GLOBAL UMBRELLA BRANDS:
UNDERSTANDING BRAND AMERICA AND ITS COMPETITORS

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ABSTRACT

Globally, individual companies offer their products and services competing against other individual companies. In fact, these firms compete as part of a larger network; a value chain or value network. However, more fundamental than the value chain is the economic system in which firms compete. In the West, each company competes within a basically free market economy. The field of competition they share carries with it a generalized understanding of the importance of customers and their needs, a view of competitors and the strategies needed to counter, as well as a code of behavior that identifies actions which are allowable and those which are prohibited.

More specifically, this paper broadly examines the construct of "nation-brands" at the macro (nation-state) and micro (citizen/consumer) levels. Using the "classic" brand life-cycle model along with the brand adoption process a framework for understanding global umbrella brands is offered. Finally, further research directions are submitted to guide additional work in this area of study.

INTRODUCTION

Marketing wisdom maintains that any brand may be successful if it offers the right bundle of benefits, characteristics and foundations prized by the target segment more effectively than its competitors do. That bundle of benefits is at the core of a brand. Brand characteristics discern the means by which benefits are realized. Brand foundations form the base upon which characteristics rest. This is true for companies, products, services, nations and ideologies. In the global economy, the brand perspective offers value in understanding how competing economic systems operate and how societies are perceived.

Globally, individual companies offer their products and services competing against other individual companies. In fact, these firms compete as part of a larger network. The current aerospace industry provides a clear example. Two of the world's largest industry players are the European Airbus Industrie and the American Boeing Corporation. Each company is positioned at the apex of a pyramid composed of hundreds of supplier firms. In truth, neither company 'makes' aircraft; they design and assemble them. They use numerous components manufactured and tested by their supplier network.

Aircraft are immensely complicated. Every component from the engines, avionics, and fuselage to the individual fasteners and wiring must function perfectly. The failure of something as small as the insulation surrounding an electrical wire has caused at least one crash resulting in heavy loss of life, immense financial liability loss, declining market share and for the carrier, bankruptcy (TWA Flight 800, 1996).

The multitude of suppliers represents not two companies but two competing value chains; BrandAirbus and BrandBoeing. As systems, the two brands demonstrate a high level of mutual dependence. The failure of one supplier hurts the entire brand. This view depicts the unit of competition as the value network. The network perspective has particular value in globalization and international marketing. However, more fundamental than the value chain is the economic system in which firms compete. An important element that both BrandAirbus and BrandBoeing share is a set of values and expectations that allow both competition and, if needed, cooperation. With minor differences, each company competes within a basically free market economy. The field of competition they share carries with it a generalized understanding of the importance of customers and their needs, a view of competitors and the strategies needed to counter, as well as a code of behavior that identifies actions which are allowable and those which are prohibited.
These expectations (benefits) and values (characteristics and foundations) can be viewed in the larger context as global umbrella brands (that represent distinct ideological, political and economic competitors). In understanding the meaning, significance and future of today’s competing global umbrella brands, one should examine the concept of globalization itself.

Globalization is a process “that intensifies the interaction and integration among cultural, political, business and intellectual elements,” in our world [3]. Globalization is not a new concept [48]. However, the explosive growth of global business has kept globalization at the forefront of often-heated debates among prominent academics, renowned politicians, respected social scientists and business elite [50], [35], [20]. Typically, the center of these debates is focused on one central issue - is globalization an economic force benefiting mankind or is it a socio-political phenomena imperiling cultural identity?

Strong and at times passionate arguments have been raised in support of each side of this issue. Two questions are often posed, namely – should we permit globalization’s unfettered reach? Or should we inhibit its influence? Proponents tout globalization as the triumph of free-market capitalism over closed-market, centrally planned communism (and to a lesser degree Socialism), and the emancipation of the consumer from state controlled economic tyranny [17]. Opponents argue that globalization ultimately leads not only to the destruction of cultural identities but also to the economic, political and social subjugation of underdeveloped nations to more dominate counterparts, particularly the United States [28].

These rhetorical positions, and counter-positions, often reflect narrow ideological perspectives. A shared understanding of, much less a consensus on, globalization’s value has been elusive. Furthermore, discussions on the topic tend to be concerned primarily with the details of the ‘here-and-now’ affects of globalization, when an examination of its historical antecedents, in concert with contemporary business models, could potentially offer a more meaningful and prescriptive perspective [13],[49],[54]. This paper ascribes to the latter. As such, by offering a “brand-focused” definition of globalization, this work attempts to explain “Brand America” and its competitors and make predictions concerning the future.

More specifically, this paper broadly examines the construct of “nation-brands” at the macro (nation-state) and micro (citizen/consumer) levels. Using the “classic” brand life-cycle model along with the brand adoption process a framework for understanding global umbrella brands is offered. Finally, further research directions are submitted to guide additional work in this area of study.

BRANDAMERICA - A METAPHOR FOR GLOBALIZATION

Although viewed as a process, globalization is a vague if not obscure construct. Multiple theories and perspectives exist with many contending that the phenomenon is really too complex to be fully comprehended [7],[62], [63], [48]. However, at its elemental core, globalization is analogous to a fundamental doctrine in marketing, namely - the influence and power of the “brand” [2]. Similarly, from its origin to its potential finality, globalization might be aptly explained by the notion of “brand lifecycle.”

Consider that in today’s global marketplace, the “true” brand-leader (that which commands the most attention from people around the world) is not a multinational company, nor an international trademark, nor a transnational logo. But rather it is a nation-state commonly known as the USA or BrandAmerica. And this brand, like all brands, is and will be shaped by a life-cycle that will either carry it to new heights or relegate it to decline, decay and eventual replacement by another brand or brands that offers more value  [11].

A simple analogy might provide a degree of clarity to this viewpoint. Consider “Tide,” a leading detergent first branded by the Proctor & Gamble Company in 1947. Its compelling product benefits including a cleaner wash (no soap film), unparalleled whitening ability, powered and liquid alternatives, color-safe bleach, environmental friendly side-effects, and so on have all been derived from significant consumer and competitive research. Indeed, Tide has had at least 55 modifications, and 12 revitalized life-cycles and because of this, among consumers of detergent, Tide’s value proposition (the functional, emotional and self-expressed benefits derived from a brand  [1] is still held
in high esteem. Tide’s success has been contingent on its outperforming its competition, adapting to a changing environment (new washing machines and new fabric), reinventing itself and starting a new life-cycle when a new challenger brand or set of market conditions threatens its dominance. Like all brands, Tide’s long-term success has been, and will continue to be, directly correlated to its ability to satisfy the dynamic wants and needs of its users. Over the years, Tide has sustained the loyalty of its heavy users, which give life to the brand, while also attracting new users, which maintain its vitality [5], [33],[6].

Using the ‘value chain as brand perspective,’ consider “BrandAmerica.” This phenomenally successful symbol is the leading brand made by the American society. Among its domestic consumers (i.e., citizens of the U.S.) and among many people of other nations, BrandAmerica’s value proposition is quite strong and positive (although it does have its detractors and competitors which will be discussed later). This is because of its compelling benefits, including individual freedom and commercial opportunity leading to economic prosperity, and a sense that each of its users has at least some input into the nature and degree to which these benefits will be manifest in the brand [52]. These benefits tend to be unambiguous to its heavy users and are closely linked to instructions in its “user manual” which include details on liberal democracy, free-market capitalism, rule of law, sound fiscal and monetary policies, transparency in business dealings, ethical and moral leadership, tolerance (if not outright embrace) of cultural and ethnic diversity, on so on [17]. Like P & G’s Tide, BrandAmerica’s success has been contingent on its ability to continually outperform the competition (i.e. fascism, centrally planned economies, socialism, military dictatorships, cronlicapitalism, tribal-based monarchies, religious fanaticism, and ethnic-focused alternatives), and upon reinventing itself when a new challenges or new brands threatens its leadership position. Reinvention and change is critical to the survival of any entity that experiences a life-cycle. Reinvention gives promise of an extended life-cycle. And successful reinvention of any brand is critically tied to users having a say as to what alternative attributes will represented by the brand. Indeed, much like successful changes in commercial products that are guided by environmental scanning, competitive analysis and consumer research, citizens of nations more readily accept national changes (e.g., new laws, regulations, policies concerning the balance between government and free-enterprise, new foreign policy initiatives) when they have a voice in such changes (through sanctioned elections and representative government). Again, because of these factors BrandAmerica has sustained the loyalty of its heavy users.

The challenge for BrandAmerica today is with its light users, its potential users and its “never in my land” rejecters. While certain nations and their citizens have accepted some of BrandAmerica’s manifestations or propositions (again, individual rights, entrepreneurial opportunity, business transparency, popular election of leaders), many have rejected others (including a conservative social-welfare net, limited regulation of multinational and other corporations, non-support of global environmental treaties, and military actions against rogue regimes). In marketing terms, many light or potential users of BrandAmerica perceive its value proposition as not being closely correlated with their wants and needs. And thus the challenge. For like Tide, while BrandAmerica’s heavy user base (i.e., the American people), give it life, it will be its ability to attract new users that will maintain its vitality.

The primary postulate here is that BrandAmerica, like Tide (or any number of other successful brands [1], represents an alternative whose competition includes other significant “nation-brands” and other identifiable ethnic, religious and tribal brands (some would say private labels). Each of these offers distinct attributes and related benefits not only for their respective citizens (heavy users) but also to other citizens of other nations searching for better alternatives (light and potential users). Just like the multifaceted alternatives in the detergent aisle, these nation-brands compete for the hearts, minds and votes (both dollar and political) of their current and potential consumers. And, consistent with generally accepted marketing theory, the nation-brand with the largest set of loyal users (the “brand leader”) is usually the most powerful and most capable of exerting considerable leverage over weaker competitors. On the flip side, those that fail to garner loyal users are, in time, replaced. Indeed, the Roman, Ottoman, British and other brand leaders of the past were all replaced in this manner.

AMERICA THE CATALYST - A BRAND FOCUSED DEFINITION OF GLOBALIZATION

If globalization is a process “that intensifies the interaction and integration among cultural, political, business and intellectual elements,” in our world [3, p. 84], and if BrandAmerica is the dominate brand in today’s interconnected
global economic system (and this would appear to be the case given its enormous cultural, financial, political and technological influence), then "globalization," can be viewed as the cognitive, emotional and systematic acceptance, if not embrace of BrandAmerica. Importantly, the dominance today of BrandAmerica is not derived solely, nor predominately from the US's political, economic or military power. But rather (like Tide), the inherent appeal and acceptance of its value proposition by its users gives the brand its strength [54]. And also important, while globalization does not represent an embrace of the U.S., it does represent an embrace of its values and related pool of derived opportunities and benefits on a worldwide scale in lieu of other competitive nation-state, ethnic, religious or tribal alternatives.

BrandAmerica is by no means the first nation-brand with broad appeal. But it has served as the catalyst for the most recent globalization process. The introduction and subsequent growth of the BrandAmerica model was precipitated by the convergence of interrelated political, social, economic and technological factors, both internal and external to its birth. Internally, America’s embrace of liberal democracy, with limited government intervention, spawned the development of a flourishing, prosperous free-market capitalist system. The success of this system was further enhanced by social mores that adopted tolerance of diversity, while shunning the aristocratic and oligarchic tendencies of other societies like Europe, Russia and China to name but a few.

Clearly, belief in this model has spread as recent reports indicate that 118 of the world’s 193 nations are democratic, encompassing a majority, 54.8%, of its people [26]. Indeed, acceptance externally grew rapidly following BrandAmerica’s triumph over fascism in the Second World War and the failure of the British imperialism to regain its leadership on the world stage [66].

More recently, the appeal of BrandAmerica has benefited from the spread of modern information technology, and the resultant speed at which its value proposition has been transmitted to all corners of the earth. Similarly, financial democratization (the rise of multiple stock markets, junk bonds, mortgage securitization, and other sources of funding) and information democratization (the rise of global telecommunications and the Internet) on a world-wide scale has exposed “light and potential users” around the world to the essence of BrandAmerica’s value proposition [23], [17].

Again, however, a challenge exists. At issue is whether or not BrandAmerica will remain the dominant option in the future. Or will brand switching occur causing its life-cycle to eventually reach maturity, decline and death? Or will it be able to reinvent itself in ways that sustain its heavy users, while further attracting light and non-users? A brief look at the past is useful here.

SWITCHING NATION-BRANDS—AN HISTORICAL PERSPECTIVE

The Roman Empire, the Ottoman Empire, the Napoleonic French Republic, and the German Third Reich were all nation-brands. Each promised a variety of economic, political and social benefits including expanded trade, participative government (at least for some) and shared cultural values. Beyond initial conversion, however, these nation-brands failed to develop deep-rooted loyalty from their users. Each in turn eventually fell to nation-brands offering a more compelling portfolio of benefits to their respective followers.

Relative to BrandAmerica, these nation-brands were either physically imposed through military conquest on large portions of their constituents, or the constituents were politically or economically coerced unwillingly into the relationship. Neither alternative reflected the freely given embrace necessary for any brand’s long-term success. The empire-oriented nation-brands arguably delivered real benefits to some of their subjects but the majority opted for other choices when more compelling alternatives presented themselves. A physical transition of government is not a prerequisite to making this point. Obviously, the “common men” living within the Roman or Ottoman societies had little, if any, means to implement a forcible change. Mentally choosing a preferred alternative, however, established other systems as thought-leaders and thus facilitated nation-brand switching when the opportunity presented itself. Even today, [17] notes that such changes typically come not from the top (where power lies), nor from the bottom (where the oppressed and powerless lie), but from the outside (his term for this phenomena today is “globalution,” [17,p.167]). In the way of analogy, the unhappy owner of a Chevrolet might have his or her sights set on a Cadillac but can not act on that yearning until a new, higher paying job is secured. Nevertheless, the brand-switching has already occurred at a higher level, the “mind-space” level.
When provided the opportunity to realize greater value at a given price, peoples, be they citizens or consumers quickly choose other alternatives - from systems of government and business, to goods and services. A look at this phenomenon, in the context of 20th century nation-brands can provide future insight into this reality.

COMPETITIVE NATION-BRANDS OF THE 20TH CENTURY

Early in the 20th century BrandAmerica was a relatively obscure nation-brand that lacked a compelling proposition. The dominant nation-brand was Great Britain or "BrandBritannia" that controlled roughly twenty-five percent of the global landmass [31]. Following the conclusion of the Second World War, however, it was clear that the British Empire had reached the end of its brand lifecycle. Although a nominal democracy, an often-brutal imperialist past, and a caste-oriented aristocracy - that continues to inhibit 21st century social mobility - tarnished its image. From peoples recently liberated from Axis tyranny to undeveloped, colonized peoples with aspirations for national sovereignty, BrandBritannia was no longer an acceptable nation-brand alternative. During this period, BrandAmerica, which unabashedly demonstrated its economic and military superiority, surpassed BrandBritannia as the nation-brand of choice. But soon another nation-brand emerged and it offered a distinct value proposition that would soon challenge BrandAmerica.

The Union of Soviet Socialist Republics attempted to exploit a perceived weakness in the BrandAmerica proposition. It promised similar results - high living standards - but the usage process contained none of the capitalist side affects (e.g., class superiority, poverty, inequality, etc.). To nations already distrustful of BrandBritannia, and other imperialist European nation-brands, the U.S.S.R. ("BrandRed") proved to be a very enticing alternative to BrandAmerica, the new improved capitalist icon. To its detriment, BrandRed frequently extended its brand leverage via military conquest and repressive political regimes. Nevertheless, BrandRed enjoyed strong trial and high initial loyalty given its ability to quickly lift the standards of living among destitute populations [46]. But, BrandRed failed to deliver on its core promise - sustained growth in living standards. Misleading loyal consumers with false promises soon became an art. Also, a class structure emerged, in a purportedly classless society, where party bureaucrats "were more equal than others." The falsity of RedBrand's message disenfranchised the heavy users and disillusioned the light and potential users. And the global thought-leader became BrandAmerica. Ultimately capitalism triumphed over communism, and, BrandAmerica emerged as the undisputed nation-brand of choice.

Today, BrandAmerica is top-of-mind among "common-men" and garners a near monopolistic market position. However, monopolies are prone to complacency as they more than often ignore the wants and needs of their core consumers. As in the consumer products area, this dissonance opens the door to potential competition. In virtually every category, consumers will seek out brands, nation-brands notwithstanding, which deliver optimal performance and value for a given price. Again, BrandAmerica is no exception and has been challenged repeatedly by competitive nation-brands claiming to offer greater benefits (i.e., high living or spiritual standards), at lower prices (i.e., without the capitalist social ills, or perceived cultural degradation).

Japan ("BrandNippon") challenged BrandAmerica in the 1980's with a proposition that promised high living standards by integrating government policy making with corporate business decisions [55], [65]. Initially successful, BrandNippon's appeal faltered due to its inability to sustain continued economic growth [44].

In Europe, formerly imperialist-oriented nations, who have languished beneath BrandAmerica for decades, have merged under a "EuroBrand"umbrella to compete more effectively [12], [39]. Since inception, the EuroBrand has been remarkably successful as it leverages economies of scale and scope. Recent observations, and experience suggests that this relatively new brand may encounter difficulties, as it tries to satisfy the needs of its heavy users (Western Europeans) and seeks to attract new users (Eastern European, transitional economies of the former Soviet bloc and former colonial subjects). The problem lays with the fact that most of the new users do not share the tradition of democratic values nor the economic, primarily capitalist culture of the core EuroBrand consumers. Other observers suggest it will be the fact that EuroBrand lacks a clear identity as it strives to be "all things to all
people” which leads to its ultimate demise [34], [19]. Consumer dissatisfaction is already apparent as bickering states within the union demand more than the brand can offer [51].

Interestingly, BrandRed is attempting to reposition itself with mixed success under the auspices of new owners. A good example of this is the People's Republic of China which is attempting to meld the positive benefits of BrandAmerica with the defunct BrandRed to create a hybrid state capitalism oriented alternative. The “new and improved” BrandRed has displayed impressive results to date, but akin to the classic BrandRed it is maintained by forced acceptance and may well succumb to classic anti-monopolistic forces, or be forced to evolve and change in a more open alternative [21], [57].

- Delivers individual wants:
  - Survival -> Comfort -> Economic Success

- Sharing of knowledge while rewarding innovators (e.g. the patent system)
- A regulated investment infrastructure that protects investors and companies and allows success
- An environment that fostered the transition to a knowledge economy
- Progressive evolution toward increased and shared wealth.

- BrandAmerica Benefits
- BrandAmerica Characteristics
- BrandAmerica Foundations

Finally consider one other contestant in today's global arena. Osama bin Laden and others are pursuing the development of a radical new brand - “RadBrandIslam.” It is niche oriented, based more on religious/Islamic fundamentalism and tribal loyalties. It still has relatively little mass-market appeal but none-the-less threatens the very existence of the market leader, BrandAmerica [8], [4]. Followers of RadBrandIslam have no interest in the benefits provided by BrandAmerica (or any other alternative), subscribing instead to an entirely different value system, based on fatalistic notions (versus deterministic ones [53], [60]. This brand represents perhaps the biggest challenge to BrandAmerica and the current globalized capitalistic/democratic-leaning system that prevails in the world today. And in order to remain the competitive leader among alternative such as RadBrandIslam, BrandAmerica must reassess its offerings and how they are communicated, packaged and positioned in certain markets and nation-states.

Figure 1 – BrandAmerica - Foundations, Characteristics and Benefits

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BRANDAMERICA FOUNDATION, CHARACTERISTICS AND BENEFITS

The discussion presented above demonstrated Brand America’s success over other competing brands. The reason for its success is clear: it succeeded as a brand because it provided valued benefits to its target audience better than competitors did. Its future is dependent on how well it continues to provide those benefits versus new competitors. BrandAmerica evolved because of numerous interacting ideological, political, sociological, and economic conditions. In general, evolutionary processes can achieve relatively stable combinations that persist. Some survive and others are evolutionary dead ends that disappear or are eclipsed by adaptations that are more successful. In the human example, Homo sapiens are the most successful adaptation. Others like Homo erectus, and the Neanderthals were not as successful and have disappeared. Understanding the factors that formed BrandAmerica may aid in predicting its future success against competing brands.

Figure 1 outlines Brand America’s foundation, characteristics, and delivered benefits. As a system, the valued benefits it provides are focused on self-interest, arguably the most important motivator. The paramount benefit is the opportunity to succeed. It allows individuals to survive and rise from bare subsistence to a level of achievement. The process is not instantaneous but individuals can strive to thrive. As immigrants have learned over time, if they work hard enough and smart enough, their efforts will bear fruit and their families may partake of the full measure of benefits. Similarly, economies like those burdened with BrandRed’s product line recognized Brand America’s value and embraced it. There are relatively few barriers to success stemming from class or caste or race. Achievement, productivity and profit are important. Individuals and companies faced with stifling constraints must find the BrandAmerica benefits of immense value. The benefits listed in Figure 1 include the opportunity to not only survive but to work to achieve success. Those benefits stem from the brand’s characteristics which in turn rest on a foundation of values. The brand characteristics are business focused and provide what might be called a business friendly environment. That environment protects the rights of individuals and companies. Simultaneously, it fosters innovation by rewarding those who are productive. The environment is relatively laissez faire and free from governmental micromanaging.

Since BrandAmerica evolved in the United States, it reflects the country’s own development. Politically, the country rejected government by kings and accepted government by man. That essential difference provided the foundation for its success as a nation. The road has not been completely smooth but the ideals of individual freedom, rewards for enterprise, capitalism, and a safe and stable political environment helped to create a resilient and successful business model. The country’s growing population provided two additional benefits. The first was an increasing domestic market that provided business opportunity. The second was equally important: it provided an infusion of motivated immigrants who harnessed their sweat and creativity to innovate business. The results fostered further innovation and competition and like professional athletics, the quality of competition enhances individual performance.

Other elements such as the ‘fair’ cost of government and a stable political environment tend to nurture the brand. Without them, entrepreneurship would be discouraged and innovators might abandon the brand and seek alternatives. ‘Brain drains,’ the flight of intelligence and creativity from one country to another, are well known and benefit the economies that provide higher benefits. Brands, like BrandAmerica, can also cause such movements. All of the foundational elements create a system that supports the brand’s characteristics. Instead of a rigorous and rigid list of items, each element has built in flexibility.

The key to BrandAmerica’s future lies with meeting wants and needs of its users and potential users more accurately than does its competitors. To enhance BrandAmerica’s acceptance and prevent brand switching by users, and continued rejection by non-users a clear understanding of the brand adoption process and the role of decision makers is required.
THE BRAND ADOPTION PROCESS, DECISION MAKERS AND THE FUTURE OF BRANDAMERICA

Four core phases drive the adoption, preference and heavy use of a brand among consumers. They are – awareness, trial, conversion and loyalty [29], [30]. The understanding of these phases can offer insight into the remarkable market share growth of BrandAmerica, its role in globalization, and its future. In this context, the phases can be characterized as Real Politic (awareness), Infrastructure Development (trial), Interdependency (conversion), and Assimilation (loyalty). The process is linear with each successive phase occurring only after the conditional completion of the preceding phases. Furthermore, the adoption process might occur at different times and speeds for different societies or nation states.

Phase I: Real Politic (Awareness)

After the Second World War, the unaligned nations had two distinct nation-brand propositions from which to choose (or alternatively, forced upon them). These were BrandAmerica and BrandRed. Another entry designated here as the SoSoBrand (Socialism) initially appeared to be an acceptable alternative but lacked a distinct identity, a clear set of benefits and real value. It was the first futile attempt to combine the benefits of capitalism and communism – “without the mess.” All three nation-brands were merchandised heavily with measures such as Gross National Product (GNP) being barometers of success. Absent a unique value proposition, and thus the ability to compete with BrandAmerica, the SoSoBrand has faded into relative obscurity since the end of the Cold War.

As noted previously, BrandRed collapsed under it own weight caused by its deceit and inability to fulfill its own value proposition. Evidence of widespread brand switching became prevalent following collapse of the USSR. Nations such as Poland, Hungary and the Czech Republic quickly abandoned the state-imposed BrandRed monopoly and adopted BrandAmerica. France, Italy, Scandinavia and others abandoned the over-promised yet under-delivered SoSoBrand and also shifted toward BrandAmerica (in combination with certain distinct traits of EuroBrand). Brand switching was prompted not only by the success of BrandAmerica in its home market but also by the successes of early-adopters such as Japan, West Germany, Canada, Hong Kong, and to a certain extent the post-war United Kingdom. By closely following the use instructions and embracing the benefits of BrandAmerica, these nations effectively served as global test markets of the brand, and greatly enhanced the “awareness” of its value. The early adopters’ remarkable economic and socio-political achievements were subsequently marketed through consciousness generating delivery vehicles including the Internet, the World Wide Web and other telecommunications technologies [58]. BrandAmerica’s benefits were also conveyed to all corners of the globe via the ubiquitous US multinational and mass media corporations. While the former delivered the tangible goods and intangible services of economic prosperity, the latter, through film, fashion, music, and advertising, provided the “lifestyle” images of what BrandAmerica could mean to the “common man.” Other nations and societies, taken by these positive results soon were eager to also try BrandAmerica [16].

While this growing awareness enhanced the willingness of many nations to try the BrandAmerica concept, the seeds that hold its wealth (democracy, liberal capitalism, rule of law) still have to be planted. Some governments and peoples erroneously thought that they could adapt only specific features of BrandAmerica and still be successful. Dictatorships in Latin America and croni-capitalists in South Asia (e.g., Indonesia) certainly found the economic benefits appealing but abhorred the thought of expanding political and commercial reforms to underprivileged classes [14]. They did not “use as directed” and subsequently suffered severe economic consequences which persist to this day [14]. As such, it has become clear that awareness of BrandAmerica’s value, does not necessarily translate into its acceptance, much less its reality.

Phase II: Infrastructure Alignment (Trial)

Trial of BrandAmerica, or infrastructure alignment, usually begins with a request for monetary aid, or direct investment from a nation with stagnant or declining living standards. The political arm of BrandAmerica (the United States government), its intermediaries (the World Trade Organization, the World Bank, the International Monetary Fund, the Group of Eight, etc.) and its private arm (investors, both short and long term) will respond
favorably to such requests assuming the infrastructure of a requesting nation or society is sound, or can be strengthened.

Importantly, the soliciting nation must 'buy into' the BrandAmerica concept to demonstrate they are “credit worthy.” Conditions are attached to assure the seeds are properly planted – “for best results follow instructions carefully.” For example, while a host of actors have been involved in the process of Latin American’s reform, the role of international financial institutions and a cadre of U.S.-trained economic advisors has been most prominent. One of the results (and perhaps also a cause) of the reform process has been the alignment of the foreign and commercial policies of Latin American countries with the interests and preferences of the United States’ [27].

Indeed, direct developmental assistance, indirect aid by proxy organizations, or private foreign direct investment comes with implicit and explicit economic prerequisites. Recipient nations are required to eliminate trade barriers and pursue free-market fiscal policies. Divestiture of state controlled enterprises, implementation of standard BrandAmerica financial and accounting procedures and reducing bloated government payrolls are also typical.

Infrastructure development can be costly to some. Many nations and their respective peoples suffer immensely from the short-term economic and social impact of properly preparing the BrandAmerica soil for planting. Some, such as Hong Kong, South Korea, Singapore, Taiwan and even Spain, persevere and ultimately rise from developing nation status. Others, such as Thailand, Malaysia and India have at times faltered, unable to manage the burden completely and slipped back a rung or two now and then on the economic development ladder. Russia and Ukraine, former Soviet Republics, squandered billions of dollars in developmental aid and private investment through mismanagement and corruption, and suffer the consequences to this day. Still other governments spurn reform altogether, eschewing BrandAmerica at every turn and thus severely limited their ability to qualify for even the most rudimentary aid. Myanmar, North Korea and the Sudan are examples here.

Free-market economic policies cannot thrive in a vacuum, but rather require the support of political and social reforms. Thus trial of BrandAmerica is not recommended for nations with unfertile grounds for democracy. However, if the ground is fertile, the first signs of consumerism will develop at the micro level. Goods and services previously unseen will appear in this trial stage of BrandAmerica adoption, and may even be in abundance. Priced beyond the reach of the ordinary citizen, such goods and services tend to be aspirational symbols and carry significant social status value. An adult smoker in Brazil will spend a relatively large incremental sum to purchase a package of Marlboro cigarettes simply because of the status it conveys. If the luxury of an entire pack is unaffordable, they will buy a single cigarette from a street vendor [37]. At this stage, as the sheer volume and variety of goods and services increases, citizens become more reassured that BrandAmerica is a realistic proposition and that its primary end-benefits (i.e., a higher standard of living, more personal freedom) are worth its premium price. Conversion begins to take place [9].

**Phase III: Interdependency (Conversion)**

Conversion begins to occur if the nascent relationships sowed during Infrastructure Alignment begin to bear fruit. The export of raw materials and import of finished goods slowly gives way to limited commercial partnerships, joint ventures for assemble and domestic production. BrandAmerica is now providing jobs and directly participating in infrastructure development. Social, cultural and political values, associated with BrandAmerica soon take root following expanded economic cooperation. As profits grow, BrandAmerica becomes akin to a well-nourished vine whose branches begin to spread.

At this stage, higher levels of disposable income result in an increased standard of living and the emergence of a middle-class of consumers, and also in a heightened interest by American and other multinational corporations seeking new markets and new “competitive” production sites. Foreign and domestic investment grows, and limited commercial partnerships evolve into local majority owned or wholly owned production facilities. Nations at the conversion stage of BrandAmerica adoption evolve from a place to make money from (e.g., China in 1976) to a place to make money in (e.g., for some, China today). Goods and services are produced specifically for domestic and/or regional consumption. Locally, brand management systems replace “family based” operations and local governments are pressured for greater reforms and transparency in business reporting. Externally, key decision-making responsibilities shift to “regional headquarters,” as local management begins to provide the
intellectual capital related to strategic issues. Employment in multinational corporations becomes universally acknowledged as a “jump start” to one’s career and the “star” employees with “growth potential” are those who closely emulate BrandAmerica values, particularly work and professional values [42], [38], [32].

Also at this stage, some citizens begin to resent the encroachment of BrandAmerica and mobilize their compatriots to resist its influence [61], [24], [36]. To these groups, BrandAmerica is perceived as a threat to national sovereignty, cultural heritage and prevailing religious dogma. Examples include Fidel Castro’s forcible overthrow of the Batista regime in Cuba, and Hugo Chavez’s “democratic” replacement of the oligarchs in Venezuela. Castro adopted BrandRed, while Chavez adopted a nationalist version of the SoSoBrand. Consistent with BrandRed expectations, Castro raised the standard of living among the majority of Cubans to new levels but with the fall of the USSR (and its significant subsidies) the growth has stagnated and he remains isolated [27]. Chavez struggles with the implementation of the SoSoBrand and has thus far failed to deliver results [10]. In 2002, Venezuela’s GDP is expected to decline 4.5% while inflation reaches 28.0% [43]. Chavez remains an enigma to his own people and to his counterparts in foreign capitals’ [22]. Forcibly removed from office once, Chavez is again under intense pressure for reform and today remains relatively isolated, while the opposition is busy gathering signatures to force an early presidential election. Chavez, through luck or guile reacted to his opposition by building support among the disenfranchised working class. Channeling Venezuela’s oil wealth to the poor has solidified his power to the point at which he felt secure in pressing for ‘president for life’ status. While his bid was narrowly defeated, it shows the value of inclusion, an element of BrandAmerica.

By disengaging from BrandAmerica, both Castro and Chavez have removed their nations from its “affinity program”. Their citizens no longer receive “special offers” or “free gifts” bestowed upon users, they cease to share common usage experiences, and they have difficulty “finding parts” to repair their economic engines. Conversion to BrandAmerica can bring great advances; rejection of it in today’s global system can be extremely costly both at the macro and micro levels.

Phase IV: Assimilation (Loyalty)

Assimilation is apparent when BrandAmerica begins to dominate the political, social and economic spectrums. Local competition has been transformed to be globally competitive, absorbed, forced into bankruptcy, or relegated to third-tier competitive status with few long-term prospects for growth. Consumers exhibit preferences for high quality products and services that provide real product benefits but also confer social status. Government interests become inextricably linked to global or regional economic and political entities (NAFTA partners Canada and Mexico are excellent examples here).

As BrandAmerica expands on a global scale “American-type” values proliferate. A resultant web of interconnected socio-economic interests, with decision-making power concentrated in the hands of those who are loyal to BrandAmerica is now created. Adopting other nation-brand models remains an alternative but is perceived as being fraught with significant impediments to economic and social success.

At this final loyalty stage, goods and services are now more plentiful than ever. Domestically produced goods offer both high quality and reasonable prices and for those who still prefer imported products the restrictive tariffs have been reduced or eliminated. Shoddy craftsmanship is unacceptable and national brands are shunned if they are unable to meet the strict quality standards demanded by the consumer. National pride and local norms remain important but the acceptance of and fusion with BrandAmerica values is readily apparent. Choice options, diversity, quality and the resources to engage such, breeds loyalty.

This is the leadership map drawn from BrandAmerica, and the explanation of its position of eminence explained. But what of the future? To answer this question, an understanding of the role of decision makers is required.

Decision Makers – The Key to the Continuing Relevance of BrandAmerica

Everyday citizens (“common people”) will ultimately dictate the success of any nation-brand, on their terms. They will determine the nature, extent and degree of adoption of any option, including BrandAmerica. They are the ultimate decision makers.
Governments cannot ‘buy into’ a nation-brand proposition on behalf of their citizens, just as parents can’t dictate how their teenage children will think. In the same manner, proponents and opponents of globalization cannot dictate whether a nation-brand is beneficial or detrimental to distinct cultures. It is the consummate end-user, citizen, or common person that will make that decision.

BrandAmerica has been successful because it has provided long-term tangible end-benefits to the common person. By following the usage instructions (the “Golden Straight Jacket [17]), “buyers” of BrandAmerica have the ability to lift themselves and their society up the development latter. Delivering ‘buying power’ to the common person not only raises living standards but also enhances a brand’s image enormously.

When used correctly, BrandAmerica delivers the promised value to everyday citizens. Used incorrectly (i.e., unmitigated state intervention, preposterous trade barriers, excessive government spending, lack of business transparency, etc.), BrandAmerica will not deliver as promised. Argentina is but one recent example where both the government and citizens embraced the notion of BrandAmerica but incorrectly applied the usage directions [59]. Argentina is facing one of the steepest falls in living standards occurring anywhere in the world today – certainly worse than South-East Asia during the crisis of 1997-1998. Roughly half the population is below the poverty line. Bloated government payrolls, massive public corruption, inefficient fiscal management and other antitheses of BrandAmerica have nearly bankrupted the country and the on-going crisis continues to probe investor confidence [15]. Conversely, Argentina’s neighbor Chile has ‘followed the directions’ and has since developed into a world-class free-market economy [64], [43]. Interestingly, with the recent debacle associated with Enron, WorldCom, Anderson Inc., Adelphia and other corporations representing BrandAmerica, the USA itself is under suspicion by its citizens (particularly its stock buying citizens).

The point, again, is that BrandAmerica is not the USA, but a value proposition put forth and championed by the USA. For BrandAmerica to be adopted, even in the society of its origin, it citizens (the decision makers) must favorably assess what it delivers. They must also evaluate the degree to which its prescription is being followed, and then demand changes with its value proposition is not being met.

Similarly, BrandAmerica’s continued relevance in the international arena, and by logical extension its leading role in globalization, depends on its continuing ability to provide value and meet the needs of overseas citizens, consumers and decision makers including those that make up its core franchise of heavy users, and those that would be new users. Consistent with their responsibility at home, the American people and other non-American decision makers that believe in the value of BrandAmerica (and by fiat their representatives both in business and government) must be vigilant in tracking changing perceptions, lifestyles, political trends, and dissatisfactions related to BrandAmerica.

To keep BrandAmerica’s proposition relevant and top-of-mind among overseas decision makers, its followers/loyalists must avoid the fate of nation-brands which ignored these dynamics (e.g., BrandBritainia, BrandRed). Just as companies track attitudinal and behavioral changes via a wide array of qualitative and quantitative research methodologies, the believers in BrandAmerica must do the same. This could entail meaningful assessments of United Nations debates, listening to World Trade Organization protestors, monitoring dissident political groups, and competitive analysis of alternative nation-brands and how and what they are communicating to decision makers around the world. It could also include tracking increased GNP results, disposable income, and standard of living measures in nations which both utilize BrandAmerica and those which do not.

To continue and enhance the relevancy of BrandAmerica, its proponents must be cognizant of the potentially harmful side effects from its improper usage. Just as pharmaceutical companies are required by law to disclose harmful side effects in their advertising, and alcoholic beverage companies must clearly indicate the dangers of drinking and driving, and encourage users to drink responsibly, proponents of BrandAmerica must be up-front in making clear that usage might lead to the some loss of cultural identity, that followers may be required to subordinate their national economic interests to global interests. But they must also communicate effectively that the benefits far outweigh the costs of doing so.

In the end, however, it will be the citizen – decision makers who will ultimately decide the fate of BrandAmerica, not its proponents, nor opponents.
Conclusion – Globalization, the Future and Research Suggestions

Globalization today, therefore, can be defined as the broad acceptance and adoption of BrandAmerica and its representative value system as the guiding model for economic, social and political development. Proponents of the model claim that the benefits (higher standards of living, more personal freedom) are a worthy goal in and of themselves, despite the dilution or surrender of local cultural roots. Opponents argue that preserving distinct cultural identities from possible extinction, and the avoidance of rampant consumerism is the nobler goal. Reality suggests the citizen/decision maker will ultimately control the destiny of globalization and the spread of BrandAmerica, not governments or special interest groups. Only they will decide whether globalization as represented by BrandAmerica is good or bad. Whether BrandAmerica continues to lead the globalization process will be contingent on its ability to successfully deliver new and improved benefits to the ever-changing end user, both domestically and overseas.

Can globalization be reversed? Should it be reversed? Many contend that it cannot and it should not. Perhaps a more relevant question, given previous discussions is “how long is BrandAmerica’s lifecycle?” It is unrealistic to believe that BrandAmerica will be the final nation-brand proposition (although some would argue otherwise). In 100 AD, Caesar Augustus might have argued that the current stage of globalization was the epitome of success. Napoleon was convinced that French Republican values would be unassailable. Hitler believed that the Third Reich would last “1000 years.” These idealists were all proven wrong, and thus one can say with some certainty that at some stage BrandAmerica will be replaced by another nation-brand with a more compelling value proposition.

It remains to be seen whether BrandAmerica can maintain its appeal, or whether there are certain signs that the brand is in danger. There are many who are disenchanted with consumerism (which is their primary perception of BrandAmerica’s output) and yearn for a time when life was simpler, and local products more plentiful. Positioned along side these naysayers are those that view today’s escalating political-religious conflict in the Middle East and the on-going denigration of BrandAmerica as disconcerting.

Indeed, the failure of BrandAmerica to counter RadBrandIslam could foster previously unthinkable consequences. Many believe that RadBrandIslam delivers an “emotional” benefit that is more concrete than BrandAmerica’s “functional” benefit of improved living standards. By establishing a foothold in the Middle East, RadBrandIslam has the propensity to radically shift the perception of the predominate “value proposition” of BrandAmerica on a global basis. If the dominate value proposition becomes emotionally driven – “me, my kind, my race, my religion against yours” – BrandAmerica and its rational economic benefit may no longer be relevant. And a collapse of globalization, as we know it today, could occur. In its place, a new world order could emerge, where a wealthy white Judeo-Christian businessman from Los Angeles will have more in common with a poor white Christian Bulgarian farmer than he or she does with Indonesians or Egyptians with the same income and educational levels.

Can other nation-brands develop powerful propositions that capitalize on the positive equities of BrandAmerica and leverage them into new offerings? Can the BrandNippon be repositioned? Is the Chinese experiment a potential niche alternative for citizenry with a history of strong central leadership? What about the EuroBrand? Can it survive beyond its continental base? Or, can an Islamic-oriented nation-brand be developed that is not in direct conflict with BrandAmerica yet also delivers the same end-benefits? Or is it possible that BrandAmerica will lose its leadership position resulting in a subsequent fragmentation of nations into endless varieties of “private label” entries with woefully indistinct benefit? Each of these questions merit future investigation from a marketing/branding perspective.

More specifically, future research directions can be viewed from both the macro and micro level of investigation. On the macro level, it would beneficial to discuss the BrandAmerica theory among political, social, and business leaders from nations in various stages of economic development. The key issue here is – does globalization, defined here as the cognitive, emotional and systematic acceptance of the underlying values represented by BrandAmerica, represent the best value proposition when compared to other options? Furthermore, it is critical to understand what the specific positive and negative attributes of BrandAmerica (and other options) really are.

Secondly, further research comparing the living standards of disparate peoples who have adopted the BrandAmerica
model - with those who have not - could provide a clearer understanding of its inherent strengths and weaknesses. Such research could provide insight into the blend of attributes which are most productive, and conversely which are detrimental to nations in various stages of development. It would also provide insight on alternative adaptations, extensions, or iterations of BrandAmerica that might prove to be more acceptable.

Thirdly, an investigation into the long-term viability of the BrandAmerica, as a pure American construct, is well warranted. Specifically, will BrandAmerica ideology and actual practice continue to drive globalization in its current form, or will BrandAmerica reinvent itself to accommodate new users? If the latter, is it an ideal model that incorporates key, positive attributes from competing options, or are they intrinsically incompatible with the core BrandAmerica construct?

On the micro level, we encourage the identification of real tangible and intangible benefits of BrandAmerica on the average citizen. A critical area for investigation is whether the price of consumerism is inherently tied to the loss of all or a portion of one’s cultural identity? And if so, what are the acceptable limits of such losses? Furthermore, probing whether the average citizen truly understands the core tenets of BrandAmerica beyond the obvious benefits of consumerism is worth investigation.

Secondly, further research into the application of BrandAmerica by the ruling elite is strongly suggested, and whether misapplication tarnishes the ideals of BrandAmerica. More specifically, examination is called for as to whether corrupt regimes, rogue states, or dictatorships which nominally embrace BrandAmerica – and globalization – but continue to reap the majority of its economic benefits while repressing the majority of the population have a negative impact on Brand America’s value proposition among the populace.

Lastly, it makes sense to investigate the role of multinational corporations and governmental proxies as conduits for globalization, and the further penetration of BrandAmerica. Are they perceived as positive forces, or negative forces? And by whom are they so perceived? Are they interested in the welfare of the average citizen or are there motives purely selfish? What can they do differently to promote the inherent values of BrandAmerica, and further its acceptance, in addition to seeking new markets for their goods and services? Globalization and BrandAmerica must be thoroughly studied if a deeper understanding of their impact (past, present and future) is to be grasped. By applying a brand focused perspective to this critical area of study, greater knowledge and more meaningful insights could prevail.

REFERENCES


