Nike can successfully navigate the challenges of international brand management and create strong global brands that resonate with consumers across different geographies.

Keywords:

Brand management internationalization, standardization- adaptation theory, cultural dimension theory, brand identity model

1. Introduction

Internationalization is a comprehensive and complex concept with political, financial, and cultural elements. It generated great controversy, with debates focusing on its origins, prominent participants, and societal consequences. To enhance a brand's power and recognition in its operating markets across the world, its management must address the challenges posed by internationalization. In this regard, brand managers should remain mindful of trends related to internationalization. Scholars have argued that the process of internationalization is a consequence of fundamental and technological change rather than a deliberate strategy by corporate and political elites to increase profits and compete more effectively on a worldwide basis. Some researchers have identified a link between components of internationalization, resource battles, racial-based disputes, and developing societies that embrace capitalist consumerism. Inequality in income and wealth has grown as a result of economic internationalization. Essentially, internationalization is the expansion and intensification of social contacts and awareness throughout the world. Global inequality hinders this process, resulting in different levels of awareness and opposing ideologies. Among other things, it includes notions, views, and imaginaries. Internationalization and globalization can be categorized into three major ideologies: market globalization, justice globalization, and religion globalization (Moghadam, 2021). Within the framework of market globalism, modern firms have the ongoing challenge of keeping up with developing markets and satisfying client needs through constant innovation of their services. Instead of reacting passively to changes, organizations are expected to take a proactive approach to expansion in a dynamic and ever-changing market. To achieve this goal, firms must have a deep understanding of their strengths, skills, and the value they bring to consumers. They may efficiently respond to new market dynamics and grab creative chances for development by finding the point of convergence between their vision and global client requirements (Agrawal and Paulus, 2022). Moreover, businesses must recognize and accept internationalization norms in order to effectively compete with an international company. Recognizing the varying requirements and desires of consumers from many cultures and regions, adjusting to a constantly evolving worldwide scenery, and being creative in fulfilling the growing needs of economic globalization are all part of this. Managers must be eager to learn from and cooperate with others, as well as search out chances for development and innovation both locally and internationally, in order to remain competitive. At this point, every firm aiming to build a significant and enduring presence in the global market must embrace the norms of internationalization (Cato, 2010). The process of extending a brand beyond its country of origin to international markets with the goal of establishing a unified brand identity and statement throughout all countries and cultures is known as brand globalization. Brand managers must take advantage of the distinctions and integrate local identities into organizations operating globally. As a result, a more comprehensive method of conducting business that takes into account political, social, and environmental aspects is becoming more and more necessary. To succeed in international branding, brand managers must employ complete methods that function in all the different circumstances. Furthermore, they must maximize all of the assets at their disposal in order to surpass their competitors by creating unique, essential items and offerings that go beyond what consumers desire. Brand management may deliver both real and intangible advantages as well as differentiate between cultural and economic factors. To succeed in international branding, a balance must be struck between consistency and distinction while taking cultural conventions into account. Brand management internationalization research brings together people, projects, and processes in an integrated and creative structure to create a cohesive brand experience for customers (Alaali, 2019). Personal, Corporate, investor, industries, NGO, authority, nationality are some of the various items used in branding. Practitioners as well as academics have presented theories based on various sets of tangible or intangible aspects to break down brands into a manageable number of parts. Additionally, by analyzing the sources of risk, it is possible to evaluate the depth and strength of a brand's legal trademark, which is essential to determining its overall strength. different items can be used to classify brands, including legal protection being viewed as a legal defense against rival brands and recognized and established an image that maintains a consistent reputation across multiple countries and cultures (Cid et al., 2022).

2. The multifaceted landscape of brand management internationalization: Theoretical frameworks

Creating a strong and favorable brand may give a firm an advantage over its competitors and improve its general efficiency. The significance of consumer experience and how their observed expertise influences their feelings toward a brand, including their devotion and fulfillment, Companies should pay attention to the connection between the experience of the brand, customer character, and their perceived image agreement and how this impacts customers' psychological and emotional views regarding the special brand, as well as the importance of innovation and customers' ability to innovate in order to achieve positive attitudes toward the brand. The significance of originality alongside customer creative thinking in establishing positive views about the brand ought to give emphasis to comprehending the influence of brand-related qualities on influencing post-purchase behavior and developing successful marketing tactics appropriately (Ahn, 2019). Moreover, Individual experiences are utilized to evaluate a brand's value, and strong brands may have a beneficial impact on the culture of a business and its people. The variation in financial outflows created by a good or activity with an established name and those that result from an identical good or service with a well-known name is described as brand value. In this regard, marketing strategies are essential for recruiting consumers, and communication policies encompass both internal and external means for influencing people's perceptions, knowledge, and attitudes. Brand internationalization can be reactive or proactive, and firms must design a strategy to reap the expected advantages. The scientific study of the interactions that emerge between customers and sellers is referred to as sales psychology (Barbu and Meghisan, 2013). Internationalization of brand management refers to the method of adjusting the brand's positioning, interactions, and marketing tactics to meet the needs and desires of various foreign markets. When growing their brands abroad, businesses must take into account cultural variations, consumer preferences, and laws and regulations. Global branding achievement may result in greater brand recognition. The process of internationalizing a brand must be planned in phases. Brand internationalization begins with a review of the company's goals and resources, as well as consumer patterns, infrastructure, and potential markets. A marketing mix is then tailored to each target market or standardized across a set of comparable nations, depending on their manufacturing, pricing, placement, and promotion practices. Phases three and four involve assessing and controlling the program, as well as addressing language and cultural barriers, political issues, and economic issues. When it comes to accepting brand management internationalization, there are several theories and models that businesses should accept before launching their products and services on the global market. The set of components through which a corporation portrays itself to its audience is known as brand identity. According to David Aaker's (1996), brand's identity theory argues about the particular set of traits, ideals, and principles that set a brand apart from rivals. The fundamental nature of the brand is what endures throughout time in markets, in global scale, a brand's image is how people understand it across borders, and it may change based on some activities like marketing communications, promotion, the standard of the good or service, and how customers perceive it. In order for customers to have an obvious and favorable idea of the brand, effective brand management requires matching the identity of the company with its image (Heding et al., 2020). A potential source of competitive advantage for both national and global growth is the internationalization of brands. In the global market, emphasis is placed on the character of internationalization and the strength of the brand in defining the differentiating advantage. An idea or brand's uniqueness and global appeal might serve as a competitive advantage for internationalization. The brand itself might promote internationalization and highlight the significance of brand identity as a major driver for global growth. The role of the entrepreneur, their global vision, charisma, and personal networks in worldwide markets are key internal variables in this respect that facilitate the creation of brand identity. Their internationalization depends primarily on their brand identity. Successful internationalization is mostly characterized by a strong corporate brand identity and image. A collection of shared values, competencies, sources, goals, manners of communication, and attitudes. Understanding the dynamic link between brand identity and brand image is crucial. However, internationalization frequently does not clearly specify this strategy, and the processes behind an identity-based understanding of branding remain underexplored (Christmann et al., 2016). The global consumer culture theory is being evaluated as the second theory in this regard. This theory emphasizes the cultural and social dimensions of global consumer behavior. It suggests that consumer behavior is shaped by global cultural trends, which are driven by media, technology, and economic globalization. The Global Consumer Culture Theory suggests that effective brand management in a global context requires an understanding of these shared cultural values and the ability to leverage them to build strong and meaningful brand relationships with consumers (Roth, 1995). When choosing which products to buy, consumers give priority to a company's morals and ethics, which is analogous to the idea of corporate social responsibility (CSR). The global consumer culture theory (GCC) places a strong emphasis on the role that values and brand associations play in identity campaigns, raising consumer awareness. In order to create successful strategies and international communications, brand managers must comprehend the dispositional traits of customers. Scholars of international marketing have investigated consumer preferences for global brands from two angles: the qualities and characteristics of customers who favor global brands as well as variables that influence the likelihood of a purchase. Depending on the target audiences, tactics, and effective communications (Kim, 2022) Moreover, the cultural dimensions Theory is an additional theory that exerts a direct impact on the notion of internationalizing brand management. According to Geert Hofstede's (1980) thesis, cultural variances among nations might affect consumer choices and behavior. Recognizing these cultural elements is necessary for effective brand management and internationalization, and branding methods should be modified as a result. The 6-D model of Hofstede has been extensively used in brand management internationalization studies for many years and has been essential in understanding diverse cultures (Carolina, 2019). Furthermore, the theory of standardization versus adaptation should be evaluated in the context of brand management internationalization. According to Levitt's (1983) thesis, businesses must decide whether to standardize their branding efforts across many markets or modify them to suit local conditions. Finding a balance between standardization and localization that preserves the brand's basic values while adjusting to local settings is necessary for effective brand management in international settings. In the context of international marketing, there is a continuing discussion over the concepts of standardization and adaptation. Advocates of standardization contend that the convergence of customer demands and desires on a worldwide scale enables the use of identical marketing mix methods, which facilitates cross-subsidization, economies of scale, and simpler management and coordination of marketing initiatives. This implies that businesses may reduce expenses by employing the same marketing techniques across all nations, resulting in unified branding and messaging. However, proponents of adaptation contend that, in spite of internationalization, national cultural systems and traditions continue to exist and that consumers have diverse reactions to various advertising pitches and messages. This implies that businesses must adjust their marketing techniques to suit local markets while also taking into account the cultural and sociological variations across other nations. For instance, due to variations in customer tastes or cultural conventions, an item that does well in one nation may not do equally well in others. Some academics advocate a contingency viewpoint for global marketing, contending that neither standardization nor adaptation are possible for multinational firms and that the level of standardization or adaptation depends on both internal and external organizational pressures. Accordingly, businesses must find a balance between standardization and adaptation based on a variety of criteria, including the size of the market, the level of competition, local customs, and client preferences. As a result, the argument between standardization and adaptation emphasizes the trade-offs between global effectiveness and local effectiveness. Adaptation may assist businesses in better understanding and serving local customers, while standardization can result in cost savings and consistent branding. According to a contingency approach, businesses should evaluate a range of internal and external variables to establish the ideal level of uniformity or adaptability for their marketing initiatives. An equilibrium between these two strategies is necessary for effective management of a brand in worldwide marketplaces, taking into consideration both local and global customer demands and desires (Dimitrova and Rosenbloom, 2010). At this point, it is imperative to mention the country of origin theory as a theory in the context of brand management internationalization. According to this idea, which was first put forth by Schooler in 1965 and later refined by others, customers may link the country of origin of particular products with their purchase decisions. Managing country-of-origin impacts and using positive connections are key components of effective brand management and internationalization (Heding and Knudtzen, 2020). It is now essential for nations to build and maintain strong country brands since worldwide rivalry in the export markets, skilled labor markets, trade, and control of markets will continue to rise. An effective investigation into the work that has to be done, together with meticulous planning and preparation of the brand framework and its communication, are necessary for the establishment of a positive and powerful country brand, which may offer a vital competitive advantage in a modern globalized market. This method is called "country branding". A nation's tangible and intangible resources (such as its natural resources, culture, history, and society) are managed competitively. A country's brand may be developed, followed, assessed, and actively maintained through this process to enhance the nation's standing in the global marketplace. Therefore, both academics and professionals are interested in the idea of a country brand. Studies have been more and more interested in this subject because of three factors: excitement, debate, and intricacy. The limited theory that the academic community has been successful in developing and validating is what gives rise to the enthusiasm. The disagreements over public and international concerns about nations' policies, as well as the variety of ideas and opinions that have evolved, are all related to the debate. A country's brand transcends the realm of goods and businesses, resulting in several layers and aspects. Brand management has become crucial for nations and goods as a result of the elimination of international barriers and tough rivalries for customers and investments. Nations have even been given the designation of "brands" in some instances. Although inconsistently, it is claimed that nations have always been brands. As such, a country brand (nation brand) is defined as "the distinctive, multidimensional blend of elements that provide the country with culturally grounded differentiation and relevance to all of its target audiences." As a result, a country's brand is built on its culture. and it does it by using brand components like the logo, name, and symbols. The national brand pursues the same objectives but is contextualized for a broader situation, namely the nation. A brand of goods or services is designed to be distinct, competitive, and offer value to the client, which has a direct effect on brand management international policies and strategies (Montanari and Giraldi, 2018). There exist several theoretical frameworks for brand management internationalization that should be acknowledged. According to the Resource-Based View (RBV) Theory, a company's resources and skills are essential for securing a long-term competitive advantage. RBV theory contends that a company's solid brand reputation and brand-related assets, such as marketing know-how and distribution networks, may provide it with a competitive advantage in foreign markets. The Resource-Based View (RBV) method stresses the connections between business and branding variables as an alternate model of brand management internationalization. According to the concept of RBV, when a company achieves a high level of brand fit, branding acts as a moderator or mediator to produce commercial value. This method offers new terminologies and conceptualizations, offers a comprehensive picture of the business value of branding, and might lead to the discovery of new study fields. Managers can benefit practically from the contingency RBV (Cao and Humphreys, 2011). Additionally, the Market Entry Strategy Theory is a significant framework that requires attention, as it emphasizes the importance of selecting the appropriate market entry strategy when entering international markets. There are four common entry methods: exporting, licensing, joint ventures, and wholly-owned subsidiaries. The choice of market entry strategy can impact a company's ability to maintain control over its brand image and messaging in foreign countries in the context of brand management internationalization. Market entry strategy refers to a company's approach to entering a new market and involves navigating the decision-making processes of local market leaders, which often consist of many associated businesses. Additionally, various cultures place value on virtues such as respect, social standing, and tradition, and in some countries, harmonious psychosocial consensus-based interactions are prioritized. For a company like Samsung, it is crucial to demonstrate personal commitment to individuals in positions of authority. Overall, market entry strategy involves creating a global plan that enables a business to leverage its strengths and competencies to compete in international markets (Glowik, 2016). In addition, cultural distance theory states brand management must pay close attention to cultural variances as it globalizes. The capacity of a corporation to effectively enter and operate in foreign markets may be impacted by these differences, in accordance with the cultural distance hypothesis. In order to succeed in overseas markets, businesses must adjust their brand image and messaging to reflect local cultural norms and preferences. It is essential to pay close attention to cultural variations while internationalizing brand management. According to the hypothesis of cultural distance, these distinctions may affect a company's capacity to compete successfully in international markets. Companies must adapt their brand messaging and image to the cultural norms and market preferences in order to succeed (Baek and Kim, 2016). Furthermore, it is crucial to examine network theory and its significance in the internationalization process of firms. This idea places a strong emphasis on the value of networks and connections in global business. Building strong connections with local partners, such as distributors and suppliers, may assist businesses in effectively navigating overseas and retaining control over their brand's reputation and communication, according to network theory in the context of brand management internationalization. Studies emphasize the significance of network theories in the entrance phase, which highlights their significance in the internationalization of enterprises. Their post-entry function, nevertheless, has gotten less attention, despite the fact that network processes play a significant part in comprehending how they function over time. There has been a lot of attention paid to two network mechanisms in the network theory literature -- network closure and structural holes. While structural holes explain how gaps in a structure exist and players placed on either side of a structural hole have access to and circulate various flows of information, network closure stresses the benefits of deeply ingrained links inside items of networks (Leppäaho and Plakoyiannaki 2022). In this point, this study aims to assess the success of Nike's brand management internationalization process after examining various relevant theories and frameworks. Nike's marketing strategies in the 1980s were centered on portraying shoes as style declarations and leveraging the running and exercise trend of the day. Along with its primary male audience, the "Just Do It" campaign increased the brand's attraction to young women and female consumers. Nike's brand management was crucial in winning over customers' loyalty on all fronts, while receiving criticism for its unpredictable management (Nayak, 2017). Nike is among the greatest examples of brand management and the value of knowing what a brand is really all about. It contends that a brand is a collection of customer views, and that brand management is consequently perception management. Consumers who have positive brand experiences are more likely to stick with the company. In this regard, organizations must invest in marketing that establishes a cohesive theme, reinforces favorable connections, and pinpoints the ideal customer touch in order to develop and sustain a successful brand. Brands should emphasize the significance of controlling impressions globally in order to transcend cultural origins and build solid client connections. There is no one method for building a successful international brand, and businesses need to be aware of regional variations as well as potential economies of scale. A powerful business culture, a straightforward and uniform positioning, fluidity, and honesty are the five elements that make up a successful international brand. Moreover, in order to establish a strong global brand, there are three fundamental elements: charisma, existence, and the ongoing transmission of messages. By leveraging its brand to transition from sports footwear to athletic clothing and position itself as an athletic lifestyle company, Nike has been successful in establishing its brand power. It has also used celebrity endorsements, imaginative advertisements, and innovative local promotional efforts to create a multifaceted character that combines an appealing overachiever ethic with the idea of community service. For a long-term successful branding strategy and associated marketing plan, understanding Interbrand's assessment and ranking methodology is essential. As a market leader in sportswear, Nike is a well-known brand. Its devotion, continuity, sincerity, and clarity are credited with its success. With its first line of high-performance running shoes, Nike targeted serious young athletes. Later, it widened its selection of goods and started focusing on teenagers and young adults. In order to create shoes and clothing, Nike draws on its core expertise in design and development, customer understanding, and high-performance materials. Nike outsources production and shipping to maintain high standards of quality. In order to appeal to its young client base, Nike uses popular and profitable athletes in its marketing and advertising campaigns. Nike interacts directly with customers through their retail outlets and values their strategic information. The Brand Dynamics Pyramid illustrates the strong customer relationship as one of several elements that contribute to Nike's brand power. Nike also emphasizes innovation, operational effectiveness, and a strong company culture. Nike also places a major emphasis on a vibrant company culture, innovation, and operational effectiveness. The five components for creating a successful global branding, a great experience with the brand, clear and consistent positioning, dynamism, reliability, and a strong corporation culture, are used to evaluate Nike's performance (Larson, 2011). Brand management internationalization is a complex context, and paying attention to it can lead to a successful position for companies in the international market. This involves numerous theories and frameworks that are integral to the process.

3. Conclusion

In conclusion, brand management internationalization is a complicated process that involves the consideration of several concepts and theories. Companies are able to successfully tackle the challenges of international brand management and achieve victory in global markets by incorporating theories such as brand identity and image, global consumer culture, cultural dimension, standardization vs. adaptation, country-of-origin effect, resource-based view, market entry strategy, cultural distance, and network theory. Decision-makers must comprehend and use applicable internationalization ideas in brand management to flourish in global markets. They should focus on building a strong brand image, learning about local customer tastes, and employing technology to produce effective marketing campaigns. Collaborating with local partners, attracting talented locals, and developing strategic relationships are all important steps toward developing a successful international position. Nike presents a compelling case study in the realms of brand management and internationalization. The company has successfully fostered a global consumer culture by leveraging its strong brand identity. It has adeptly managed to find a harmonious equilibrium between standardization and adaptation strategies, enabling it to cater to customer preferences while maintaining brand consistency. Moreover, Nike's emphasis on sustainability and corporate social responsibility has enhanced its favorable reputation worldwide. Consequently, the company has sustained a notable competitive advantage and experienced growth in market share through its strategic international approaches. The internationalization of brand management in the future will require a comprehensive and culturally aware strategy. International brands will need to tailor their strategies to local markets while maintaining a consistent brand identity. Engaging diverse consumers in various marketplaces will require placing a strong emphasis on cultural knowledge and adaptation. In a market that is more international, adapting to change successfully is crucial. By utilizing advanced technology and data analytics, businesses will be able to maximize their international efforts and adapt to changing consumer trends, these insights will be useful for strategic decision-making. Businesses may position themselves for success in the competitive global marketplace by adopting developing technology, accepting various cultures, and staying on top of market developments. The future of brand management and internationalization presents enormous opportunities for businesses to grow internationally, establish strong brand equity, and adapt to changing consumer preferences. Overall, the concept of brand management internationalization allows companies to strategically position themselves for success in the increasingly interconnected and fiercely competitive global business environment.

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