

COMMERCE

Global marketing requires balance of freedom, control

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Baume & Mercier #MyMomentOfSuccess

By SARAH JONES

NEW YORK As luxury brands expand into new markets, reaching consumers on a global scale has come to require customization on a regional level, according to panelists at Luxury Interactive 2015 on Oct. 13.

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It can be a difficult balancing act to weigh the needs of the global brand against the ideas and requirements of a regional team trying to reach consumers closer to home. Choosing the right staff members, keeping open lines of communication, building trust and listening to the ideas presented by teams around the globe are some of the best practices for success.

"I work very closely on a daily basis with divisional brand leaders sitting in Brussels, and Singapore, and Miami, and Mexico City and Argentina," said Daphne Sipos, director of global brand management at [St. Regis Hotels & Resorts](#). "And we have to trust that those people understand the market better than I do sitting here in New York City.

"So there's just a constant dialogue about 'Here's what we were thinking about for this market,' 'do you feel like this makes sense for the brand?' Often times there's a conversation about educating global and making sure they understand," she said. "Which is more hard work on the division, because they're having to educate the global brand team, telling them what actually resonates and makes sense.

"And for me, it's really about trying to be humble and making sure that I am humble and I'm able to listen, and taking that feedback and taking that point of view. So I'd say it's a lot of conversations, but a lot of trying to give freedom within a framework, which isn't a perfect always solution, but it works for the most part."

Balancing act

Ms. Sipos explained that due to the individual nature of hotels, she needs to trust that the individual properties know their own markets better than she does. Therefore, when a member of the global team makes a suggestion or offers feedback, she tries to remain humble and give them a level of freedom that exists within a set framework.

The hospitality marketer also looks to make sure that she has a familiarity with the markets, traveling to unexplored regions if necessary, so she can direct teams around the world effectively.



Butler at St. Regis Shenzhen

Similarly, Baume & Mercier uses the same tagline globally, which speaks to moments, but which moments are relevant to a particular audience will vary by market. For instance, birthdays are big gifting holidays in the United States, while they might not be elsewhere; the brand tries to tailor the existing campaign to resonate with consumers globally.

When trying to coordinate with different marketing teams within the same brand, all parties need to have the same goals in mind.

For a satellite team, being able to prove this likemindedness can assuage any differences of opinion that arise.

Michelle Peranteau, director of marketing and communications at **Baume & Mercier**, shared that the North American team at the watchmaker was on the same page that a certain initiative being pushed by corporate in Switzerland was not right for the region. After being firm about the choice, she explained that it would likely not provide the ROI they were looking for and that they did not have the assets to bring it to fruition to the best of their ability, which got through to the headquarters.



Baume & Mercier print ad

Regional managers may also convince the global team to shift additional resources to themselves to fund an outside of the budget opportunity.

"The relationship we have with our headquarters, it can certainly be tough, because the onus of responsibility is

really on the marketplace to prove the case," said Ms. Peranteau.

All of the panelists cited regular conversations with regional teams, with a mixture of formal and informal discussions keeping everyone on the same page regardless of location.

Strategic vision

Deciding which next markets to enter is an individual choice.

For St. Regis, the expansion strategy is based on macroeconomic trends, such as pockets of wealth and places where the affluent are traveling, since each new property represents a huge investment. Being selective about having the best address in each market and having the right developers and owners, the brand still has not found the right fit in London or France.

Birchbox often eschews the "low-hanging fruit" of smaller markets for those with greater potential in the long run.

Global expansion requires a balance of physical and digital, said a Belstaff executive at the NRF Retail's Big Show 2015 on Jan. 12.

Ecommerce and social media offer brands an opportunity to test the waters in new markets, allowing them to see how much traction they have with consumers there. In turn, bricks-and-mortar boosts online commerce sales, rounding out a brand's presence in a particular country ([see story](#)).

While many retail strategists stress the importance of emerging markets, these regions only comprise about 30 percent of the global luxury market, according to a report by A.T. Kearney.

In the 2015 "Global Retail Development Index Ranking," A.T. Kearney released a special feature, "A Look at Luxury" to understand the rate at which luxury brands are entering emerging markets. After a challenging 2014, which was marked by low economic growth and political instability in many developing areas, luxury brands have adapted expansion strategies to succeed in diverse and evolving landscapes ([see story](#)).

"Some markets might seem really attractive in that they might be easier to enter, and you're not taking as big of a risk with your resources and your global brand positioning," said Jessica Chan, senior manager of global strategy at [Birchbox](#).

"Kind of where we've landed is if we've going to make the move, we've got to do it whole hog, otherwise it's not worth it," she said. "Otherwise you'll end up under resourcing and then it just doesn't pan out well for that market or the GM that you're putting in charge."

Final Take

Sarah Jones, staff reporter on Luxury Daily, New York