

## Video Case

### Nivea

In 1911, Nivea launched its first line of body care products, capitalizing on an innovation that created a new generation of skin cream. Today Nivea products are well known and widely used in more than 150 countries around the world. In each of those countries, the characteristic Nivea blue signifies a consistent promise—high quality, gentle body care products. Nivea’s strong, consistent brand image is one of the company’s most valuable assets.

Despite Nivea’s worldwide presence, a quick survey reveals that, regardless of where they live, Nivea’s customers believe that the company’s products are locally manufactured and marketed. Why? Because Nivea carefully adjusts the marketing mix to cater to local cultures and preferences. This globally consistent

but locally focused marketing campaign has produced phenomenal results. To date, the company has sold more than 11 billion tins of the traditional Nivea Creme.

After viewing the video featuring Nivea, answer the following questions about the company and the global marketplace.

1. Does Nivea offer a standardized marketing mix or an adapted marketing mix?
2. Visit Nivea’s Website, [www.nivea.com](http://www.nivea.com), and tour the sites for several different countries. How does Nivea market its products differently in different countries? How does the company maintain the consistency of its brand?

## Online Media Resources

### Video Short

Log on to your Companion Website at [www.pearsoned.ca/kotler](http://www.pearsoned.ca/kotler) to view the video segment related to the Video Case above.

### Case Pilot

Log on to your Companion Website at [www.pearsoned.ca/kotler](http://www.pearsoned.ca/kotler) to sharpen your case analysis skills and take the Case Pilot Challenge!

## Company Case

### Synovate—Building a Global Business and a Global Brand

As major companies become more global in scope, their needs for market research also became more global. For example, a packaged-goods company headquartered in Toronto might need information on consumer buying habits and attitudes in Brazil, the Philippines, and South Africa.

While collecting information from independent research agencies in each country is possible, it is difficult and time consuming. It requires knowledge of the reputable suppliers, an understanding of what is appropriate in terms of cultural sensitivity and sampling, and what is possible in terms of data collection methods. Even then it will be difficult to ensure data consistency and reporting that highlights both similarities and differences across markets.

Yet not very long ago, the market research industry worldwide was populated by relatively small, independent firms whose research capabilities covered their national territory or perhaps their region, but little more. It is not surprising, therefore, that the market industry began to consolidate quickly. Take the case of Market Facts. In 2000, it was a marketing research firm with operations in Canada and the United States. Although it had a fifty-year history of research excellence and considerable brand equity because of its ability to meet clients’ needs with high-quality services and proprietary research products, it could provide wholly controlled research within only a limited region of the world.

Market Facts began to globalize in the 1990s by purchasing several market research companies around the world—from Canada to Latin America. It also attempted to globalize by establishing informal relationships with selected overseas research companies. This proved ineffective. Indeed it became clear that the only way to be a global research organisation was to acquire or be acquired. Thus when Aegis Group PLC, headquartered in London, U.K., came knocking with an offer to make Market Facts the first acquisition in their plan to create a new global research group, the Market Facts directors were ready to recommend the takeover to shareholders. The deal was closed in 2001. The Aegis Group was a holding a company that owned many media planning companies. Its interest in expanding and acquiring research companies was born from its need for market research to measure the success of media.

Over the next three years, Aegis Group acquired numerous companies and soon had seventy-two offices that operated in forty-three countries including Market Facts, Asia Market Intelligence, Research Fact, BAIGlobal, IMR, MarkTrend, Motoresearch, MS&P, Sample Surveys, Strategy Research Corporation, Tandem Research Associates, INNER, MEMRB, Demoscopie, Market&More, and Pegram Walters. Now Market Facts' clients had access to research all over the world. But how could Market Facts convince the client they would get the same quality research and service from the other units in the Aegis Group? Nothing about them seemed familiar, even their names. The Aegis Group had brought companies whose names were based on the founder's names, or were names that described the research agency's market locations, or were names that described what the firm did. Clearly something had to be done.

### The Decision to Rebrand

It quickly became clear that if the Aegis Group of research companies was to be successful, it would need a new, compelling brand name to link all these "newly adopted children." The new brand name had to be unique so it could be legally registered and trademarked in 55 countries. Ideally it also needed to be something around which a meaningful identity could be created for clients and staff.

To help create a sense of ownership of the new name among the various agencies, the company initiated an internal process to develop the new brand. It started by launching a website on which staff from around the world could contribute ideas. Prizes

for the best suggestions for a new name were offered. More than 2000 submissions were received. They were vetted by a Paris legal firm to see which ones could be legally protected in key markets. The list of suggestions rapidly became shorter since many of the suggested names were being used by other companies. The new name also had to be pronounceable in all languages. Many of the more memorable suggestions were either too long or had "hard" consonants. (For example, Japanese people have trouble saying the letter L, so all names starting with L were omitted.) The new name couldn't be offensive or rude in any formal language or in common slang. The name also had to be meaningful and reflect what the company stood for both to clients and to the employees of the different agencies around the world.

It wasn't long before the list was narrowed down to fifteen alternatives. Adrian Chedore, Chief Executive Officer of the Aegis Research Division, had the daunting task of choosing the best option. One name seemed to have a lot of cachet—GIA (short for Global Intelligence and Analysis). However, a name search revealed that GIA was also the name of an Algerian terrorist group that reportedly butchered babies. Another name then rose to the top of the list—Synovate—a combination of Synergy and Innovate. As Chedore notes, "The name blends the themes of the firm's business strategy: synergy and innovation. The company looks for synergy across business units and seeks continuous innovation." As a final step, a tag line was created to accompany the name and new logo: "Research reinvented." A copy of the new brand name, logo, and tag line is presented below:



To implement the rebranding effort, a global brand team was formed. Alicia Kan, the Global Communications director from Asia Market Intelligence headquartered in Hong Kong was the team leader. She was joined by Kate Permut from the U.S. and other colleagues from around the world. They met frequently in person and via conference call or online when in-person meetings were impossible.

The decision to rebrand wasn't universally welcomed by all members of the Aegis family of research companies to put it mildly! Many of the firms that had been acquired by Aegis were among the top research firms in their own country. They felt there was a lot of heritage in the individual brand names it had taken them so long to build. Despite their years of involvement in the marketing industry, many agencies expressed the opinion that the rebranding effort was a "waste" of money.

Some employees didn't like the name Synovate—they thought it sounded too much like a pharmaceutical company. Market Facts was one of the member companies that was the most resistant to the change in brand. Not only did some of the employees believe that they had built a lot of equity in the old brand name, they clearly mourned its passing. Several managers were also concerned about the pace of change that was taking place. Not only was Market Facts no longer an independent company, but its staff now had to rapidly undergo a name change too! Thus, the rebranding team knew they couldn't just tell individual agencies what their new name would be. There had to be an internal campaign to "sell it" to staff.

The timeline for the change was a tight one as dictated by Adrian Chedore and the Aegis Group senior management team—six months start to finish. Market Facts leaders wanted the process to slow down. They believed they needed at least a year and a half before the change could be implemented. Some believed their clients would be concerned about a new corporate name. Market research projects often have long timelines. Market Facts had some big projects with clients that were being conducted over a three-year period. Two of Market Facts's major clients were the U.S. government and the military. Selling market research contracts to these organizations often required lead times of two to three years. For government suppliers, changing names midstream might require yet-to-be-determined legalities and paperwork.

It was clear the pace of change was causing members of Market Facts and some of the other Aegis member companies a lot of emotional anxiety. There were a lot of unknowns. For example, how would global accounts be managed? By which office? How would a global bonus system be created? Although many recognized that there were significant benefits of being in a global company, some perceived that few

systems had been put in place to manage such an entity.

Despite all the concerns from Market Facts and many others, global management and the branding team were determined to press ahead with an aggressive re-branding schedule. Chedore explains, "The decision was made. We were convinced it was right, but even if we were wrong, delay could only lead to more uncertainty. Our goal was a commitment to a new global structure. Commitment and delay don't go together: The process had to be swift."

### **Phased Rollout Campaign**

Bringing so many diverse agencies under one global brand took much more than selecting a name and a new logo. It was decided, for legal purposes, that each agency had to announce the name change on the same date. Signage, phone directories, invoice forms, and business cards had to be reprinted. No one could keep the old name on budgets or pay cheques because legally their old entities would cease to exist.

The most important change to be made, however, was the change to the employees' minds—this was the front on which the success of the new brand would be won or lost. Everyone in every agency around the world had to be involved. The president of each local agency had to be brought on board and made part of the change. This was one of the team's biggest challenges—often the local research agency leaders thought that they were better marketers than those in charge of the rebranding effort. Thus, internal coordination was as important as the development of communications materials to targeted clients. For example, receptionists at each office had to be fully informed and know what to say. They needed to know how to answer myriad customer questions such as, "What ever happened to Market Facts?"

The team knew they had to walk a fine line. The directors of all the research agencies were very entrepreneurial, confident, and successful people who were used to making decisions themselves in their local marketplaces. Though it was important for the team to make decisions that would keep the global brand consistent, they had to avoid the impression that branding decisions were being rammed down the various agencies' throats. It was essential, therefore, to make each agency office, manager, and employee feel part of the process.

The team also had to ask, "Who are our stakeholders, and who should know about the brand change?" They had to consider the messages they

were going to convey to these key people. It was quickly decided that internal staff at each agency and its clients needed different messages. For staff, the key message centred on the advantages of being part of bigger family. For clients, the promise became not “business as usual” but “business as better,” multiplied by other dimensions, in other words “research reinvented.”

Once the key messaging had been determined, the question became, How best to disseminate these messages? The team decided on a two-step process (1) a period of endorsement during which the agencies would inform their clients of the upcoming name change, followed by (2) a launch stage. Using a two-stage process meant that the team would need to develop two sets of materials, which would be expensive. However, the team members were convinced the agencies needed these steps to get fully on board.

The team became unhappy with the terminology describing the phases, however. As Alicia noted, “Endorsement sounds like a celebrity promoting cornflakes, so we decided to rename the phases ‘engagement’ and ‘marriage.’” This new terminology was much more understandable by the various employees around the world because the terms captured universal concepts. The team could ask questions such as, “It is up to you how you want to do this. Do you want to celebrate your local brand name change at the point of the ‘engagement party’ or on the date of the ‘actual marriage?’” Some agencies put up posters with two rings, which tied in nicely with the new logo design. As the different agencies started to get on board, the complaints about rebranding lessened.

In June 2002, the name change was announced, and the “engagement” period began. The Aegis Group’s staff magazine announced, “The new branding will allow all of the Aegis research companies to be united and finally dine at the global table, whilst servicing the demands of large international marketers. An increasing requirement of international clients is consistency and quality of process, both at local and global levels. One single and distinctive brand will be used throughout Aegis’ market research activities to reinforce this message to worldwide markets.”

### The Launch

On January 6, 2003, the new brand name was officially launched. The agencies around the world held parties to announce their new name and “marriage.” The effort took only four months from beginning to end. Though some agencies felt rushed, the rebranding team

believed that if they made the engagement too long, they would get stuck in limbo. They knew that if the process was too lengthy, the resistance to change would grow. Some agencies might even begin to bet that nothing would change after all. After January 6, 2003, all newly acquired research companies would go through the same process to change their names to the new global brand—Synovate.

The rebranding team used a wide variety of promotion techniques to make the message about the new brand sink in. They communicated internally through their company magazine and over a new website. Two corporate identity manuals were developed (one for the engagement period and one for the final brand launch) that outlined the requirements for logo usage in different print media, colour processes, paper sizes, etc. For external communications, extensive trade advertising, direct mail, and personal selling was undertaken. It often took face-to-face talks with agencies and clients to bring the message home.

Was the effort a success? Undoubtedly, on many fronts! Synovate is now ranked in the eighth position in world in terms of its market share in the research industry. No major clients were lost. The successful development of the new global brand was seen as the essential foundation to this growth. However, there were some employees who couldn’t or wouldn’t adapt to the new globally oriented brand and culture. They left the company when they found that it wasn’t easy accepting the new global brand and the globalized world of marketing research.

### The Keys to Success

There were several keys to the success of this major rebranding initiative. First was senior management support. The CEO, Adrian Chedore, was the chief cheerleader. Anytime he went to any office around the world, he talked about what the new brand meant and the benefits of being part of a global enterprise. As Alicia Kan exclaimed, “Adrian was behind it 150 percent. He owned the process and a lot of the communications came from him. Every employee had a letter from him.”

According to Kan, Chedore handled a lot of important issues and concerns with fairness and conviction. For example, agencies came forward and said that the new brand didn’t fit their market. Others, such as the agencies in Japan, didn’t like the look of the new business cards. They believed they couldn’t have a card that was horizontal. In Japan, cards must be vertical. Others thought the cards needed to be larger since

they had to list all their offices. Another group wanted fold-over cards. To resolve this issue Adrian put all the cards on the table. There was a huge variety in all shapes and sizes. Chedore made it clear that everyone was going to have one card, and that they just had to get over their concerns. Being one company meant that there would be a single “look” to everyone’s business cards worldwide.

Chedore believes that commitment to a totally unified approach is critical. “There can be no democracy in branding – you have to be single-minded and uncompromising,” he says. “By all means hear everyone out, but you don’t put it to a vote.”

The second critical success factor was the single-minded belief from all of top management, including the chief financial officer, that proper branding principles should be applied to the business and that the brand should be global. The rebranding effort was begun during a period when people were beginning to realize that branding was as important in the business-to-business world as it was in the consumer arena. Management shared the belief that it was important to build a “branded house” versus a “house of individual brands.”

Synovate’s lack of a global headquarters is key to its strength but also makes branding all the more important, Chedore stresses. “Our identity doesn’t emanate from a central head office but involves and reflects all of our people across the world. A unified brand and clear positioning are vital elements in building our corporate reputation and culture, both externally and internally.”

Third, having a cooperative global brand team was another pivotal success factor. The team sought input from the agencies around the world right from the start. It had to listen to concerns thoughtfully and carefully, but it also had to position the value and advantage of a global brand consistently and clearly. Before trying to get the different agencies to change their mindset, the team did their homework first. They understood the brand DNA. The brand meanings were built around the core competencies of the firm.

Rather than trying to mimic the competition, the rebranding team decided the key to success was building on its own unique corporate strengths. It took more than ten rounds of questioning by the brand team before they achieved a critical insight that articulated this difference. Every suggestion as to what constituted Synovate’s distinctive competence already seemed to be part of what was done by five or ten other players in the industry. Just as the team was

ready to give up, it hit on the insight that the corporation’s key competence lay in the capabilities and characteristics of their own people. Synovate believed its people were younger, more dynamic, and more motivated than those in other firms. The more the team talked, the more these human traits were seen as a major competitive advantage. The team knew Synovate had the most “curious research people,” and this was dramatically and demonstrably different from elsewhere in the research industry.

This was actually an innovative branding idea. Market researchers sometimes had a negative view of themselves, in which stereotypes, labelling researchers as “the accountants of the marketing world,” had been internalized. Researchers were sometimes viewed as boring, dull, and grey, compared with the flamboyant stereotypes held for advertising creatives and other marketing jobs. The Synovate brand team knew their emerging firm was different. They did leading-edge market research that gave their clients a competitive advantage. “Curiosity in action” became the Synovate theme.

This insight gave the global branding team an authentic and credible brand story to tell. It was this story that resonated with the international offices and branches. It was also the key to the internal marketing campaign. It gave researchers in all the agencies a unique way of seeing themselves. To bring the lesson home, the team needed real examples—examples of people within the Synovate agencies who really were curious. They found a researcher in France who was tasked with studying customer satisfaction for a car dealership. He scratched his car with a screwdriver and then drove to the shop to see what the dealership would do. Now that is living the problem! Lots of similar stories emerged and it was these stories that gave people within the different agencies themselves the proof that they were different. It helped them see themselves in a new light.

Today, Synovate is truly a global company. Its global research solutions include brand tracking, business consulting, business-to-business research, concept testing, customer relationship management, employee relationship management, multiethnic marketing research, international research coordination, Internet data collection, pricing research, product testing, sales forecasting, and youth/children research.

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If you want to see how truly global the company has become, ask any member of the firm where their headquarters is located. They’ll respond, “We don’t have any single HQ location.... We can work in any location.... We have centres of excellence around the world.... You can get the same service anywhere.” It’s this type of belief that has helped Synovate win leading global accounts, such as the one from Coke—itsself a truly global borderless company.

### Questions

1. What are the pros and cons of global branding for a company such as Synovate?
2. Why was internal marketing as important as external marketing in this case?
3. Alicia Kan continues to lead the global branding initiative. Synovate has just acquired a South African research firm. Before being acquired, the agency’s website generated 22 percent of the agency’s business. Local managers were upset when told that they would have to rely on the Synovate corporate website after the merger. As Alicia, how would you respond to this issue? What criteria would you use in making the decision to migrate their website to the Synovate site?

*Sources:* Peggy Cunningham wrote this case based on Synovate company materials and interviews with Alicia Kan, Kate Permut, and Chris Fjelddahl. She is very grateful for their time and insight. Gloria Mellinger, “Research Profile: Synovate,” *WorldOpinion* Friday, April 25, 2003.