THE ROLE OF CREATIVITY IN THE MARKET SEGMENTATION PROCESS: THE BENEFITS OF HAVING AN EXCELLENT GLOBAL BRAND POSITIONING

McLeish Ukomatimi Otuedon
DBA Student, SMC University, Zug, Switzerland
mcleish.otuedon@student.swissmc.ch

Abstract

This paper examined the concepts of market segmentation and brand positioning and the role of creativity in the segmentation process, as well as the factors global marketers consider when making product design decisions. The paper highlighted some of the creative ways to segment markets, including the creativity to be applied in the selection of segmentation bases. The bases highlighted in the paper include, geographic segmentation, psychographic segmentation (or lifestyle segmentation) and behavioural segmentation. The paper identified quite a number of reasons why an excellent global positioning is a major asset of a brand. Some of the reasons include the creation of a strong and consistent brand culture and the creation of a customer-focused value proposition. The paper documented factors that global marketers should consider when making product design decisions, including whether to pursue a standardisation or adaptation strategy as well as whether or not to pay attention to culture. In addition, key success factors of top global brands like Apple, Google, Coca-Cola, McDonald’s and Toyota were discussed.

Keywords: Creativity, Market Segmentation, Segmentation Bases, Branding, Global Brands, Positioning, Product Design Decisions, Standardisation, Globalisation

INTRODUCTION

Since the concept of “Market Segmentation” was introduced by Wendell Smith in his classic article, “Product Differentiation and Market Segmentation as Alternative Marketing Strategies,” published in the July 1956 edition of the Journal of Marketing, market segmentation has become...
a core marketing strategy and also one of the more widely studied topics in the marketing literature. Claycamp and Massy (1968) declared that the birth of market segmentation strategy is one of the most striking developments in marketing. According to Smith (1956), market segmentation was about “viewing a heterogeneous market (one characterised by divergent demand) as a number of smaller homogeneous markets in response to differing product preferences among important market segments” (p. 6). Simply put, market segmentation helps to homogenise market heterogeneity (Dibb, Stern, & Wensley, 2002; Foedermayr & Diamantopoulos, 2008). Thus, by dividing a heterogeneous market into relatively homogeneous units, companies are able to have better understanding of customer needs and able to focus their efforts on the right customers.

In subsequent years, many of the definitions provided in the marketing literature, for market segmentation, were rooted in the above view expressed by Smith. Lewis, Chambers and Chacko (1995) defined market segmentation as the process of dividing a market into smaller groups of buyers with similar needs and wants. Lamb, Fair and McDaniel (2003) posited that market segmentation is the act of dividing a market into distinct groups of customers with distinct characteristics, behaviours or needs and who might require separate products or marketing mixes. Bogazzi (1986) and Venugopal (2010) asserted that market segmentation is the process of dividing markets into smaller units, with each unit consisting of an aggregation of individual consumers with similar attitudes or who seek similar benefits when selecting a brand. For the author, market segmentation is a strategy that tends to focus companies on specific parts of the overall market they can serve best profitably, rather than trying to compete at the overall or entire market level.

Segmentation is not an end in itself, but only a means to an end. Segmentation is followed by market targeting, which is an evaluation of the attractiveness of the identified segments and the selection of specific segments to serve or market (Venugopal, 2010). For the selected segments, positioning strategies, which differentiate a company’s brand from its competitors, are developed.

One of the significant decisions that a global company has to take to build a strong competitive advantage would be how to position its brand or product in the global marketplace. Positioning decisions are critical to the development of global branding strategy (Douglas, Craig, & Nijssen, 2001; Hassan & Craft, 2012; Ozsomer & Altaras, 2008). Positioning is the specific needs and attributes that a consumer perceive in a brand (Venugopal, 2010). Positioning is a decision of how a company intends to differentiate its brand or products from those of its competitors in the minds of the potential customers. Thus, Positioning has more to do with consumers’ perspective and about the identification of how the brand is perceived by the target
segments or groups. In other words, positioning is customer-centric, that is, viewing a brand or product from the lens of a customer.

The Role of Creativity in Market Segmentation
The role of creativity in market segmentation cannot be over-emphasised. Beane and Ennis (1987) asserted that it is important to remain creative in the market segmentation process because there exist many different ways to segment a market. Hassan and Craft (2005) posited that in an increasingly global marketplace where customer segments are becoming homogenised across jurisdictional boundaries, the need to apply some level of creativity to the segmentation process has become more apparent. According to Smith (1956), creativity is required in market segmentation to get the level or degree of segmentation required right. Goyat (2011) posited that a successful implementation of the multi-step market segmentation process requires managerial insight, creativity and market knowledge. She further stated that although there are no scientific methods for selecting segmentation bases, however, a successful segmentation arrangement should be able to produce market segments which meet four criteria: accessibility, substantiality, identifiably and responsiveness. In order to get market segmentation right, creativity must be applied in selecting the best set of segmentation bases. Such creativity would bring about dynamism, flexibility and adaptation to change, as well as pay full attention to the four criteria identified by Goyat. By selecting the best combination of bases, a company can better meet the needs and wants of its customers.

Challenges of Choosing Segmentation Bases
Researchers have documented that there is no one-size fits-all accepted and validated way to segment markets (Beane & Ennis, 1987; Elliott & Ang, 2001; Schauerman, 1990). However, different ways of segmenting markets have been recommended. Elliot and Ang (2001) and Goyat (2011) proposed four bases of market segmentation, namely: geographic, demographic, psychographic and behaviouristic. Beane and Ennis (1987) recommended five bases: geographic, demographic, psychographic, behaviouristic and image. Beane and Ennis took a step further to recommended techniques that should be used to establish and verify segments, including conjoint analysis, automatic interaction detector, canonical analysis and multidimensional scaling. Thomas (2007) listed seven types of market segmentation, including: Geographic, distribution, media, price, demographic, time, and psychographic or lifestyle. Abratt (1993) recommended nine market segmentation bases, including: geographic, demographic, usage rate, buying situation, application/use, psychographics, values, benefits and other purchasing organisation. Cross, Belich and Rudelius (1990) proposed eight bases to include,
firm’s characteristics, demographics, geographic, application/use, benefits to buyer, usage rate, psychographics and buying situation. Badgett and Stone (2005) recommended seven bases for market segmentation, including demographic, needs-based, profitability/value, behaviour-based, life-stage, occasion-based, attitudinal and others. For the purpose of this study, the four bases proposed by Elliot and Ang (2001) and Goyat (2011), which are the most popular, would be discussed in a later section.

Factors to Consider in Choosing Segmentation Bases
There are quite a number of factors to be considered in selecting the segmentation basis or variable to be adopted by a company. The segmentation variable chosen to subdivide a market will depend on several factors, including the nature of demand, the type of product, the method of distribution, the motivation of the consumers and the media available for market communication (Goyat, 2011; Chisnall, 1985). Market segmentation would most likely be successful if the aforementioned factors are carefully considered in selecting the segmentation bases. In contrast, the expected outcome might not be achieved if the segmentation bases are selected without due consideration to the above mentioned factors. This is a major area where the creativity of the marketer would be required.

Another important way to be creative in the market segmentation process is to adopt a more robust and comprehensive approach to market segmentation. Yankelovich as cited in Yankelovich and Meer (2006) posited that the reliance on purely traditional demographic characteristics (such as age, education level, income and sex) for segmenting current and potential customers was not adequate. He advised marketers to broaden the use of segmentation to include non-demographic characteristics such as values, tastes and preference as it is more likely to influence consumers’ purchases than the demographic characteristics. Other researchers argued that market segmentation bases that include factors such as economic, cultural, geographic and technological are inadequate without the inclusion of behavioural bases (Hassan & Craft, 2005; Helsen, Jedidi, & DeSarbo, 1993; Nachum, 1994). Thus, a segmentation plan that takes multiple observable characteristics into consideration would more likely produce a successful outcome. To this end, marketers tend to learn as much as they can about their customers, in terms of their age, where they live, their income levels, their purchase preference and their likes and dislikes. Armed with this information, marketers can reach out to potential customers or non-customers who share similar characteristics and traits as the existing customers.

Researchers have identified a number of criteria to guide marketers in selecting appropriate market segmentation bases (Elliott & Ang, 2001; Kotler; 1980; Martin, 1986;
Plummer, 1974). The criteria include: measurability (how easy it is to measure the size, location and content of a segment), accessibility (how to reach and effectively serve a segment), substantiality (i.e. the segment is large enough and profitable to merit investment), actionability (this refers to the deployment of effective marketing strategies to attract and serve the selected segments), determinant (the ability to clearly identify buyers’ decision factors), appropriateness (i.e. the basis of segmentation is perceived as rational by management) and predictive (i.e. the segmentation basis is able to link market behaviour to segment membership). These criteria, when meticulously applied in the selection of segmentation bases, would go a long way in delivering an optimal segmentation bases.

Bases for Global Market Segmentation

There are virtually dozens of ways global markets might be segmented and the segments selected would depend on the business and the products or services which are being offered. The segmentation bases commonly used in the global consumer marketplace to segments markets are: geographic, demographic, psychographic and behavioural (Elliot & Ang, 2001; Goyat, 2011). The next few sections would be used to discuss the four identified market segmentation bases.

Geographic Segmentation

Geographic segmentation is perhaps the most common basis of market segmentation and involves the segmentation of global markets by such characteristics as region (e.g. continent, country, state, local government, neighbourhood), climate, population size (e.g. size of metropolitan area) or population density. For instance, a company may choose to market its products in certain continents, but not in others. Likewise, a company may decide, as part of its strategy, to market its product, only in one region or state in within a country. According to Thomas (2007), geographical segmentation could take many forms (urban areas versus rural areas, northern region versus southern region, rainy reason versus dry season and so on). These examples also revealed that geographic segmentation has many variations, could take many forms and could be a means to other segmentation bases.

Demographic Segmentation

An important way for companies to segment their consumer markets in the global marketplace is through the use of demographics. According to Richards (n.d.), demographics are quantitative characteristics of a group of customers. Beane and Ennis (1987) asserted that clearly defined segments could be identified using demographic market segmentation variables, but this
method alone would not be sufficient to segment entire markets. The following are some examples of demographic variables often used for segmentation: age, family size, nationality, gender, occupation, ethnicity, education level, generation, religion, income, family life cycle, social class and housing type (Goyat, 2011; Thomas, 2007). For example, some companies target their products only to women. Similarly, some companies target their products only to those at the “high income bracket,” while some others are more interested in making products for infants.

Psychographic or Lifestyle Segmentation

Psychographic market variables are qualitative attributes of a market and refer mainly to the way customers think and how they tend to act. Researchers have argued that psychographic segmentation is superior to demographic segmentation alone (Elliott & Ang, 2001; Plummer, 1974; Wells, 1975). Thomas (2007) posited that psychographic segmentation is based on multivariate analyses of customer values, behaviours, emotions, attitudes, beliefs, perceptions and interests. This is one area the ingenuity of the marketer would have to be brought to bear in the segmentation process as he or she would be expected to carefully identify the proper psychographic segmentation variables. According to Richards (n.d.), it can be difficult for marketers to segment their markets into the sub-components of the psychographic segmentation on their own. Due to the fact that psychographic variables are qualitative in nature (i.e. personal attributes relating to values, attitudes, opinions, personality, lifestyles or interests), marketers must develop special skills to be able to optimise the use of this method.

Behavioural Segmentation

Behavioural segmentation is an important way for companies to segment its consumer market and it is based on actual consumer behaviour towards products. Behavioural segmentation variables include: usage rate, brand loyalty, benefits sought, user status, readiness to buy or occasions. According to Richards (n.d.), with good records of customers and their purchases, marketers are able to identify customers who have purchased certain types of products or spent at certain levels and could then target them with similar or special offers. A marketer who is thorough and has kept good records of its customers would have a good understanding of the buying pattern and behaviour of its customers.

An Excellent Global Positioning is One of the Principal Assets of a Brand

One of the significant decisions that a global company has to take to build a strong competitive advantage would be how to position its brand in the global marketplace. Many researchers have
found that positioning decisions are central to the development of global brands (Douglas et al., 2001; Hassan & Craft, 2012; Özsomer & Altaras, 2008). Whalley (2010) defined positioning as the way in which a company sets itself apart in the market and how its brand is perceived by the target market as a whole. Douglas and Craig (1995) defined positioning as a company's decision to determine the place that its brand occupies in a given market. Positioning is the act of analysing a brand and identifying what makes it relevant and distinct (Prounis, 2007). Global companies use “positioning” to communicate their overall value propositions to their customers. To be effective, the overall value proposition must be clear, distinctive, relevant and attractive to the target market. The author would now proceed to discuss “Brands and Branding” and “Why is having an Excellent Global Positioning a Key Brand’s Asset?”

**Brands and Branding**

Brands go beyond the logos or names that are associated with companies. They are the day-to-day experiences that customers or users have of a product over many years. According to Whalley (2010), the origin of branding in the world of business was necessitated by the need for individuals and groups to have an identity that was easily recognisable by others. The modern concept of branding developed alongside marketing; it is a strategy used by companies to differentiate their products and brands from competitors’. In other words, it is the act of showcasing the features that make a company’s product different from or more attractive than, its competitors’. Global companies now focus on establishing appropriate brand associations in the minds of their customers to differentiate the brand from competitors’ (Fuchs & Diamantopoulos, 2010; Keller & Lehman, 2006) and establish competitive superiority (Keller, 2002 as cited in Keller & Lehman, 2006). Branding is also now used to build economic value for customers and brand owners. In today’s global marketplace, a strong brand brings with it a wealth of value, quality and high performance (Whalley, 2010). Successful branding is now seen as the promotion of a company’s strengths. Consequently, companies need to be sure that they can always deliver on the promises made to customers, using these strengths.

**Why is having an Excellent Global Positioning a Key Brand’s Asset?**

There are quite a number of reasons why having an excellent global positioning is a major asset of a brand. Sarvary and Elberse (2006) posited that “Positioning and branding are inextricably linked” (p. 5). According to Aaker and Shansby (1982), positioning decisions are strategic decisions for a company or brand because such decisions can be central to customers’ perception and choices. Today, there are stiff competitions amongst global companies and the market is crowded with products and offerings; even strong brands face difficulties in creating
sufficient differential advantages over their competitors in the global marketplace (Clancy & Trout, 2002). To overcome this challenge, many global companies seek to employ “brand positioning.” They do this by designing the offerings and image of their companies to occupy a unique place in the mind of the customers in the global marketplace (Fuchs & Diamantopoulos, 2010; Kotler, 2003). For example, in the global auto industry, Toyota and Honda are well known competitors and they have to continuously be on top of their game to remain competitive.

When properly executed, positioning should bring about the successful creation of a customer-focused value proposition, a compelling perception of a company’s brand relative to its competitors’ and a convincing reason why the target market should opt for its products or brand. Indeed, positioning is expected to shape the preferences of customers and lead to high customer loyalty, customer-derived brand equity and willingness to search for the brand (Kalra & Goodstein, 1998; Keller, 2003; Schiffman & Kanuk, 2007). Thus, effective positioning is a necessary ingredient required to position a brand to the appeal of its target market.

Furthermore, global positioning is a very important asset to a brand because it helps to create a strong and consistent brand culture, borderless marketing and economies of scale. Cayla and Arnould (2008) proposed a cultural approach to global branding that considers the diverse ways of branding and thinking about brands worldwide. Yip (1997) posited that global companies enjoy economies of scale, resulting in increased cost efficiency. Levitt (1983) argued that economies of scale enable global companies and businesses to compete favourably and lead to reduction of costs and prices. Economies of scale bring about competitive advantage to a brand.

In addition, global positioning is required to enhance brand prestige and brand quality. The findings of a study suggested that brand quality and brand prestige are important factors in the positioning of global brands (Akaka & Alden, 2010). Thus, if a brand is perceived to pursue the highest standards of quality by consumers, the brand would more likely increase its brand equity and prestige in the global marketplace.

Positioning can also be used to stabilise or revive a brand in crisis or a brand that is seeking a new identity. Aaker and Shansby (1982) posed a question, “Can a problem brand be revived by a repositioning strategy” (p. 56)? A well defined positioning strategy may help reposition a troubled brand. For example, HSBC was well known for its long-standing slogan, “The World’s Local Bank.” However, with the appointment of a new CEO, Mr. Stuart Gulliver in 2011, the company announced that it would do away with the age-old slogan to refocus the bank from retail banking to trade finance. In fact, if global positioning is done effectively, it would have the potential to build great brands. However, if done haphazardly, it could result in disaster. Successful positioning strategy should create great value propositions for a brand.
Product Design Decisions: What Global Marketers Should Take Into Consideration

Decisions regarding the marketing mix (product, price, promotion and distribution) are some of the most challenging decisions global companies make. It can be argued that product design decisions are probably the most crucial as the product is the epitome of a company’s marketing programme (Hadjinicola & Kumar, 1997). Global marketers face the challenge of designing products for the global market. There are quite a number of factors that global marketers should take into consideration when making product design decisions. Some of these factors include: standardisation versus adaptation of products, centralisation versus decentralisation of production facilities and culture. These factors were further discussed below.

**Standardisation versus Adaptation**

The design of customised or standardised products is a central issue for global marketers. Standardisation encourages global companies and brands to design and sell uniform products and services the same way in every market worldwide (Levitt, 1983; Ohmae as cited in Viswanathan & Dickson, 2007). Standardised approach is characterised by global homogeneity where global entities produce and sell identical products in the same way everywhere. Product standardisation allows global companies to benefit from enormous economies of scale and economies of simplicity in product development, but at the risk that in some jurisdictions the standardised product might not meet the needs of domestic or local consumers.

On the other hand, adaptation encourages global companies and brands to design and customise their products to fit the “unique elements” of individual markets worldwide (Kashani, 1989; Thrassou & Vrontis, 2006; Wind, 1986). The adaptation approach supports market tailoring to fit the peculiarities and unique features of different markets worldwide. Offering a customised product to each jurisdiction has the advantage of meeting the needs of local consumers, but economies of scale and simplicity is not likely to be exploited with this option.

**Centralisation versus Decentralisation**

Decisions regarding the location and coordination of the production facilities are also crucial for global companies. More often than not, the decisions would be whether global companies should centralise or decentralise, or the extent to which they should centralise or decentralise their production in a single or multiple facilities (Hadjinicola & Kumar, 1997). Although proponents of standardisation are against decentralisation, a measure of standardisation could still be achieved, even if production facilities are decentralised. Centralisation of production facility has the advantage of easier control and coordination of facilities and staff, reduction of cost and prices and production of high quality products, but at the risk of experiencing slow
time-to-market. On the other hand, decentralisation allows a global company to take advantage of its spread to ensure quick time-to-market.

**Culture**

Culture is a very powerful variable and marketers who fail to take culture into consideration when making product design decisions do so at their own peril. Preferences, interests and response patterns of customers may differ significantly from one country to another or from one region to another (Douglas & Craig, 1986). These differences may be as a result of cultural, social or religious factors. According to Amuah (2012), cultural patterns do not only have the strong potential to influence and shape the character of the society within which they exist, but they also act as the key determinant of the identity and worldview of the society. These cultural patterns, when deeply entrenched and embedded in a society, tend to have a very strong influence on consumer behaviour and, indeed, consumption. Product design decisions have to adapt to the cultural requirements of target countries. Product design decisions, particularly those associated with consumer goods, are influenced by values, attitudes, religion, language, social organisation and aesthetics. Ignoring differences, or even similarities, in culture can lead global companies making and executing decisions with possible disastrous results.

**Top Global Brands: Their Success Stories**

Today’s business world is characterised by rapid changes by the continuous increase in the spread of globalisation. According to Matthiesen and Phau (2005), a major effect of globalisation is product similarity where brand differentiation is crucial to the survival of companies operating in the global space. A brand is a company’s most valuable asset. Based on this, companies are encouraged to make brands their central guiding principle, which guides every action and every decision (Chikezie, 2011). Hollis (2010) posited that a brand comprised a set of enduring and shared perceptions in the minds of consumers about a product. He further explained that the stronger, more coherent and motivating those perceptions are, the more likely and compelling they would be able to influence consumers, thus, inspiring them to select the brand over alternatives.

There are several successful global brands in the world today. The author has chosen to discuss five of the top 10 brands selected from the top 100 most valuable brands in the world in 2014 (Interbrand - Best Global Brands, 2014). The brands are Apple, Google, Coca-Cola, McDonald’s and Toyota in that order (see Table 2 for the top 10 best global brands in 2013).
Table 1: Top 10 Best Global Brands 2014

<table>
<thead>
<tr>
<th>Position $Million (vs 2013)</th>
<th>Brand</th>
<th>Brand Value $Million (vs 2013)</th>
<th>% Change in Brand Value (vs 2013)</th>
<th>Position Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Apple</td>
<td>118,863</td>
<td>21%</td>
<td>=</td>
</tr>
<tr>
<td>2</td>
<td>Google</td>
<td>107,439</td>
<td>15%</td>
<td>=</td>
</tr>
<tr>
<td>3</td>
<td>Coca-Cola</td>
<td>81,563</td>
<td>3%</td>
<td>=</td>
</tr>
<tr>
<td>4</td>
<td>IBM</td>
<td>72,244</td>
<td>8%</td>
<td>=</td>
</tr>
<tr>
<td>5</td>
<td>Microsoft</td>
<td>61,154</td>
<td>3%</td>
<td>=</td>
</tr>
<tr>
<td>6</td>
<td>GE</td>
<td>45,480</td>
<td>-3%</td>
<td>=</td>
</tr>
<tr>
<td>7</td>
<td>Samsung</td>
<td>45,462</td>
<td>15%</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>Toyota</td>
<td>42,392</td>
<td>20%</td>
<td>2</td>
</tr>
<tr>
<td>9</td>
<td>McDonald’s</td>
<td>42,254</td>
<td>1%</td>
<td>-2</td>
</tr>
<tr>
<td>10</td>
<td>Mercedes-Benz</td>
<td>34,338</td>
<td>8%</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Adapted from Interbrand’s annual ranking of the world best global brands for 2013 and 2014.

Table 2: Top 10 Best Global Brands 2013

<table>
<thead>
<tr>
<th>Position</th>
<th>Brand</th>
<th>Brand Value $Million (vs 2012)</th>
<th>% Change in Brand Value (vs 2012)</th>
<th>Position Change (vs 2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Apple</td>
<td>98,316</td>
<td>28%</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Google</td>
<td>93,291</td>
<td>34%</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>Coca-Cola</td>
<td>79,213</td>
<td>2%</td>
<td>-2</td>
</tr>
<tr>
<td>4</td>
<td>IBM</td>
<td>78,808</td>
<td>4%</td>
<td>-1</td>
</tr>
<tr>
<td>5</td>
<td>Microsoft</td>
<td>59,546</td>
<td>3%</td>
<td>=</td>
</tr>
<tr>
<td>6</td>
<td>GE</td>
<td>46,947</td>
<td>7%</td>
<td>=</td>
</tr>
<tr>
<td>7</td>
<td>McDonald’s</td>
<td>41,992</td>
<td>5%</td>
<td>=</td>
</tr>
<tr>
<td>8</td>
<td>Samsung</td>
<td>39,610</td>
<td>20%</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>Intel</td>
<td>37,257</td>
<td>-5%</td>
<td>-1</td>
</tr>
<tr>
<td>10</td>
<td>Toyota</td>
<td>35,346</td>
<td>17%</td>
<td>=</td>
</tr>
</tbody>
</table>

Source: Adapted from Interbrand’s annual ranking of the world best global brands for 2012 and 2013.

Apple

In today’s business climate, rapid changes resulting from the continuous increase in market globalisation have brought about product similarity. In this quasi-homogenous global market, brand differentiation becomes crucial. Apple, arguably, is in the forefront of product differentiation. Few companies have inspired the world, championed innovation, captured the world’s imagination, inspired such devotion and revolutionised the way people live like Apple.
Indeed, Apple helped to revolutionised the way people work, communicate and play. Apple has become a brand that is synonymous with innovation in the global marketplace.

**Background**

Apple Incorporated is a United States of America’s (“USA” or “U.S.”) multinational corporation (MNC) and a NASDAQ listed company that was founded on April 1, 1976 by Steve Jobs, Ronald Wayne and Steve Wozniak. Apple is one of the world’s most powerful technology companies and headquartered in Cupertino, California with a total valuation of $118 billion in 2014 (Interbrand - Best Global Brands , 2014). According to Neate (2014), Apple’s brand value of $118 billion in 2014 is worth more than the combined gross domestic product (GDP) of Ecuador, Morocco and Oman. Apple designs, develops and sells consumer electronics, computer software, online services and personal computers.

Apple unseated Coca-Cola in 2013 as the world’s number 1 global brand (Interbrand - Best Global Brands, 2013), a position Coca-Cola comfortably occupied for 13 unbroken years (Schweiszer, 2013). The number 1 position was retained in the 2014 ranking (Interbrand - Best Global Brands, 2014). The success story of Apple is even more interesting, considering the fact that in the 2010 ranking, Apple was in the 17th position in the top 100 most valuable global brands (Interbrand - Best Global Brands, 2010). The company’s current CEO is Tim Cook. He took over as the CEO of the company after Steve Jobs’ death in 2011.

**What makes Apple a Successful Company?**

Apple is recognised across the globe by its simple “Apple with a bite missing” emblem. Some of the key factors that have sustained Apple’s global success include differentiation (great emphasis on product differentiation), innovation (Apple gets innovation right with its products), premier (the creation of premier products), emotions (focused on users’ emotions), simplicity (the removal of complexity) and monolithic (monolithic brand identity). In its “Principles of Business Conduct,” 2004, Apple documented that its success is based on creating innovative, high-quality products and services and on demonstrating integrity in every business interaction.

Apple has consistently pursued a positioning strategy that is distinct from its competitors. Although competition has been very intense in the global marketplace, the company has been able to reinvent itself on many occasions to differentiate its products to stand out from competitors. It has worked very hard to increase market demand for its products through differentiation, thus, making its products attractive and unique to users.

Innovativeness is at the heart of Apple’s business. In fact, Apple lives and breathes innovation. Apple has consistently delivered on its promise of innovation. Apple’s products have
been designed to be ahead of the curves compared to competitors. Despite high competition and the premium price it charges, Apple has succeeded in creating demand for its products through innovative advertising, product differentiation, brand loyalty and hype around the launch of new products. There is so much hype currently on the launch of the Apple Wristwatch.

One of Apple’s key strategies is to create premier products and charge premium prices. The cheapest products in Apple’s products’ basket are priced in mid range, but they guarantee high-quality, satisfying and gratifying user experience with their features.

A major focus of Apple’s branding strategy is to focus on the emotions of users or consumers. The response to Steve Jobs’ death in 2011 proved how deeply millions of people connect with Apple on an emotional level. Steve Jobs recognised that Apple as a brand is more than its logo; “He instinctively new that his customers need to feel a certain way when they picked up an Apple product” (Interbrand - Best Global Brands, 2012, p.26).

The Apple’s brand strategy is also about simplicity, that is, the removal of complexity from people’s lives and product designs. Apple is good at designing gadgets that extend the user’s experience. The latest is the Apple wristwatch, which is expected to be released in June 2015 to give its customers a new experience.

Apple has a monolithic brand strategy. Everything about Apple as a company is associated with the Apple name, even when investing in the Apple ipod, ipad, iphone and itune products.

Google

Google has been known over the years as a search giant, although it has transformed itself into a broader IT company in recent years. In furtherance of its diversification and expansion strategies, Google has made some bold acquisitions.

**Background**

Google is a NASDAQ listed U.S. multinational company that was founded on September 4, 1998 by Larry Page and Sergey Brin at Menlo Park, California. Google is headquartered in Mountain View, California with a total valuation of $107 billion in 2014 (Interbrand - Best Global Brands, 2014). Google specialises in internet-related services and products, including search, online advertising technologies, software and cloud computing. The CEO of the company is one of its founders, Larry Page.
**What makes Google a Successful Company?**

Some of the key factors that have sustained Google’s global success include strong culture of innovation, great focus on the user, collective entrepreneurship and culture.

On innovation, Google is both a business model innovator and a technology innovator. The company, through innovation, has been able to diversify its product offerings. One of the strategies that have brought success to Google is its focus on the users of its products. Google is a customer-centred company, providing the best user experience possible for its products. In fact, its innovative process begins and ends with the user.

Google’s success has also been attributed to its model of “collective entrepreneurship. In this arrangement, Google is in a collective entrepreneurship with bloggers, advertisers and viewers, sharing the risks and rewards from the discoveries and exploitation of new business opportunities (Mourdoukoutas, 2011). In other words, Google allows a diverse group of people to share the risks and the rewards associated with discoveries and exploitation of new business opportunities. For instance, Google’s Blogger Service allows bloggers to set their own blogs priorities, ideas and products, and to pitch their own products and services to viewers. Google’s people’s oriented culture that favours ability over experience has been one of Google’s secrets to success. Google empowers its people to experiment and create products they believe in; some of these products metamorphosed into some of Google’s full-fledged products.

**Coca-Cola**

Coca-Cola is a name that is more universally recognised than any other name involved in the production, distribution and marketing of non-alcoholic drinks. In fact, Coca-cola is the soft drink giant of the world and its finished beverage products are sold in more than 200 countries across the globe.

**Background**

Coca-Cola is a New York Stock Exchange (NYSE) listed U.S. multinational beverage company, headquartered in Atlanta, Georgia. Coca-Cola’s history dated back to 1886 when its flagship product Coke was invented by Pharmacist John Stith Pemberton in Columbus, Georgia. The company was later bought in 1989 by Asa Griggs Candler, who incorporated the company in 1892. Coca-Cola engages in the production, distribution and marketing of non-alcoholic beverage concentrates and syrups. The company has presence in more than 200 countries worldwide. Coca-Cola’s current chairman and CEO is Muhtar Kent and the company has a total valuation of $81 billion in 2014 (Interbrand - Best Global Brands, 2014).
**What makes Coca-Cola a Successful Company?**

Coca-Cola’s success is attributed to its “one brand” strategy, quality, a unique and recognisable brand, “think global and act local strategy,” strategic acquisitions, global availability, popular advertising campaigns, ongoing innovation, economies of scale and marketing. In addition, Coca-Cola operates a franchised distribution system where the company only produces syrup concentrates. These concentrates are then sold to various bottlers throughout the world. This model allows for consistency and quality control worldwide.

As a unique and recognisable brand, Coca-Cola is among the recognisable trademarks around the globe. From a global availability perspective, Coca-Cola products are bottled and distributed worldwide. Coca-Cola has also been a champion in the area of innovation as it has continually provided consumers with new product offerings, including diet coke, Coca-Cola vanilla. Furthermore, Coca-Cola has delivered creative and innovative marketing and advertising, as well as consistently offering consumer products of the highest quality. Coca-Cola, though a global brand, is perceived in many countries as a local brand. In Nigeria for example, most consumers of Coke, Fanta and Sprite are not aware of the products’ foreign origin.

**McDonald’s**

McDonald’s is a household name throughout the world and the world’s leading food service retailer. McDonald’s predominant way of doing business is “Franchising.”

**Background**

McDonald’s is a U.S. multinational corporation and a NYSE listed company that was founded in 1940 in San Bernardino, California, the United States by Richard and Maurice McDonald. Ray Kroc joined McDonald’s as a franchise agent in 1955 and subsequently bought the company from the McDonald brothers. McDonald’s is unarguably the world’s largest chain of hamburger fast food restaurants, headquartered in Oak Brook, Illinois, USA with a total valuation of $42 billion in 2014 (Interbrand - Best Global Brands, 2014). The company’s current President and CEO is Steve Easterbrook. He took over as the President and CEO of the company on March 1, 2015.

**What makes McDonald’s a Successful Company?**

Some of the key factors that have sustained McDonald’s global success include the franchise model, delivery of quality products and service, emerging market focus, wider product offerings,
cleaner environment, sustainability, affordability (through economies of scale) and consistency across markets. McDonald’s serves around 70 million customers daily in over 115 countries.

McDonald’s restaurants are operated as franchisees, affiliates or by McDonald’s itself. The franchise model has contributed immensely to McDonald’s growth and global success. McDonald’s commitment to delivering quality products and service has contributed to its success. According to Rathi (2013), McDonald’s commitment to providing the highest quality food and superior service at a great value, in a clean, conducive and welcoming environment has contributed to its success in no small measure. McDonald’s ability to adapt to change in the different countries of operations and in consumer tastes and preferences, by offering a wider variety of food and expanding non-traditional menu items has also boosted the company’s success. McDonald’s has made tremendous progress in providing healthier menus to its customers. Many of the new menus helped combat the company’s ever-present negative image of serving unhealthy food to its customers (Rathi, 2013). For instance, in some countries, McDonald’s decision to replace high-calorie breakfast sandwiches with oatmeal has been a big hit. The spread of McDonald’s restaurants is also helping the company to win more customers and providing its food items at more affordable prices through economies of scale.

**Toyota**

Toyota has long established itself as a leader in the global automotive industry. Toyota is well known for its ability to produce automobiles of great quality at best prices.

**Background**

Toyota Motor Corporation (“Toyota”) is a Japanese company headquartered in Toyota, Aichi, Japan and founded on August 28, 1937 by Kiichiro Toyoda. Toyota is the leading auto manufacturer and the eighth largest company in the world in 2014 with a total valuation of $42 billion in 2014 (Interbrand - Best Global Brands, 2014). The company’s current President and CEO is Akio Toyoda. He took over as the President and CEO of the company in 2011.

**What makes Toyota a Successful Company?**

Some of the key factors that have sustained Toyota’s global success include innovative production practices, quality, cost leadership strategy, lean manufacturing concept (lean six sigma), Just-in-Time (JIT), Total Quality Management (TQM) and extensive production and distribution network. These distinct factors have been at the forefront of Toyota’s global success over the years. Similarly, these factors have given Toyota the competitive advantage over its competitors and placed the company as a market leader in the global auto industry.
CONCLUSION

The role of creativity in the segmentation process and the significance of having an excellent positioning as a key asset of a brand in the global marketplace were extensively explored. Furthermore, factors global marketers take into consideration when making product design decisions were discussed.

Due to the increasing globalisation of world markets, marketers tend to be more creative in their segmentation process, including carefully selecting the segmentation bases and the factors to be considered in the selection process. The bases highlighted in the paper include, geographic segmentation, demographic segmentation, psychographic segmentation (or lifestyle segmentation) and behavioural segmentation.

The study identified quite a number of reasons why an excellent global positioning is a major asset of a brand. An excellent global positioning brings about, amongst others, the following: creation of a strong and consistent brand culture, borderless marketing and economies of scale; enhanced brand prestige and brand quality; and stabilises and revives a brand in crisis or a brand that is seeking a new identity.

Decisions regarding product design considerations include whether to pursue a standardisation or adaptation strategy, centralised or decentralised strategy, as well as whether to pay attention to cultural issues. In addition, some of the key success factors of top global brands like Apple, Google, Coca-Cola, McDonald’s and Toyota were highlighted.

Finally, this study was theoretically oriented, thus, empirical studies to explore the under listed topics, which this paper was centred on, is recommended:

- The role of creativity in the market segmentation process;
- The impact of excellent global positioning on a brand; and
- Standardisation versus adaptation of product design decisions.

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