

Global Marketing Insights
from TGI



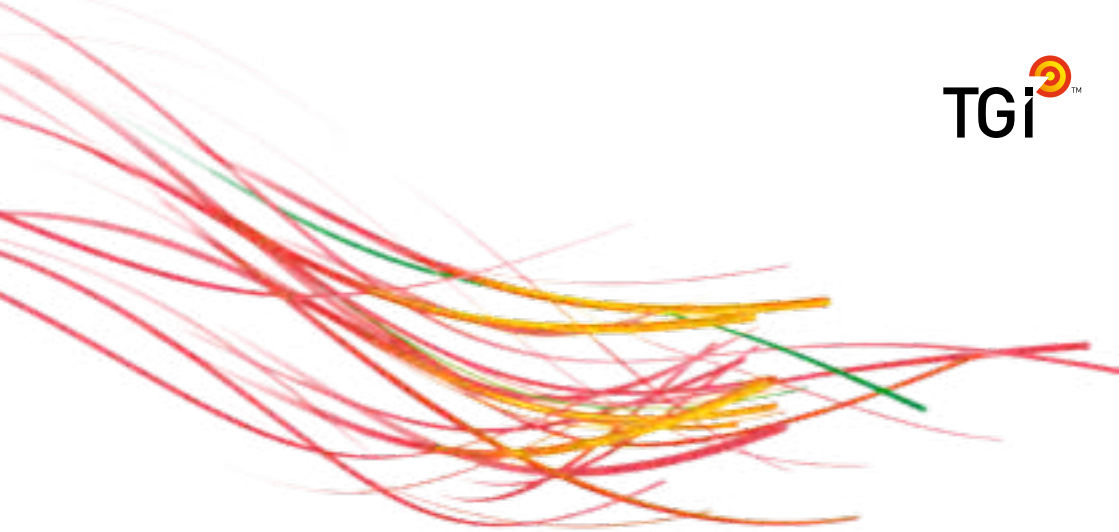
Brazil
Russia
India
China



Brand Building in the BRICs

2011 updated edition

Market understanding
and strategic development
for international brands



Preface

The BRICs markets – Brazil, Russia, India and China – are under increasing focus. As well as being seen as future cornerstones of the world economy, they are significant markets today in their own right. International brand owners cannot afford to ignore them.

This booklet uses research-based evidence to provide guidance for marketers. It examines the similarities and differences between the BRICs, and suggests strategies for building successful brands in these huge and dynamic markets.

The information used comes from the TGI network of worldwide marketing research studies. These provide valuable insight into behavior and attitudes in relation to a wide range of consumer sectors. More details are given at the back of this booklet.

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Brand building in the BRICs



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Introduction

Great size, great potential

Brazil, Russia, India and China – the BRICs economies – are united by their size and their potential. Overall their populations represent 42% of the people of the world, and although GDP levels are relatively low (being 17% of the world between them) with growth rates currently three or four times those of the western economies, the numbers entering the market for branded consumer goods will continue to increase rapidly.

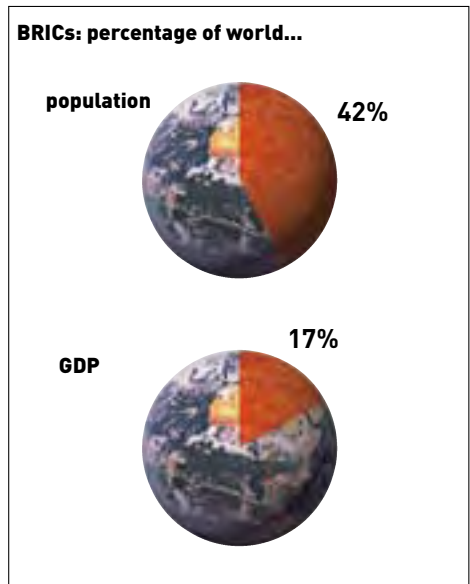
The BRICs are becoming ever-larger forces in the world economy. If current growth rates continue, by 2025 they could account for over half the size of the G7. Of the current seven largest world economies, only the US may be among the seven largest in 2050. All four of the BRICs are likely to be represented.

For manufacturers and service providers these are the factors that make them exciting markets – or potential markets – but the associated risks are great. The cost of failure could be high... but so could the cost of not investing.

Yet these four markets are very different from each other, and from developed western markets, in their historical, economic and ethnic backgrounds. Brand owners wishing to develop in the BRICs will have to devise product and marketing strategies to cover countries with diverse culture and value sets.

BRICs fundamentals		
	2010 population	2010 GDP (\$)
Brazil	191 million	2,024 billion
Russia	142 million	1,477 billion
India	1,192 million	1,430 billion
China	1,342 million	5,745 billion
BRICs	2,867 million	10,676 billion

Sources: National census authorities; The International Monetary Fund



Introduction

What future for global brands?

To develop further in the BRICs, brand owners need to understand how well accepted are the western values that have underpinned the globalization trend to date. Are the BRICs likely to come to accommodate global value 'norms'? Or will they move in different ways, making it difficult for brands that wish to globalize?

Several brand owners have experienced success in the BRICs. We identify some of these in this booklet, and examine two types of approach that can be fruitful.

Our information sources

This booklet draws upon analysis and interpretation of the TGI (Target Group Index) consumer research studies in the four BRICs markets. These are part of the worldwide network of TGI surveys, which are available to clients in over 60 markets. (See Appendix 3 on page 36). The possibilities for analysis are extensive, because these are large-sample surveys, covering a wide range of marketing, attitude and media information. Their specifications in the BRICs markets are shown here.

TGI survey details	
Brazil	
Sample size	19,500 annually
Sample base	Adults aged 12-64 in cities
Population represented	65 million
First published	in 1999
Local survey partner	IBOPE
Local survey name	Target Group Index
Russia	
Sample size	45,000 annually
Sample base	Adults aged 16+ in cities with population of 100,000+
Population represented	58 million
First published	in 1995
Local survey partner	TNS Gallup Media
Local survey name	Marketing Index
India	
Sample size	34,000 annually
Sample base	Adults aged 15-55, ABC social grade, in cities with population 100,000+
Population represented	107 million
First published	in 2001
Local survey partner	IMRB
Local survey name	TGI
China	
Sample size	80,000 annually
Sample base	Adults aged 15-69 in 36 cities*
Population represented	101 million
First published	in 1999
Local survey partner	CTR
Local survey name	CNRS
* Also available as a 60-city study with a sample of 94,500	

Introduction

Our consumer focus

Our focus is on the mainstream consumer market. For the comparative examinations in the first part of this booklet, we have defined this as adults aged 20-54 who live in the two or three largest city regions in each BRICs country. This is a key broad target: people of working age who are most likely to be in the market for branded goods and services. The cities in which they live are 'leading the charge' towards consumerism. They offer the largest distribution networks and the greatest numbers of potential brand purchasers, and their inhabitants are at the forefront of their countries' social and economic development.

For Brazil these city regions are Sao Paulo and Rio. For Russia they are the northwestern region, which includes St. Petersburg, and the central region, which includes Moscow. For India they are Mumbai, Delhi and Kolkata. For China they are Beijing, Shanghai and Guangzhou.

For some of these analyses we also make comparisons with longer-developed markets: the US and the four Western European countries of France, Germany, Spain and Britain (summarized together as 'TGI Europa'). Here we have taken the entire 20-54 year-old group as being the best comparative representation of the consumer population.

The later sections of this booklet focus on the entire TGI-measured populations of the BRICs markets, as identified on page 6 opposite.

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Indicator measures

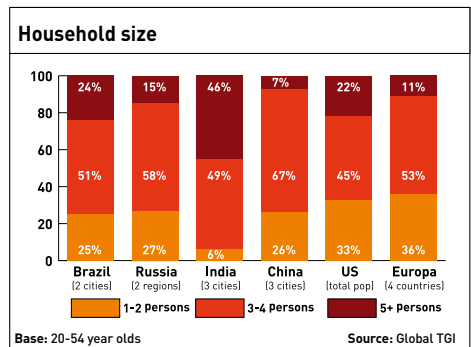
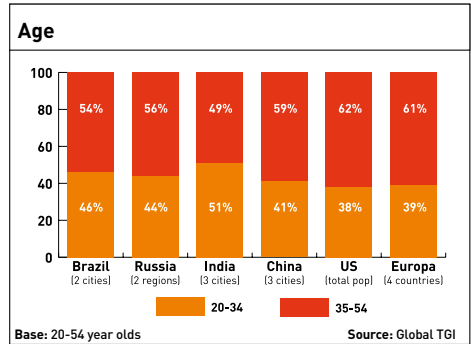
We have compared the BRICs' basic social and demographic indicators to the US and Western European countries (the 'TGI Europa' markets of Britain, France, Germany and Spain) in order to assess their performance against these benchmarks in developed countries.

These figures for the BRICs markets are based on the analysis of 20-54 year-olds in the biggest cities, and for the US and Western Europe are for all 20-54 year-olds.

Social indicators

When comparing basic demographic information, the relative youth of the Indian population contrasts most with the US and Western Europe. Brazil and Russia also have notably younger age profiles within this 20-54 bracket, being much more biased towards 20-34s, while China is closer to the US and Europe.

Household sizes show more variation, but again India shows the biggest differences, with larger households than the western countries. Almost half of Indian households contain five or more people, which has implications for product and brand use. Three to four-person households are most prevalent in China and Russia.



Indicator measures

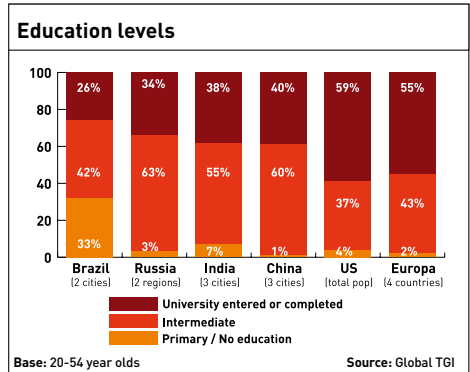
Educational indicators

Education is one of the more contrasting factors among BRICs countries. For the US and Western Europe, and most of the 20-54 year-old population in the major BRICs cities, a schooling level of primary or less is almost non-existent, while the majority complete intermediate (secondary/high school) education.

The proportion that sets out on higher education is greatest in the US – however only 29% of the US population are classified as college graduates.

Among the BRICs, China and India have the highest proportion of higher education entrants. For many, education is perceived as the ‘ticket’ for a better future, and so the key obligation for parents is to ensure that their children get good – higher – education.

Brazil has a completely different structure. Around one-third of its population has only primary or less education, yet on the other hand 26% have experienced higher education. Progress is being made, but this reveals Brazil’s most serious challenge in the near term, and its biggest hurdle in achieving significant levels of social and economic development.



Indicator measures

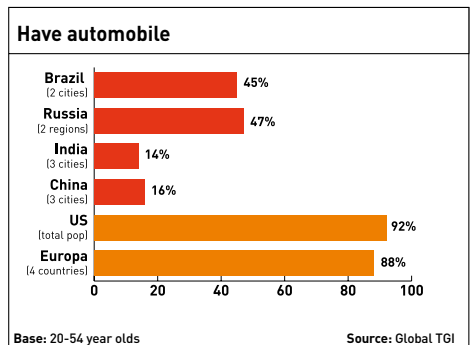
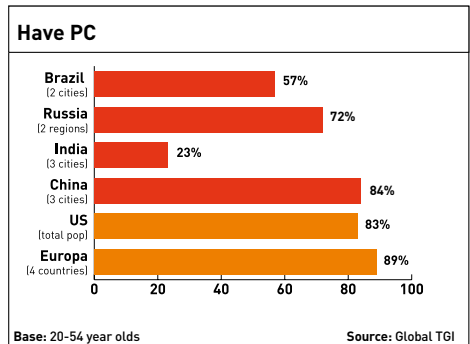
Ownership of household durables

When individuals' resources grow, as a consequence of economic development, they often invest in items for the home. These range from labor-saving devices such as washing machines and vacuum cleaners to luxuries such as DVD players and video cameras.

Examining the levels of ownership of such items can tell us a great deal about relative economic development at the overall level, as well as enabling brand owners to identify which individuals might be targeted – either on the basis of not owning certain items, or that their ownership of them may indicate a certain level of affluence and readiness to purchase other goods.

Some categories deserve special attention. Personal computers are highly penetrated in China, Russia and Brazil. India has a low figure, of only 23% of the target group population.

Ownership of automobiles shows a completely different pattern. Russia is highest among the BRICs with 47% penetration, closely followed by Brazil with 45%.



Indicator measures

Growth rates in ownership

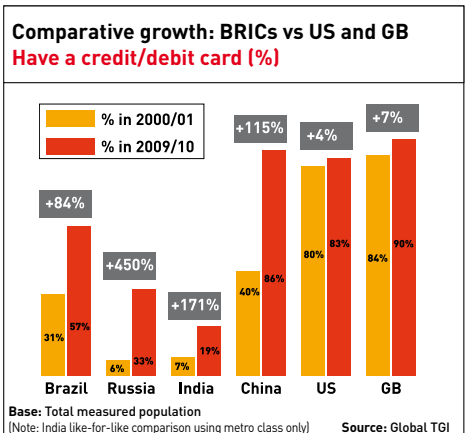
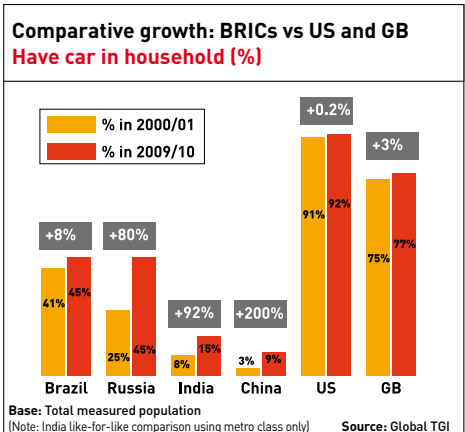
In many ways it's wrong to refer to the BRICs as "developing" markets – by some measures they can be considered just as developed as the "developed" markets.

Growth rates in the BRICs for a range of items have been rapid. These charts show the trend over the last decade in the ownership of cars and bank cards. They are based on the total measured TGI population in all cases.

There has been dramatic increase in the ownership of cars over the last decade in Russia (80%), India (90%) and China (200% growth). These rates of growth are a clear sign of how economic development spreads wealth and makes items affordable to increasing numbers of consumers. The exception to this picture is Brazil, where car ownership was considerably higher than in the other BRICs at the opening of the new century, and growth has been more serene. By comparison to the BRICs we see that in the US and in Britain there has been virtually no percentage growth – new purchases are largely replacement purchases.

The growth in ownership of credit and debit cards arises from people's need to manage money, and greater levels of financial sophistication. It has been striking across all the BRICs – and there is still potential for more. Again we see very little growth over the same period in the US and Britain, which were already saturated.

Across many other categories the same picture can be seen, of rapid growth yet still much further potential. When considered along with the sheer size of their consumer markets, this makes it clear why many manufacturers are focusing attention very closely on the BRICs.



Indicator measures

Digital uptake

BRICs consumers are connected. Internet penetration (again measured among the total measured TGI populations) is in the 50% range for Brazil, Russia and China. This is still somewhat less than in the US and the major European markets – although not Spain – and will continue to grow. It's lower in India, where PC penetration is much lower, and where the cost of access through the purchasing of a PC or laptop has remained an obstacle for more people for longer.

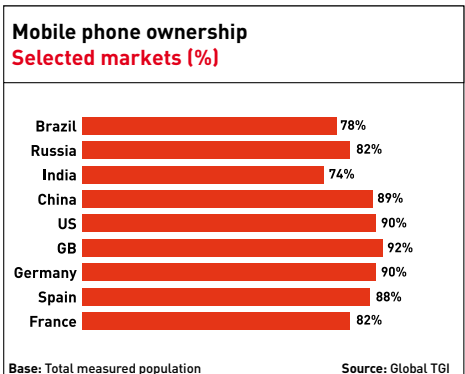
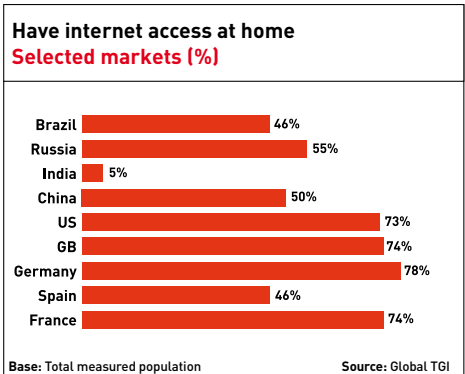
Mobile phone penetration levels are notable – between 74% and 89% across the four BRICs, and comparable with “developed” markets.

These figures show the percentage penetration among the universes measured by TGI. If one considers the absolute numbers among the entire population in each country, the picture is even more telling. This is particularly the case for India and China. The total number of SIM cards in circulation in 2009 was 500 million in India and over 750 million in China. Some commentators estimate that by 2015 the numbers could be 950 million in India and 1.15 billion in China.

On top of this, we need to bear in mind that a large proportion of mobile phones sold in future will be internet-enabled. This will be significant in many ways: in how people interact with each other, in the future of e-commerce and in how brand owners will be able to communicate with consumers and prospective consumers.

The mobile internet will have a huge role to play in communication in the future. In India, it seems likely that many consumers will come to access the mobile internet without ever having used the ‘regular’ internet.

The BRICs are, and will continue to be, the sources of the most dynamic changes in digital consumption.



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Values and attitudes

Across the world, brand owners who want success need to base their activities on a firm understanding of local culture. This is especially true of the biggest markets, since their size means that misunderstandings and mistakes can mean a high price to pay.

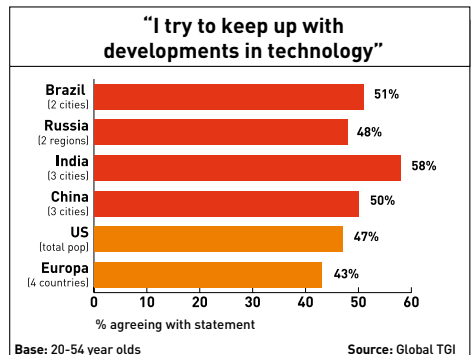
And yet while localized strategies and brand images can work well, they have to be balanced with the overall building of a global brand image – which itself can be one of the main success factors when competing with local brands.

So it's not easy to prescribe the extent to which a brand should be positioned as being global or local. In order to shed some light on this complex question, and to understand the dynamics of values and attitudes in BRICs markets in comparison to US and European ones, it can be instructive to analyze attitude statements from TGI in these countries.

For these analyses, we are looking again at 20-54 year-olds in the biggest cities in the BRICs.

Contemporary attitudes

We have seen that levels of uptake in the BRICs for mobile phones, the internet and hi-tech items are in many cases close to western levels. This being the case, it is not surprising to see that consumers in the BRICs are just as likely as those in the US and Europe to be keen on keeping up with technological developments – something close to half the population in all cases.



Values and attitudes

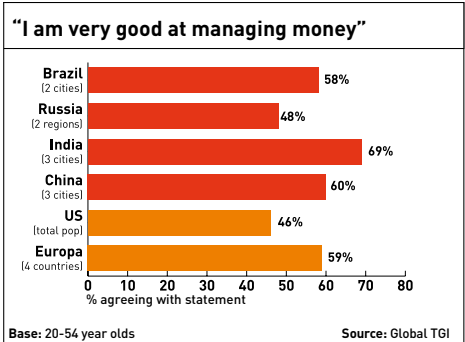
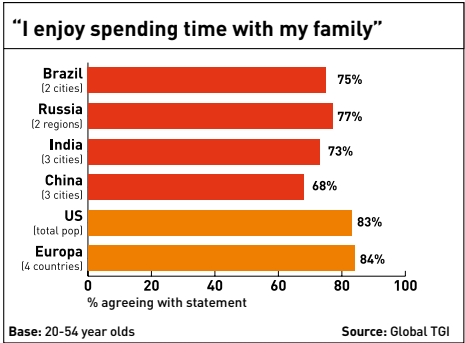
Universal values

Some fundamental values are held similarly not only among the BRICs countries, but in the US and Western Europe as well. These key universal values are skewed towards conservatism rather than adventurousness, and to collectivism rather than individualism. The importance of the family features strongly.

The two attitudes illustrated show that the family is for most people a centre of life, and that a large number of people in all markets consider themselves to be good at managing money.

The conservative approach evident from these universal values is also evident in the agreement to statements relating to having a practical outlook on life, to time being more important than money, and to the importance of lasting relationships.

For brand owners wishing to tap into local cultures for their communication, any of these values could be drawn upon safely for brand messages.



Values and attitudes

Brands and advertising

There is good news for brand owners in the views that BRICs consumers have about brands in general.

When persuaded about a brand’s merits, they will stay loyal (“once I find a brand I like, I tend to stick to it” – see chart) which indicates the long-term potential for successful products. In all of the BRICs the level of agreement is around 70%.

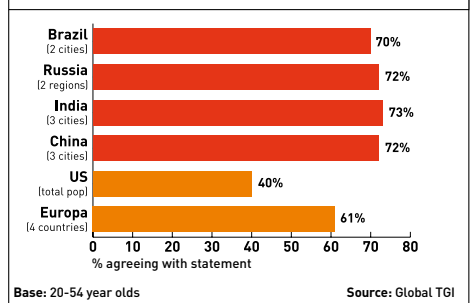
Furthermore they do appreciate the value of brands. Many agree that “it’s worth paying extra for quality goods”.

All these attitudes suggest that many BRICs consumers are potential good customers.

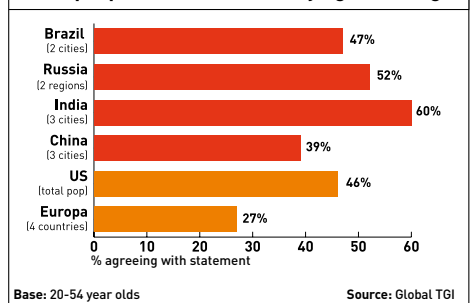
Word of Mouth is also a factor. Consumers are likely to share opinions about brands – both by asking others and as a result of being asked. This is a phenomenon of which brand owners should be aware, and can perhaps take advantage.

Indian consumers are most likely to agree that “I ask people’s advice before buying new things”. This might suggest either that they are less confident in making choices, or that they are the most diligent about researching the possibilities.

“Once I find a brand I like I tend to stick with it”



“I ask people’s advice before buying new things”



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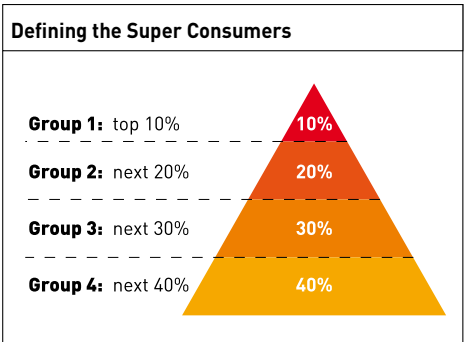
A key audience to target – the Super Consumers

Defining the Super Consumers

As the BRICs markets become increasingly wealthy, wages and spending power will continue to rise. But how can we predict what is around the corner in terms of consumer activity? A good place to start is by looking at the behavior of those with the highest socio-economic status – the ‘Super Consumers’ – as a predictor of future spending habits, trends and preferences.

Our definition of the ‘Super Consumers’ is drawn from work done to create a system of comparable socio-economic groups across countries, which are known as the TGI Global Socio Economic Levels. We have defined the highest 10% of each country’s population in terms of socio-economic status as the Super Consumers.

The Super Consumers are of particular importance to brand owners seeking to penetrate developing markets, as their wealth and status generally makes them the first to try new products and brands. Once a brand has established a base among this group, uptake is likely to translate down into the mass market as the wealth divide narrows. Therefore success among the Super Consumers is an excellent indicator of long-term brand viability and success.



TGI’s Global SEL (Socio-Economic Levels) is a socio-economic segmentation based on education, household conditions and ownership of several items, developed to be compared across the 60+ countries running TGI surveys. It is based on a scoring system, and segments each country’s population into the top 10% with the highest score, the next 20%, the next 30% and the final 40%.

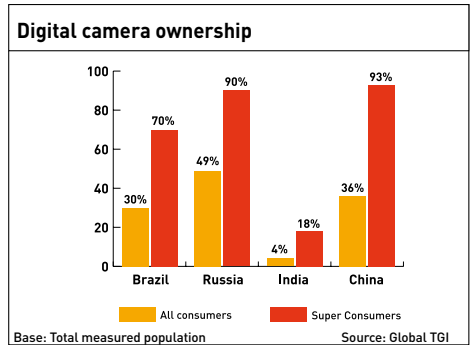
A key audience to target – the Super Consumers

Marketing to the Super Consumers

In each of the BRICs markets, the Super Consumers have above-average income and resources. In contrast to the broader population they are far more likely to own automobiles, and possess a high proportion of all high-ticket items owned.

Over 95% have mobile phones in each of the BRICs markets, and they are a key target for many other items. The disparity between their level of ownership of digital cameras and that of the total population shown opposite is typical.

Increasing levels of disposable income also bring growth opportunities for the leisure and travel industries. The leisure habits of the Super Consumers in each of the four BRICs markets are remarkably similar. In all the markets, they can be found frequenting coffee shops and fast food restaurants, and enjoy spending their free time going to the cinema and theatre.



Shared leisure interests
 Index vs. total population

	Brazil	Russia	India	China
Cafés/Coffee shops	245	167	236	393
Cinema	196	166	159	280
Theatre	222	154	134	136
Restaurants/ Fast food	210	177	186	150

Base: Total measured population Source: Global TGI

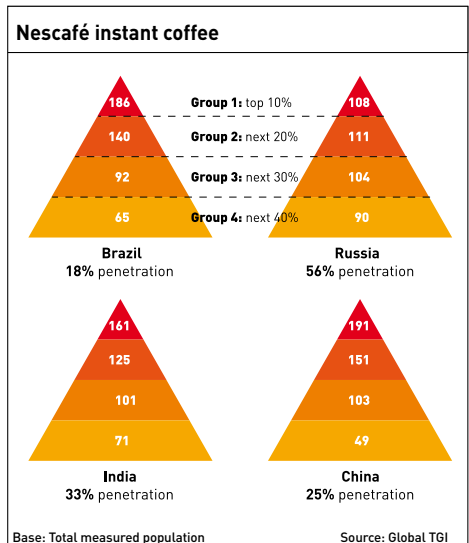
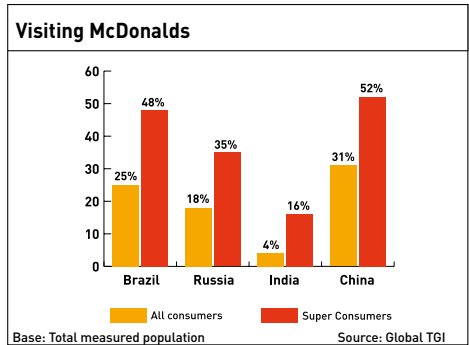
A key audience to target – the Super Consumers

Super Consumers are consistently more likely than average to use global brands. This behavior is repeated across the BRICs markets, and across many categories.

Looking at western fast food restaurants in particular, and taking McDonalds as an example, the first customers came disproportionately from the Super Consumers. McDonalds is very well established now in Brazil, Russia and China, but even today the Super Consumers are more prevalent among its clientele. (See chart).

This gives a good indication of why the Super Consumers represent such a powerful initial target for international companies. It also suggests how much longer-term potential might lie in the other groups as their level of resources and ability to afford branded goods grows.

Nescafé has achieved high levels of usage, and the SEL indices show that, in all the BRICs, its users are present not only among the Super Consumers but the next two groups too. The highest indexing group is still the top 10% (except in Russia where its brand penetration is huge, and usage is spread across the highest three groups). However the bias has reduced since Nescafé was first launched, as its usage percolated through the groups.



Global Marketing Insights from TGI
Brand building in the BRICs



Strategies for success

Many international companies have been active in pursuing the huge opportunities offered by the BRICs markets. We will see in this section how well penetrated some of them have become – achieving positions within the very top brands in the BRICs markets. Coca Cola and Pepsi, Colgate toothpaste, Lipton tea, Knorr, Wrigley's chewing gum, Hellmann's mayonnaise and Omo all have 'top 10' positions in one or more of the BRICs.

At the corporate level, Procter & Gamble, Unilever, Nestlé, Hyundai, McDonalds, LG and Frito-Lay are often mentioned among the organizations that have seen success.

A range of different approaches can drive success. We shall examine two of these in detail: 'category flooding' and 'localizing the offer'.

Category flooding

Category flooding – or price segmentation – is the strategy of putting multiple brands into the same category at different price points.

Premium brands are targeted at the more affluent consumer groups, who can afford a higher level of quality, are often more status-conscious, and may be more attracted to international brands.

But appealing just to this sector will not achieve domination of a category. For this, you must attract the mass market. The mid-market and budget brands are targeted at groups with lower disposable income levels, who cannot afford the premium brands but are still attracted by the quality assurance promised by a well-known corporate name.

P&G and Unilever in particular have taken this approach across many categories in the BRICs markets.

Brazil

This strategy has been pursued in Brazil by Unilever, P&G, Nestlé and even some local players. Their lower-budget options offer the same perception of reliability as the premium brands.

Here we see the user profile of three of Unilever’s leading deodorant brands, each targeted at a different SEL group. Dove appeals to the higher sectors, Rexona to the middle market and Axe to the lower groups.

One of the more common strategies is the acquisition of local competitors and addition of their brands to the portfolio. Some of the largest brand owners in the country began their activities in this way.

Deodorant brands by SEL						
BRAZIL						
Use deodorant	Dove		Rexona		Axe	
	Vert %	Index	Vert %	Index	Vert %	Index
SEL Level 1 (top 10%)	14%	143	9%	90	7%	73
SEL Level 2 (next 20%)	25%	126	21%	107	22%	109
SEL Level 3 (next 30%)	31%	103	31%	104	31%	103
SEL Level 4 (next 40%)	30%	74	39%	96	10%	100
Base: All category consumers Source: Target Group Index Brazil 2010						

Category flooding

Russia

In Russia, a typical strategy is to promote two different kinds of brands. The first might be called 'traditional'. This type of brand has a Russian name, and packaging of a 'soviet' design. It is targeted at older people who still miss the old communist regime and have low social status. Examples are Beseda, a tea brand from Unilever, and Mif detergent from P&G.

The second type is a brand considered as 'international' or 'innovative'. These are typically multinational brands which in Russia are often aimed at the upper mass market. Examples are Lipton, another tea brand from Unilever along with Beseda, and Tide from P&G in the same detergent category as Mif.

TGI data again show this in-category segmentation to be working. Within the tea category, the user profile for Lipton peaks among the higher SEL groups, in contrast to Beseda. The picture in the detergent category is similar: Tide's user base is more upscale than Mif's.

The young and 'elite' groups are the most attractive in Russia at the moment. Their level of consumer activity is high, and money is a great motivator for them, given that it provides a measure of social status. They prefer well-known, good quality brands. This group is growing, while the older, less brand-driven group is in decline.

Tea brands by SEL				
RUSSIA				
Consume tea	Lipton		Beseda	
	Vert %	Index	Vert %	Index
SEL Level 1 (top 10%)	12%	116	9%	91
SEL Level 2 (next 20%)	22%	110	20%	99
SEL Level 3 (next 30%)	31%	103	30%	101
SEL Level 4 (next 40%)	35%	89	41%	102
Base: All category consumers		Source: Marketing Index 2010		

Detergent brands by SEL				
RUSSIA				
Use detergent	Tide		Mif	
	Vert %	Index	Vert %	Index
SEL Level 1 (top 10%)	11%	104	8%	80
SEL Level 2 (next 20%)	20%	103	19%	97
SEL Level 3 (next 30%)	31%	104	31%	103
SEL Level 4 (next 40%)	38%	95	42%	104
Base: All category consumers		Source: Marketing Index 2010		

Category flooding

India

The strategy of category flooding can also be seen to work in India. Taking the toilet soap category as an example, Unilever has Liril and Dove in the premium sector, Lux as a mid-range brand, and Lifebuoy in the budget sector. The chart opposite shows the notable strength of the upscale Dove in SEL Group 1, the more balanced profile of Lux, and the lower bias of Lifebuoy away from SEL Group 1.

By segmenting the category in this way, Unilever has – taking the performance of these brands together – become market leader in toilet soaps in India. This is also the case in laundry detergents where again Unilever offers brands in each of the three sectors at different price points.

Toilet soap brands by SEL						
INDIA						
Use toilet soap	Dove		Lux		Lifebuoy	
	Vert %	Index	Vert %	Index	Vert %	Index
SEL Level 1 (top 10%)	17%	171	11%	105	8%	81
SEL Level 2 (next 20%)	25%	123	20%	100	19%	94
SEL Level 3 (next 30%)	31%	103	30%	102	31%	103
SEL Level 4 (next 40%)	27%	68	39%	97	42%	105
Base: All category consumers			Source: TGI India 2010			

Category flooding

China

China is a particularly complex market. The number of brand variants and price points can be large. Brands are stretched in order to allow different product attributes and cater for people in different economic segments. It's a strategy driven by competition too. Premium brands often find themselves attacked by competitors addressing the middle-market, requiring the development of cheaper variants as a defensive strategy.

To avoid damaging the image of the premium brand, the variants need to be made distinctive, in ingredients, packaging, placement, pricing or several of these.

P&G has an enormous shampoo business in China, with brands placed right across different market sectors. Its Vidal Sassoon and Clairol brands target the upper segments, while the larger Pantene and Head & Shoulders have a more balanced profile. The biggest of P&G's shampoo brands, Rejoice, is biased towards the mass market.

As one moves through the tiers disposable income is lower, and values more traditional, which brings a need to localize not only the product but also the strategy.

Shampoo brands by SEL						
CHINA						
Use shampoo	Vidal Sassoon		Head & Shoulders		Rejoice	
	Vert %	Index	Vert %	Index	Vert %	Index
SEL Level 1 (top 10%)	20%	192	11%	108	8%	82
SEL Level 2 (next 20%)	29%	142	22%	107	19%	95
SEL Level 3 (next 30%)	30%	101	31%	103	31%	103
SEL Level 4 (next 40%)	21%	54	36%	92	41%	105
Base: All category consumers			Source: CNRS TGI China 2009			

Localizing the offer

One might conclude from an exploration of comparative attitudes across the BRICs that consumer values in China and India are the most distinctly different from western ones. Of the four BRICs, Brazil can be considered the most westernized. Russia lies somewhere in between.

If we look at the most widely-used brands in each of the BRICs, we see that brands owned by international companies are heavily represented in all cases – and in Brazil most of all.

Even so, for brand strategy purposes, localizing the offer can be another very important route to success. This is especially the case in China and India, but it can also be appropriate in Brazil. There are few examples in Russia.

Brazil

The more affluent classes in Brazil are quite highly westernized in behavior and buying habits, so global brands can often perform well. Indeed, selling the same version as in Paris or New York can add significant value to a brand.

For the majority that can't afford the more expensive international brands, global companies will often localize their portfolio by developing special products or alternatives. Product variants ranging from soy milk to soap for washing clothes address the less affluent at budget prices.

Eight of the top 10 brands in Brazil are internationally-owned. These include some very familiar names, including at number one Coca Cola, with 39 million users or 69% of the measured population. All these brands have very successful broad appeal.

Top brands				
BRAZIL				
Brand	Category	Users (m)	Users (%)	
1 Coca Cola	Soft drinks	38.7	69%	
2 Colgate	Toothpaste	37.6	67%	
3 Omo	Laundry soap	33.2	59%	
4 Veja	Multi-use cleaners	32.2	57%	
5 Moça	Condensed milk	31.2	56%	
6 Hellmann's	Mayonnaise	31.1	55%	
7 Ype	Dishwashing detergent	30.2	54%	
8 Bombril	Scouring pads / sponges	26.9	48%	
9 Knorr	Concentrated stock cubes	26.7	48%	
10 Nissin	Instant noodles and pasta	26.3	47%	
White text = brands owned by international companies				
Base: Total measured adult population (age 18+) Source: Target Group Index Brazil 2010				

Localizing the offer

Russia

There are few if any examples of a localized or 'indigenous' offer being necessary for success in Russia. Some companies have adjusted production to introduce new flavors which, while not strictly speaking indigenous, are designed to appeal to Russian taste patterns. Bran and berry flavors feature in yogurts from Danone; cranberry is popular, and is used in Finlandia vodka and in Schweppes soft drinks.

For the most part however, the sector of the market ready to buy international brands is sufficiently westernized not to require indigenous products. Their main demand is for standardized international products. This group's eating habits are becoming more international, as more varied options become available in the food sector. Their greater level of consumer activity of the more westernized 'innovators' makes them the core target for most products. The long-term potential lies in marketing to this group.

Traditionalist consumers are used to traditional products from traditional Russian companies. If an international company tries to offer a new product, which will usually be higher in price than Russian companies' products, this group is unlikely to consume it.

Even so, six of the 10 brands with the largest numbers of users are international-owned.

Top brands			
RUSSIA			
Brand	Category	Users (m)	Users (%)
1 Makfa	Noodles	33.4	59%
2 Lipton	Tea	30.8	55%
3 Ahmad	Tea	29.6	53%
4 Zolotaya semechka	Vegetable oil	27.3	49%
5 Dobry	Juice drinks	27.1	48%
6 Alpen Gold/ Kraft Foods	Chocolate tablets	25.4	45%
7 Bonduelle	Canned vegetables & fruit	25.1	45%
8 Mafka	Flour	24.9	44%
9 Princessa Nuri	Tea	24.6	44%
10 Lyubimiy Sad	Juice drinks	23.9	43%
White text = brands owned by international companies			
Base: Total measured adult population (age 18+) Source: Marketing Index Russia 2010			

Localizing the offer

India

Localizing the offer has proved successful for a number of companies in India. For example, Frito-Lay have also adapted flavors of potato chips to cater to local tastes – such as a ‘Magic Masala’ flavor. Also they have taken the concept of typical Indian snacks and created a snack brand called ‘Kurkure’ (which means crunchy in Hindi). Here we see the top brands in the Sweet and Salty Snacks category in India, illustrating the success of this approach.

Nestlé too has created a range of products, such as flavored ketchups and sauces, catering to local tastes. Nestlé have also built a huge Instant Noodle brand in India, with the best-selling flavor being Indian masala. This is a non-Indian snack concept but with Indian flavors.

Unilever have a large ketchup and tomato sauce business, under the name of Kissan, which also features a tamarind and tomato flavor. GSK have a large malted drinks business in India with the Horlicks brand, which has Indian flavors such as Elaichi (cardamom). Cadbury’s have chocolate treats under the Dairy Milk brand, with Indian sweetmeat (kalakand) filling.

In fact Maggi Masala instant noodles from Nestlé appears among India’s top 10 brands overall alongside four other internationally-owned brands, including Pepsi, Dettol and Unilever’s Brooke Bond/Lipton tea.

Top brands – sweet and salty snacks	
INDIA	
Brand	Users (m)
1 Kurkure - Masala Munch	20.6
2 Kurkure - Chatpata Chaska	16.9
3 Uncle Chipps	12.0
4 Lay's Indian - Magic Masala	10.5
5 Kurkure - Red Chilli Chatka	9.3
6 Haldiram's Classic Salted	8.9
7 Haldiram	8.6
8 Lay's American - Cream and Onion	7.5
9 Lay's Spanish - Tomato Tango	7.0
10 Act II - Potato Starz - Tangy Tomato	6.4
<i>White text</i> = brands owned by international companies	
Base: Total measured adult population (age 18+) Source: TGI India 2010	

Top brands			
INDIA			
Brand	Category	Users (m)	Users (%)
1 Britania	Biscuits	78.8	78%
2 Parle	Biscuits	58.0	58%
3 Tata	Salt	56.6	56%
4 Dettol	Household antiseptic	51.6	51%
5 Ujala	Postwash - blue	51.1	51%
6 Brooke Bond/Lipton	Packet tea	49.4	49%
7 Maggi Masala	Instant noodle	45.3	45%
8 Vim Bar	Dishwashing bar	43.1	43%
9 Pepsi	Colas	42.6	42%
10 Amul	Butter	40.1	40%
<i>White text</i> = brands owned by international companies			
Base: Total measured adult population (age 18+) Source: TGI India 2010			

Localizing the offer

China

In China too there are many examples of how localizing the offer for consumers can bring success.

P&G's success in the toothpaste category has been based on this approach. It created Crest Salty Toothpaste (salt in China is known to be good for whitening) as well as Tea Flavored Crest Toothpaste (the Chinese believe that drinking tea eliminates bad breath).

Frito-Lay has met with success in China too by adapting products to local tastes. Cheetos are 'cheese-less' in China, where its flavors include 'Peking duck'.

The concept of balancing Yin and Yang is behind 'Cool Lemon Lays' potato chips. Matching hot weather with hot-flavored products would not work: this product therefore combines lime and mint flavors into what is promoted as a cool refreshing taste for China's hot summer.

Häagen-Dazs produces Green Tea ice cream for the Chinese market.

Five of the top 10 brands in China are internationally-owned: P&G's Safeguard and Rejoice, Coca Cola and Wrigley's are all represented. These illustrate a mix of standardized and localized brands provided for voracious Chinese consumers.

Top brands			
CHINA			
Brand	Category	Users (m)	Users (%)
1 Safeguard	Toilet soap	65.5	67%
2 Arawana	Cooking oil	64.2	65%
3 Mr.Kon	Instant noodle	47.8	49%
4 Rejoice	Shampoo	47.1	48%
5 Totole	Condiment	46.7	48%
6 Meng Niu	Ice cream cola	46.4	47%
7 Coca Cola	Fizzy drink	45.7	47%
8 Kang Shi Fu	Bottled water	44.6	46%
9 Hai Tian	Condiment	43.6	44%
10 Wrigley's Doublemint	Chewing gum	43	44%
White text = brands owned by international companies			
Base: Total measured adult population (age 18+)			
Source: CNRS / TGI China 2009			

Conclusions

The unifying factors of the BRICs are their sheer size – overall their populations represent 42% of the people of the world – and the speed of their economic development. With economic growth rates currently three or four times those of the developed western economies, the numbers entering the market for branded consumer goods are increasing rapidly and will continue to do so. They will remain a major growth opportunity for global brand owners. International companies cannot afford not to be interested in them.

The picture of rapid growth, yet still much further potential, can be seen across many categories. When considered along with the sheer size of their consumer markets, it is clear why many manufacturers are focusing attention very closely on the BRICs.

Notably, the BRICs have become the sources of the most dynamic changes in digital consumption. Going forward, this will be particularly pronounced in relation to the mobile internet, which will have a huge role to play in communication in the future. Combining their appetite for technology with their sheer size, the BRICs will be at the forefront of these trends.

Conclusions

With regard to the marketing and promotion of international brands however, it will not generally be possible to apply any "one size fits all" strategies to each of the markets.

Historically, globalization has been led by western brands, and the movement has depended upon the spread of western values. But if globalization is to spread more deeply in the BRICs, brand owners must deal with the limits of western values.

Brand owners who wish to develop in the BRICs have to devise product and marketing strategies to cover four markets that have different culture and value sets. Category flooding, that is, putting multiple brands into the same sector at different price points, is one strategy that has proved successful. Another is localizing the offer, in other words adapting the brand to fit local tastes.

Designing a brand strategy to meet the demands of each of the BRICs is a difficult task, all the more so when the considerations of marketing to western audiences also have to be applied.

In attempting to extend globalization in this way, the challenges for brand owners are enormous.

But so are the potential profits.

Appendix 1

Services for brand owners

Our brand owner clients can gain unique insights from Global TGI in two different ways:

- 1 Database subscription
- 2 Consultancy services

Database subscription – Unlimited access when you need it

Brand owners can choose to subscribe to the full database or to specific product sectors. This gives you unlimited access to the data from your own offices, with the freedom to run analyses quickly and flexibly in TGI's own Choices software. We offer full training plus the ongoing support of a TGI client service representative.

Consultancy services – Fast and flexible customer intelligence

Get high returns...

Drawing on its extensive database resources, the Global TGI Consultancy service provides answers to all types of marketing questions, quickly and flexibly. For example, we can tell you:

- how your customers think
- what drives consumer choice
- what you need to know when launching a new product
- your ideal marketing partners
- how your brand could enter a new territory

The TGI Consultancy service goes beyond simply providing data. We actively engage in dialogue with our clients to provide actionable customer intelligence.

...for low investment!

The TGI Consultancy service recognizes the need for fast project turnaround, while maintaining integrity of results. We will lighten your load by:

- **Providing answers quickly and cost-efficiently**
Drawing on TGI's extensive database resources in over 60 countries around the world, the TGI Consultancy service uses robust and high quality data that has already been collected. This enables fast and cost-efficient project turnaround.
- **Letting us do the work**
In a world where internal resources are either scarce or at a premium, our analysts can provide the support you need. We will take your brief, mine the data and turn it into actionable insights.

Appendix 2

Category reports

Global TGI also offers brand owners a range of category reports. These can be created upon request for any category measured by TGI in any country.

The range of category reports includes:

- **Market Overview**

Provides fundamental market insights if you are looking to expand into new territories or new categories.

- Population statistics
- Size and category composition
- Category trends
- Demographic category profile
- Brand leaders

- **Brandscape**

Offers enlightenment on the key brands driving a category, both in terms of their users and their positioning.

- Category overview
- Brand leaders
- Brand and category penetrations
- Brand and category demographic profiles
- Trends
- Brand map

- **The Competitive Environment**

Throws light on the interrelation between competing brands within a category.

- Brand leaders
- Brand and category trends
- Brand duplication
- Brand loyalty
- Brand footprints

- **User 360°**

Enlightens you on consumers beyond demographics, thereby enabling you to get under the skin of your existing or potential customers. User 360° offers insights into consumers' lives, their interests and their outlook on life.

- Attitudinal profiles
- Leisure pursuits and holidays
- Music and film preferences
- Editorial interests
- Sporting preferences

- **Key Drivers**

Tells you why consumers might choose one brand over the competitive set, and points to the motivations that drive the behavior of a given target group.

- Demographic profiles
- Lifestyle profile
- Key factor identification
- Attitudinal profiles of target
- Brand map
- Life Values
- Influencing factors

To find out more about the ways in which we can help you, please contact us:

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Web: www.globaltgi.com

Appendix 3

TGI Global: the research source

TGI (Target Group Index) is a global network of single-source market research surveys, providing comprehensive consumer insight and data from over **60** countries across six continents. A full list of countries covered at the time of publication of this booklet can be seen opposite.

A TGI survey collects information on many different aspects of its respondents. We collect information from consumers about:

- Product and brand usage in 18 sectors
(see opposite for list of sectors)
- Leisure activities
- Use of services
- Media exposure and preferences
- Attitudes and motivations
- Demographics

The available information is extremely broad and flexible, presenting virtually endless opportunities for market analysis and segmentation, and helping to develop targeting and consumer understanding.

All TGI data is weighted to match known demographic profiles, and our media measures either constitute national media currency themselves, or are re-weighted to match the accepted currency.

All studies follow standardized guidelines and formats but with the flexibility to reflect local market needs and characteristics in full.

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TGI sector coverage

- Food
- Household Products
- Pets and Pet Food
- Toiletries and Cosmetics
- Pharmaceutical and Chemist Products
- Non-Alcoholic Drinks
- Alcoholic Dinks
- Sweet and Salty Snacks
- Tobacco Products
- Motoring
- Shopping, Retail and Clothing
- Sports and Leisure
- Holidays and Travel
- DIY and Gardening
- Financial Services
- Communications and Internet
- Appliances and Household Durables
- Electronics and Other Personal Items

TGI geographical coverage

- 
- Algeria
 - Argentina
 - Australia
 - Bahrain
 - Brazil
 - Bulgaria
 - Canada
 - Chile
 - China
 - Colombia
 - Croatia
 - Czech Republic
 - Denmark
 - Ecuador
 - Egypt
 - Finland
 - France
 - Germany
 - Great Britain
 - Greece
 - Hong Kong
 - Hungary
 - India
 - Indonesia
 - Iran
 - Israel
 - Italy
 - Japan
 - Jordan
 - Kenya
 - Kuwait
 - Lebanon
 - Malaysia
 - Mexico
 - New Zealand
 - Northern Ireland
 - Norway
 - Peru
 - Philippines
 - Poland
 - Portugal
 - Puerto Rico
 - Qatar
 - Republic of Ireland
 - Russia
 - Saudi Arabia
 - Serbia
 - Singapore
 - Slovak Republic
 - Slovenia
 - South Africa
 - South Korea
 - Spain
 - Sweden
 - Syria
 - Taiwan
 - Thailand
 - Turkey
 - UAE
 - USA
 - Venezuela
 - Vietnam

This list was up to date at the time of printing – please contact us for updates

Global Marketing Insights from TGI



TGI (Target Group Index) is a global network of single-source market research surveys, co-ordinated by Kantar Media. It provides comprehensive consumer insight and data from over 60 countries across six continents.

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KANTAR MEDIA

Established in more than 50 countries, Kantar Media helps clients master the world's multimedia momentum through analysis of print, radio, TV, internet, cinema, mobile, social media, and outdoor worldwide. Kantar Media offers a full range of media insights and audience measurement services through its global business sectors – Intelligence, Audiences, TGI and Custom. Kantar Media companies also include Compete, Cymfony and SRDS. Drawing upon the deepest expertise in the industry, Kantar Media tracks more than three million brands and delivers insight to more than 22,000 customers worldwide. For more information, please visit us at www.kantarmedia.com



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