

MULTICHANNEL

## Maintaining brand image key concern for global expansion: NRF panel

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By RACHEL LAMB

NEW YORK – Maintaining a consistent brand image across all channels is the most important component of an expanding global retail brand, according to a panel at NRF’s 101st Annual Convention & Expo.

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International expansion is important because the U.S. market has become overly-saturated. Since many luxury retailers already have a global ecommerce presence, the bricks-and-mortar stores following a Web presence need to have the same brand image.

“There is definitely saturation in the U.S. market and global expansion has become important because of that,” said Laura Pomerantz, New York-based principal of PBS Real Estate Company. “The influence of the Internet with brand recognition and international expansion has helped a lot of companies that were not able to gain this kind of global recognition in order to be able to expand.

“Bricks-and-mortar expansion in Asia and Europe needs to be able to deliver on the promise [that] you made on the Internet,” she said.

PBS Real Estate Company and Ms. Pomerantz have clients such as Giorgio Armani, Tory Burch, Tom Ford and Elie Tahari.

Ms. Pomerantz was on a panel with Gilbert Harrison, chairman of Financo; Henry Stupp, director/CEO of Cherokee Inc.; and Jim Fielding, president of Disney Stores Worldwide.

### Culture shock

When a brand does not have the same image or in-store experience as it does in other countries, it could harm the label's image.

This is because if a consumer's experiences online and in-store are different, they could be confused as to which platform holds the correct brand image. Furthermore, the inconsistency could turn a consumer off from a brand.

Therefore, a marketer's overall image should be the same in each country, but certain components should be tweaked to reflect the culture or region of the particular store.

"Brands can't look at everything through American lenses and lend the brand, heritage and functional expertise without local knowledge, customer and culture," Disney's Mr. Fielding said. "At the core, we have an incredible heritage that comes from the brand, but we adopt to every market.

"We are not cookie-cutter by any means," he said.

### Made in China

Another big hurdle with global expansion is the battle against counterfeiting.

As luxury brands are moving into emerging markets such as Brazil, Russia, India and China, they are finding that the amount of counterfeit goods is high.

"China gets the most press about counterfeiting, but it's the same all around the world," Mr. Fielding said.

Therefore, brands need to aggressively defend their marks. This is another example of brand devaluation since counterfeit marketers are not offering the same experience or quality of product as the original brand.

This is even more of a struggle for luxury brands that need to emphasize aspects such as quality, customer service and in-store experience to justify steep prices for high-end goods.

Therefore, another key component is relying on colleagues in the market to give feedback while simultaneously intertwining the original brand DNA, according to Cherokee's Mr. Stupp.

"We also know now that we have to do our homework before we go into a meeting with colleagues from another market," Mr. Stupp said.

"Everything we do today is about the experience," he said. "Just as important is the experience that we've educated our partners on."

### Final Take

*Rachel Lamb, associate reporter on Luxury Daily, New York*

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