Abstract

There are three viewpoints about the standardization and localization of global brand marketing. They are standardization perspective, localization perspective, and mixed perspective. This study considered a case of a successful global brand, LUSH, to explore its brand marketing strategy. The results of this case study indicate that LUSH standardizes its brand core values, brand name and products, but localizes the websites of subsidiaries, ways of practicing brand core values, and marketing activities and customer communications. In implementing this strategy, LUSH grew sales by 700 times over a decade. The results of this study may have implications for practitioners and academics.

Keywords: Brand marketing, standardization, localization, case study
How Standardized and Localized a Global Brand Is - a Case Study

Introduction

The issue of the standardization versus localization of global brand marketing has been discussed for decades. Some studies support standardization, arguing that marketers should view the world market as a whole and adopt a single brand marketing strategy (Agres and Dubitsky 1996; Domzal and Unger 1987; Levitt, 1983; Omelia 1995). Meanwhile, some researchers support localization, arguing that market situations differ among countries and marketers should adapt their brand marketing strategies accordingly (Agrawal 1995; Douglas and Wind 1987). Finally, some researchers argue for a mixed strategy. This last group of researchers support standardizing the core essence of the brand while localizing the execution of brand marketing activities (de Chernatony, Halliburton, and Bernath 1995). In Taiwan, many global brands adopt the mixed brand marketing strategy. That is, they standardize the core essence of the brand while localizing the execution of brand marketing activities. Examples include LUSH, MANGO, DUNKIN’ DONUTS, and so on. This study examines the extent to which global brands standardize and localize their brand marketing strategies, using LUSH in Taiwan as a case study. The results of this study can provide direction for global brands in terms of their global brand marketing strategies and execution.

Case profile: LUSH

LUSH is a hand-made soap and cosmetics company. The company was established by Mark Constantine in the UK in 1994, and now owns stores in 37 countries, including the UK, U.S., France, Germany, Italy, Japan and Taiwan (Fig. 1). LUSH is growing rapidly. From just 100,000 pounds sterling in 1995, LUSH increased sales to 70,000,000 pounds sterling by 2004, representing growth of 700 times over a decade. LUSH Taiwan opened its flagship store in the world’s highest building, Taipei 101, in 2001. LUSH now has 24 stores in Taiwan.

(Please insert figure 1 about here)

Fig.1: LUSH’s subsidiaries
(Source: http://www.lush.com)
Method

The research method adopted in this study is guided by the suggestions of case study researchers such as Eisenhardt (1989), Miles and Huberman (1994) and Yin (2003). As recommended by Yin (2003), this study focuses on questions of why and how. The analytical data was obtained from multiple sources, and includes in-depth personal interviews, web site information and archival records. The author conducted a 90 minute interview with the marketing manager of LUSH Taiwan. The interview was recorded with the consent of the interviewee, and transcripts were taken for analysis. The author carefully analyzed magazine advertisements, press releases, and quarterlies for customer – namely LUSH TIMES. The author also compared LUSH websites in Taiwan, Japan, Hong Kong, the UK, the USA, Canada, Australia, and elsewhere.

Findings

Standardization:

LUSH standardizes its brand core values, brand name, and products.

1. Brand core values

LUSH states its core beliefs and the staff of all LUSH subsidiaries work with these core beliefs to form the LUSH’s core values. The core beliefs of LUSH are using fresh ingredients, making products by hand, protecting the planet, opposing animal testing, promoting happy people making happy soap, and supporting communities. LUSH makes products from fresh and organic fruits and vegetables. The company makes soaps by hands and sources ingredients only from companies that commit to performing no animal testing. LUSH encourages a happy working environment where staff can enjoy working and customers can enjoy buying (Fig. 2). Purchases by LUSH should positively affect communities and the environment.

(Please insert figure 2 about here)

Fig.2: Happy store manager of LUSH
2. Brand name

All LUSH subsidiaries use the brand name LUSH. LUSH is not translated into the local language in any of its non-English speaking markets (Schmitt, Pan and Tavassoli 1994; Tavassoli1999; Zhang and Schmitt, 2001). In Taiwan, LUSH is not translated into Chinese, and nor is it translated into Japanese in Japan. The reason for this use of a single English brand name is explained below.

"LUSH means full of juice or succulent plants with thick fleshy leaves. The meaning represents LUSH’s products. It is hard to find a Chinese term that fully conveys this meaning and spirit. ... The brand name LUSH (Fig. 3) consists of just four letters, and so is not too difficult for customers in Taiwan to recognize. Though LUSH Taiwan initially spent a lot of time communicating the LUSH brand to customers, we think this effort was worthwhile. LUSH Taiwan is willing to share the LUSH spirit with its customers in Taiwan. (A. Wu, 2009)"

(Please insert figure 3 about here)

Fig.3: The logo of LUSH
(Source: http://www.lush.com)

3. Products

All LUSH products are globally standardized, and every LUSH store sells the same products. To ensure product freshness, LUSH has regional factories supplying different areas. While the products are the same in each country, each new product originates from the founder, Mark Constantine, or the Sophia Meeting. The following quote illustrates how new products are developed.

“Our founder, Mr. Constantine, creates new and interesting products all the time. Besides, LUSH headquarters holds the Sophia Meeting annually. This meeting brings staff from all subsidiaries together for new product development. Each subsidiary must produce a prototype of an innovative product by hand during the meeting. All prototype products are presented and discussed during the meeting, and the staff then decide which new products to launch during the next year. (A. Wu, 2009)”

Localization:
LUSH localize the websites of its subsidiaries, ways to practice brand core values, marketing activities and customer communications.

1. Websites
   Though LUSH products are globally standardized, each LUSH subsidiary creates a local website to communicate with customers. For example, LUSH USA puts the “No tricks, all treats” slogan on its home page for Halloween. Moreover, Asian women favor light colored skin, so LUSH Taiwan puts the “Cleaning and whitening your skin” slogan on its home page. Furthermore, LUSH UK and LUSH Japan use different programs to promote new products on their home pages (Fig. 4).

(Please insert figure 4 about here)

Fig. 4: Home pages of LUSH’s subsidiaries
(Source: Websites of LUSH’s subsidiaries)

2. Ways to practice brand core values
   All LUSH subsidiaries share common beliefs, but practice them differently. For example, all LUSH subsidiaries encourage customers to use reusable shopping bags. However, the design of these shopping bags varies among subsidiaries.

   “At LUSH Taiwan our reusable shopping bags are made by women living in a poor Indonesian village. We hope this can contribute to their income. We source our bags in this way to practice part of the LUSH core values - What LUSH buys should positively affect the community. (A. Wu, 2009)”

3. Marketing activities and customer communications
   The marketing activities of LUSH can share a common theme but be executed differently. For example, for the Naked Packing marketing campaign, staff in the USA, UK and Germany wore LUSH aprons but no clothes to promote the habit of “Buying products with minimal packaging”. Because Taiwanese society is too conservative to ask staff to do the same as the staff from the USA, UK and Germany, and customers in Taiwan would not accept such a promotional activity, LUSH Taiwan participated by announcing the Naked Packing marketing campaign from the above three countries in local newspapers (Fig. 5).

   All LUSH subsidiaries publish the LUSH Times for their customers quarterly, but the contents are localized. Different countries include different content in their LUSH Times.

(Please insert figure 5 about here)
Conclusion

LUSH standardizes its brand core values, brand name and products, but localizes the websites of subsidiaries, ways of practicing brand core values, and marketing activities and customer communications. That is, LUSH insists on maintaining consistent brand core values. However, LUSH localizes the execution of brand marketing activities. In implementing this strategy, LUSH expanded into 37 countries and grew sales by 700 times from 1994 to 2004. The case study presented here illustrates firms could standardize the core essence of the brand while localize the execution of brand marketing. The results of this study might have implications for practitioners and academics.

This study suggests possible avenues for future research. First, the studied case, LUSH, is kind of consumer product brands. How about industrial product brands? How do industrial product brands conduct their global brand marketing? Second, the history of the studied case is under two decades. How about the cases of older brands? It might have different results to explore the above research issues and contribute richer insights to the practitioners and academics.
Fig.1: LUSH’s subsidiaries

Fig.2: Happy working environment

Fig.3: The logo of LUSH
Fig. 4: Home pages of LUSH’s subsidiaries

Fig. 5: The Naked Packing marketing campaign announcing in local newspapers of Taiwan
Referenc


Website:

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