Popular perceptions about successful brands may not always reflect the true picture, observes Luis Pedroza, author of Lean Brands: Catch Customers, Drive Growth & Stand Out In All Markets.

MYTH BUSTER

Brand truths

MYTH 1: Successful brands know what they are doing

Conventional thinking says that when a company is successful, they must be doing something right. There is even a tendency for those in startups to idolise incumbent brands. It is understandable; doing something new is scary, and when you are just getting started, it is easy to let self-doubt creep in and second guess your original thinking. Once a company founder told me, "Our main competitor has a lot of brilliant people working for them. Don't you think if our new idea were that good, they would already be doing it?"

The truth is, established brands are too often overwhelmed—getting lost in execution and spending much of their time putting out fires instead of dreaming about the future. Sometimes, big brands are just complacent and not hungry anymore. Almost always, incumbent brands are slow to react to evolving consumer needs. Brands that have been around for a long time are usually anchored down to their existing infrastructure and legacy systems. Being heavily invested in yesterday's technology makes expensive change unattractive. That is why you cannot assume successful brands always know what they are doing. Successful brands often conveniently overlook new opportunities that then leave openings for new brands to come along and fill.

MYTH 2: Emerging market consumers aspire to be like those from developed markets

While this may have been true in the past, it is not the norm anymore. There was a time when global companies frequently reserved the latest technology for their domestic markets while exporting older versions of their products overseas. Naturally, consumers in developing markets found the advanced offerings sold abroad aspirational. However, as the developing middle class and their spending power grew, a corresponding rise in both national pride and the demand for locally designed products occurred.

These days, it is more common to see game-changing ideas in the West arrive via developing markets where brands are using lean methodologies to fuel growth. A great example is General Electric's ultra-portable electrocardiogram (ECG) machines made in India. These units were efficiently designed to be one-third the price of similar quality imported ECG machines from the West. Now, General Electric is selling the machines all over the world. Due to their compact design, the units became popular in developed regions like Western Europe, where they serve as an innovative solution for first responders.

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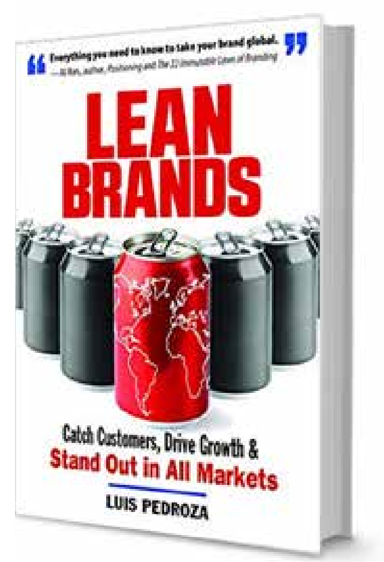
MYTH 3: Global brands require consistent execution around the world

I regularly meet business people who instinctively believe that global brands should follow a unified marketing strategy in every market. In their minds, brands should create consistency to drive economies of scale. From a macro perspective, this approach worked well for early multinationals such as Coca-Cola, McDonald's, and IBM. Back then, local manufacturing capabilities were limited, and the size of these markets often did not justify customisation. However, as manufacturing capabilities grew in local markets, adaptation became more feasible. Local manufacturers also became more competitive with the ability to create customised solutions to fight against one-size-fits-all products coming from the West. This change in local capabilities forced global brands to embrace adaption; in the process, many multinationals became even stronger.



Successful global brands like Starbucks, at first glance, appear to offer almost the same product selection across regions. Yet, upon closer inspection, you can find many differences in product messaging and communication priorities. Starbucks goes so far as to develop unique menus and seasonal offerings for key markets and regions. Today's successful global brands seek to balance adaptation and standardisation by searching for ways to connect the dots between markets. Instead of rigidly enforcing one comprehensive brand strategy, leaders are creating global and regional frameworks that allow for adaptation at the local level.

MYTH 4: The best product at the best price wins

Logically, this should be true. If a brand is differentiated in a meaningful way and designs a product to deliver on a unique value proposition, then it should win in the marketplace. The problem is that in the real world, you can have the best solution and the best tech, but if your salespeople and

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stakeholders do not understand the value it delivers, they will not be able to persuade buyers and end-users to try it.

That is why the best brands create memorable stories that connect with target users on an emotional level. These brands take it a step farther by distilling messages down to their essence so they can be easily recalled and shared with others. Apple uses this strategy expertly whenever it launches a new product. For example, when Apple recently launched its iPhone SE, it was accompanied by a short description that summarised the value proposition perfectly, 'Lots to love, less to spend. iPhone SE packs our most powerful chip into our most popular size at our most affordable price. It's just what you've been waiting for'.

MYTH 5: New product development is expensive and time-consuming

Traditional new product development can be inefficient because it is designed like a relay race where concepts must pass through sequential go/no-go gates before a product is allowed to move forward. Typically, this conventional way of developing a new product takes a long time to complete, and critical market testing often happens towards the end of the process when it is least actionable. A better way to innovate is to adopt a lean approach that breaks down arbitrary silos and encourages collaboration. Global brands like Unilever, IKEA, and DHL regularly co-create alongside real end-users and influencers. During these innovation sessions, participants work together to create rapid prototypes, provide instant feedback, and improve hypotheses on the fly. The result is a process that is not only faster but also less expensive. For example, Byton, the Chinese EV startup, favours co-creation because it gives the company the agility to pivot before a change becomes too costly. As a result of co-creation, Byton believes it has shortened the design and production process of its vehicles from five to three years. IM