

## Global Actors on the Local Stage: The Procter and Gamble model of Constructing an International Brand identity that Works

The attributes that create a positive brand perception in Mexico's culturally, historically, socially and economically diverse landscape presents a challenge for international marketers to compete with existing local brands. The construction of a brand identity for an international brand, in order to be effective, must stem from and reflect the culture of the place where the brand is trying to take root. Mexican consumers are some of the most brand loyal consumers in the world, making the creation of meaningful brand relationships incredibly important to success in the market (Mexico: reaching the consumer). This reflects a culture of deep personal relationships which are important to consider as an American or international brand coming into the Mexican market. However, like in any country, there is not a "one size fits all" brand. The type of brand an international corporation has the opportunity to create and that brand's success in the Mexican market is firmly rooted in its integration with local buying practices, consumer cultures, and perceptions. Within these broad categories, the importance of the local market conditions, consumer buying practices, adaptation to local culture, expectations, trust, access, and cultural sensitivity show just how complex the creation of a global brand that functions as a local brand becomes. A great example of the integration of consumer factors to create a successful brand is found in the process of Procter and Gamble bringing Pantene shampoo to Mexico.

Procter and Gamble's successful introduction of the Pantene shampoo brand in Mexico begins with an analysis of perceptions in the local market of the health and beauty product category. While some brands believe they can create perceptions by simply introducing the product to the market, the Procter and Gamble model shows that they cannot shape perceptions without understanding where they are starting from. Today in Mexico, the food, beverage, health and personal care industry is valued at 249 billion USD (MarketLine Industry Profile Advertising in Mexico). To gain a share of this largely profitable market, Procter and Gamble had to understand that there are cultural perceptions and practices that shape what a brand must become within the personal care category. Although personal care as a category is shared between Pantene's U.S. market and the Mexican market, there are differences in what personal care means, how a person stays clean, and what products are used to achieve this. In the late

1990's, economic success in Mexico allowed people to enjoy more leisure activities using disposable income. With this, "Brazilian and Mexican consumers emulate North American culture more persistently than other countries in the region," so, the need for grooming in certain ways was certainly influenced by North American media and messaging even before Pantene entered the market (Jewett 57). These pre-existing thoughts and feelings tie into the process of creating brand image and affinity, and this cultural standard is another reason why a brand like Pantene is able to be successful in the Mexican market. The presence of an American product suggests ability to achieve an American beauty standard through the use of the brand's products. Beauty is tied to the appearance of a higher socio-economic condition, as it requires money to afford health and beauty products. Through additional ethnographic studies of the existing market, Pantene is able to gain information needed to compete with existing brands, even creating the Pantene Institute for the scientific study of hair. The research suggests that by buying in to the idea of American and European beauty in Mexico, global products like Pantene have a favorable place in the Mexican personal care market.

Consumer buying practices are the next consideration for deciding how to formulate a brand and the products it will represent. In Mexico, the *tiendita* is the most common and traditional shopping location. *Tienditas* are small stores that sell basic household and food items. Procter and Gamble calls these "high frequency stores" as an average family stops to pick up goods seven times a day at one of these stores (Lopez-Lomelí). Think of the *tiendita* as the antithesis of Walmart or other big-box stores. They sell only small quantities, have limited space, are poorly lit, and often are run by a member of the community. When entering a *tiendita*, "more than 60% of customers already know what they're going to buy," suggesting the prevalence of name recognition and brand loyalty within the shopping ecosystem of the *tiendita* (Byron). These facts had several implications for the implementation of Pantene as a brand. The large bottles of shampoo sold in the U.S. were not going to fit within this buying model. There is no shelf space for large bottles, and typically, a mother or woman will only buy what the family needs for the day at one of these shops. These women are also buying on credit or using money from their daily earnings, so the products under the Pantene brand needed to be priced in a way that would be accessible to the average woman.

Furthermore, the *tiendita* shopping model changes the dynamics of the importance of product placement for the brand in conveying an image to shoppers.

“According to signalling theory (Erdem and Swait, 1998), the clarity of a brand signal refers to the absence of ambiguity in the information conveyed by the brand’s past and present marketing mix strategies and associated activities (Erdem and Swait, 1998, 2004). The signalling effect is likely to be more relevant in emerging markets, such as Mexico, because of the higher levels of uncertainty and risk involved in most product positions (Zhou et al., 2010)” (Llonch-Andreu, et. all 451).

One of these marketing mix factors and the main access point between a brand and the consumer is in-store visibility. Unlike in the U.S., brands are not able to send a strong signal using in store promotion. The clearest brand signal is name recognition. Brands who want to sell products in Mexico’s *tienditas* must understand that displays and other common point-of-sale promotional materials do not work in this space as they do in U.S. retail. In fact, “to maximize space, shopkeepers often store laundry detergent, toilet-paper rolls and shampoo packets beneath the counter, handing them to shoppers only upon request” (Byron 2). Considerations such as what kind of store the product is sold in and where it is placed on the shelf typically suggests the importance of the product to the consumer. Product placement models show that eye-level products easily seen by the consumer are the most expensive shelf space, as they are most likely to be picked up by a consumer in a traditional U.S. retail store. In small Mexican *tienditas*, building a recognizable brand is even more important to obtaining space visible to the consumer, as there is very little space available. In this setting, visibility is still effective, however, it is unlikely that a *tiendita* has the capacity to accommodate specific display requirements. When the brand cannot rely on packaging and display to influence point of sale choices, the brand name and recognizability are even more important than in large retail spaces. In these small shops where customers must ask for a certain product by name, creating a brand that is well known enough that the consumer asks for the product by name is the best-case scenario. This means on top of a favorable perception of the brand, other factors like social desirability and the ability to pronounce a brand name should be considered by international marketers when introducing a brand in the Mexican market. When a consumer must ask for a product, unlike picking it up off of a shelf, they are not only buying. They are telling a shopkeeper that this is a product they

support, and this contributes to the perception of the individual based on what brand is bought as well as the perception of the brand to the shopkeeper based on who is buying.

Moving on from the importance of the general implications of the market and category on brand identity, Procter and Gamble's success with Pantene in Mexico also has to do with understanding consumer culture theory in research and development. Instead of pushing an American or international product onto shelves with financial investment, a global brand must invest significant time and resources into research and development, reshaping themselves in a way that appeals to the local market to be well-received. Consumer culture theory considers the heterogeneity of a market and the dynamics of actions, symbols, beliefs, and perceptions that make up a consumer as an individual within a larger ecosystem of a group of people (Arnould and Thompson 3). Through a push and pull of global and local forces, Procter and Gamble's brand strategy in Mexico is greatly influenced by this theory, focusing on creating and adapting the Pantene brand to address the cultural dimensions of the needs of the local consumer through research and development, primarily in the Pantene Institute. Using design thinking, starting with the problem and tailoring the product to the solution, P&G created a Pantene that works for the unique hair, lifestyle, and water in Mexico (Lopez-Lomelí). Procter and Gamble needed to create a product that worked better than what was already available to earn loyal customers, but that also blended into the culture of beauty to compete with local brands. Pantene spends over 3,000 hours a year in the Pantene Institute testing hair and water types, talking to women, learning consumer culture and perception, and allowing women to try the products, all to meet the needs of the consumer at the right price point (Corona). At the same time the brand is doing a service for women, they are also spreading positive messaging about themselves from this intimate connection with their target market. Additionally, the Pantene Institute allows Pantene to continue to tailor the product to what the women who attend the Institute need. At the beginning of the process of bringing Pantene to Mexico, this time and effort was necessary to introduce products into an already saturated Mexican market. Today, this research allows the brand to keep up with needs as culture and society change, thereby allowing the brand to stay relevant to the consumer.

Procter and Gamble flipped international marketing on its head by taking a "glocal" both global and local, approach to brand positioning based not on their own perspective but on that of the consumer. The idea of "glocality," begins to take root in the consumer perception of Pantene.

There are a number of forces at work in the creation and perception of a “glocal” brand. The preconceived notions of outsiders and what it takes to be an insider are fundamental to “glocality” (Lopez-Lomelí). The idea of globality and locality is the primary perception that signals integration of a product or a perceived difference from the norm. For example, to an American consumer, Pantene may just be local brand, many people use it, one can see it in most retail stores, and it is produced by an American company even though it is sold around the world. The opposite can be said for the version of Pantene shampoo which can be found in the smallest *tiendita* in Mexico. Pantene is a brand with a foreign sounding name and consumers know that it is sold in other countries. So, just how did Pantene become a brand widely accepted by the Mexican public? Perception. This brand is able to work in Mexico because they hold the intrigue of a global brand while seamlessly integrating into local culture by tending to the needs and desires of the consumer. Consumer perceptions of a brand’s globality or locality are the true measures of the cultural impact. What makes a company perceived a certain way in a market has to do with the integration of the brand into the social fabric of the place. This requires the creation of a global product that looks, feels, and functions like any other product on the local market, or one that is distinctly unique in its foreign nature. The differences in perception are in the quality and the social aspect of buying. Knowing the name and the value of products bought, along with knowledge of the global nature of the brand lead to success for Pantene.

Just as consumer culture theory puts the unique attributes of each person’s cultural experience at the forefront of their choices as a consumer, a perceived brand identity can shape local culture. “Globalization is not a one- way street; it is constituted of global flows of ideas, things, people, money, and consumer practices of all sorts. Thus, they provide compelling examples of how market society transforms local activities into global consumption goods on an accelerating scale” (Arnould and Thompson 4). Brands are a driver of culture, but culture also drives the brand strategy. This reciprocal relationship brings forth the importance of the brand’s local impact. The increase in reach of American brands in Mexico at the same time as economic progress also brought an increase in American culture. The identity created in brand positioning ties together the culture the brand exists in and the culture a brand strives to create, using consumer affinity to drive more sales. The existing perceptions of a brand also serve to create cultural ideals within consumer groups. This is an essential function of the brand, since a culture which needs the product is the one which drives sales. Brand perceptions, though, do not exist

only in advertising messaging controlled by the brand, they exist in the mind of the consumer. Pantene's impact as a global haircare brand on local culture is in the beauty standards it transmits. The Pantene Mexico website is full of women with long, dark hair smiling at the camera (Pantene). This suggests to the buyer that this look, long hair, light skin, glowing makeup, is what a woman should look like. Not only does this perception change the standard of hair, it also drives the products and techniques used to become "Pantene beautiful."

Putting the consumer's values and expectations of the brand into the grassroots implementation strategy allowed P&G to excel at bringing Pantene to the Mexican consumer. The values of the Mexican consumers are product quality, time saving, and price (Mexico: reaching the consumer). These are key aspects of consumer decisions, however, customer experience in the buying process is also important. Mexican culture emphasizes personal connections, and this also holds true for brands. Personal connection with Mexican consumers is a key determinant of the brand's perception. A brand should be warm, inviting, and embrace this expectation. This becomes important in considering how American products are advertised in Mexico, because the advertiser must appeal to this social difference between the countries. In the case of Pantene's implementation, Procter and Gamble as a global corporation was not a well-recognized company at the time in Mexico, which was convenient considering that American products were not well accepted at the time. Given the climate when Pantene was introduced, the company undertook grassroots efforts and worked with local women in the Pantene Institute to grow the Pantene brand to its well-known status today in Mexico (Corona). This strategy reflects the idea in consumer culture theory that small subcultures and not national culture determine why and what a person buys. Within these subcultures, talking to people and showing them what the products can do allows word to spread and products, ideas, and lifestyles become accepted. Because of the socio-cultural implications of consumer choices, brands become a reflection of the expectations of the person they target.

A buying experience goes beyond what product a person gets from a brand. A brand must move from solving consumer needs to anticipating and serving the psychological desires of the consumer in buying process to be successful. The psychological association of a product contributes to buying behavior, as shopping is not only a rational process. Once a brand has established a solid foundation, they are able to define a consumer based on their world view. The psychological implications of products and buying is entrenched in shared experiences,

cultures, and histories which create a world view. Generally, there are three world views that are important to an international marketer hoping to enter the Mexican market. These world views correspond with consumption choices are cosmopolitanism, ethnocentrism, and materialism (Lopez-Lomelí). These world views imply how likely a buyer is to choose a product they perceive as global over one perceived as local. To the cosmopolitan consumer, buying an American product such as Pantene may represent wealth, worldliness, status, or lifestyle. Yet to the ethnocentric consumer, it may represent the infiltration of global companies to undermine Mexican culture. Pantene truly finds the best of both world views in the materialist market. These consumers search for the global products, seeing them as the best value for quality which Pantene has been positioned to offer (Lopez-Lomelí). The interpretations are various, but the importance of these feelings of world view association cannot be overlooked when deciding on all facets of a brand personality, especially when applying these to imagery in advertising. In Mexico, Pantene's advertising plays to the materialist, building up a brand that stands for glamorous beauty. The gold packaging and backgrounds in photography continue to suggest wealth and luxury, but still the product is not offered at a very premium price. A 300 ml bottle of Pantene in one of the leading large grocery stores, Superama, in Mexico is 55 pesos, or 2.92 in U.S. dollars. Compared to the price of one ounce less of a similar shampoo in a Target store in Iowa, the Mexican consumer is saving a dollar. Mexico is a country with rich indigenous and colonial history which still divides people in the country. Furthermore, world views in Mexico are affected by economic success. Because this economic success is due to the intervention of mainly American corporations in Mexico creating jobs and direct access to new products, the American influence in Mexico has changed the Mexican perspective on international goods (Mexico: reaching the consumer). People have become more accepting of North American and European products, especially in urban areas, as they have more access to them in media and by direct contact. In turn, this has created new groups of people with international interests. At the same time, in smaller, poorer, and more remote areas, the small shops may only choose to sell local items to help their community thrive. These changes and the diversity of Mexican culture which affects buying practices within groups highlights the importance of connecting with the local audiences in the Pantene Institute to understand the lasting impacts of this history and culture on world view.

Finally, international marketers must be careful not to push unrealistic or insensitive societal standards on to their consumers through a brand identity. There are numerous negative social, cultural, and economic implications of foreign consumption to be aware of in a foreign market. When a consumer gives money to a foreign corporation, that money may not directly going back into one's native economy. In Mexico, pollution from the factories that produce American products has become a large issue. Brands should be aware of their environmental impact and use the money from sales from the country to address those issues that they have created. Not only will this benefit health and wellness of people, but it is a great move for brand positioning. Highlighting this in brand identity will appeal to the personal connections which are important to the consumer. Much like in the U.S. where environmentally responsible companies appeal to the consumer, American companies in Mexico can use a similar position to show investment in the local environment, increasing affinity. Socially, what people look like and do in advertising campaigns creates ideals that people within the society believe need to be met. While some may see the brand as "aspirational" there is a fine line between aspiration and something that is completely unrealistic. The success of American corporations promoting American and lifestyles on Mexican people has a lasting effect that can already be seen in the brand-name clothes people wear, the style of makeup people choose, and the American chain restaurants on every corner in metropolitan areas. As previously mentioned, when creating a brand, a company also creates a lifestyle. When that lifestyle is adapted to or matches the local values and culture, then the brand is able to be accepted more by the public. For example, fast food restaurants match up with the consumer need for convenience and value. When a brand creates a lifestyle that is unattainable, they do more social harm than good.

These strategies, when tailored to the unique culture and perceptions of consumers in other markets, can serve as a guide for international brands to thrive at the local level. Underneath the research and selling techniques that are fundamental to creating a brand identity in any place, there is a clear need to integrate brands in a way that fits the local consumer and buying culture. A personalized brand is, of course, how to best drive sales, however, beyond this is the foundation of the relationship any brand strives to create between themselves and the consumer. This analysis also defines how brands create a reciprocal relationship with the local culture. Pantene is not only a brand; it is also a representation of a blend of American and Mexican cultures. The brand shows that marketing practices have a distinct impact on their target

audience. Pantene is a vessel for the promotion of an American standard of beauty, but at the same time, through smart development, this “Americanization” is packaged in a formula that is easily accepted by Mexican women. So, not only is Pantene affecting Mexican hair care, but Mexican hair and culture have a lasting impact on Pantene. From good research to understanding of the history and culture of a target market, a global brand is able to grow local roots.

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