

Transformative Organizations

A Global Perspective

Editor

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9 Transformative Brand and Organizational Communication¹

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How can the firms in the emerging markets compete against the multinational firms with powerful international brands and intellectual properties? The emerging market firms face two kinds of challenges: (a) transforming the communication of the brand externally with the customers, (b) transforming the communication of the organization internally with the workforce. The two goals—developing brand leadership externally and organizational empowerment internally—have conventionally been treated with alternative lenses. However, there are several commonalities in the two challenges.

Conventionally, most organizations believe that mega-advertising budgets are essential for succeeding in a global world, and that without such budgets it is difficult for the firms from the emerging markets to survive in the face of liberalization and exposure to competition from the multinational enterprises. Recent research in the marketing discipline indicates the fallacy of this conventional belief (Schmitt, 1999; Joachimsthaler and Aaker, 1997; Kumar, 1998, 2001).

Media clutter has increased tremendously with the growth of multinational enterprises in several regions of the world, expansion of television channels and proliferation of print media. Many firms are seeing limited benefits from their ad spending, and are exploring alternative channels. McKinsey's analyst Renee Dye (2000) underlines the significance of buzz marketing. Buzz marketing uses viral, street, stealth, or guerrilla tactics to spread the word-of-mouth about products. Nearly two thirds of US consumer product sales are influenced by word of mouth, as opposed to conventional media advertising. Increasingly, buzz marketing has ceased to be just a strategy of small entrepreneurs, and has become central to the Fortune 500 corporate strategy. Leading traditional firms such as Ford and General Electric, as well as popular firms such as Nike and Palm, have sought to adopt buzz principles. While a Cricket World Cup or

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