Meeting 21st Century Challenges to Global Healthcare Brands

The most overlooked component of global branding—and why it’s critical to your success

(A quick-reading parathink briefing for really, really busy healthcare executives)

Robin Zvonek  
Founder/President  
Paragraphs LLC  

Cary Martin  
Senior Vice President  
Paragraphs LLC

Paraphrags is an award-winning, strategic design firm specializing in branding and corporate communications across all media. Since 1984, we’ve helped leading healthcare companies around the world do one thing exceptionally well: build powerful brands that grow their business.
Executive Summary

Launching a global brand or upgrading a domestic one has become easier to do, but harder to do well. No matter how strong your brand is back home, failure to understand a culture and its needs can cause lasting damage to your reputation and erode your bottom line.

Yet surprisingly, we’ve found that major brands routinely ignore the most efficient way to ensure success in global markets—customer-focused research. Our experience suggests that even a small amount of effort to understand where you’re going can prevent you from encountering pitfalls when you get there.

And while avoiding costly mistakes is enough to make fact-finding pay for itself many times over, we frequently see research revealing new profit opportunities that aren’t always visible to outsiders.

In this parathink briefing, we’ll give you a quick overview of:

- The 5 traps to watch out for when entering new markets with a new or existing brand in the 21st century.
- The customer insights and opportunities even a small amount of research can uncover, and
- How to translate your research into strategies that ensure the success of a brand launch, without compromising speed to market or breaking the bank.
The Challenge: A big world is getting smaller, but no less diverse

There was a time when launching a global healthcare brand was such a major undertaking that it could only be contemplated by multinational corporations. In the last fifteen years, however, detailed information about your products and services, and in many cases the ability to buy them, has become available to anyone with an Internet connection. Since early 2004 or 2005 in particular, the adoption of international standards has increasingly made web technology accessible in different languages, scripts, and cultures.¹

“This connected world is creating significant new opportunities for healthcare brands to reach out into the global marketplace,” says Robin Zvonek, President of Paragraphs LLC. “At the same time, it’s also causing disruptive changes that are forcing the healthcare industry to re-think its approach to global branding. Many healthcare companies are setting out into new territory, but the most successful brands are making sure they have an accurate map first.”

The world is watching you

No matter where you do business, online information about your products and services is immediately accessible to nearly two and a half billion Internet users in the world, almost 45% of them in Asia.² As a result, any healthcare brand (if not restricted by law) now has global potential.

Like much of the healthcare industry, we've found this new level of worldwide visibility to be a two-edged sword. Not only can your brand go global literally overnight, a strong one can attract worldwide attention whether you want it to or not.

Owning a brand in multiple markets is tougher than ever before

Even if you only sell in the U.S., securing a brand name you can own has become a much bigger challenge thanks to increased competition for language in any language.

According to Cary Martin, Senior Vice President of Paragraphs, “gone forever are the days when an American company could name a product without losing sleep about similar names in Europe or Canada—much less China, India, South America, or Russia—making due diligence more expensive and

¹ This initiative is led by the World Wide Web Consortium Internationalization (I18n) Activity: http://www.w3.org/International/
time consuming than in the past. This is especially true of brand names that imply ‘what it is and what it does,’ which have long been favored by healthcare and other high-tech industries.”

Stop me if you’ve heard this one...

Everyone knows the urban myth about the Chevy Nova, which supposedly flopped in Spanish-speaking countries because “no va” can be translated as “doesn’t go.” Like many such legends, it isn’t true. The real story is that GM went in prepared and reaped the benefits of their foresight. The company was fully aware of what “no va” meant, and also that it was pronounced differently from “nova” in Spanish. The Nova not only sold well in GM’s key Spanish-speaking markets; it beat expectations in Venezuela. And Mexico’s state-run oil monopoly, Pemex, has been selling a brand of gasoline, also called “Nova,” for decades.³

True or not, we believe the cautionary message of this enduring myth shouldn’t be underestimated. The Nova story is still told after more than 40 years because many companies—in healthcare and other industries—still fall into the trap of creating their own “myths” about foreign markets.

Making sure your product name isn’t silly or insulting in another language is just the beginning. At best, the old-school notion that “what works in America will work everywhere” will only hurt your bottom line by causing your company to miss great opportunities. At worst, a cultural misstep will give your brand a bad name at the regional level.

The spread of social media in particular makes it possible for fallout from a negative event to spread like wildfire, causing irreparable harm to your brand that can even damage your reputation back home.

Global markets will be key to your growth, but only if you’re well-prepared

Despite many new challenges to global branding, healthcare companies feel increasingly compelled to expand into foreign markets. If your company is publicly traded, you’re probably no stranger to shareholder demands for ever-increasing profits, or to the heat that’s been on in the wake of the financial crisis of 2007–08.

³ http://www.snopes.com/business/misxlate/nova.asp

“Gone forever are the days when an American company could name a product without losing sleep about similar names in Europe or Canada—much less China, India, South America, or Russia.”

– Cary Martin, Senior Vice President, Paragraphs LLC
According to Muhammad Asim, Vice President of Ipsos Healthcare, a global healthcare research firm, developing and emerging markets have become critical to this kind of financial growth in the last ten to fifteen years.

"In years past companies could focus on say, the U.S., Europe, or more developed markets for their growth," Asim says. "But significant pressure to reduce healthcare expenditures, along with reimbursement challenges, continue to rise in all those markets, creating a slowdown. New markets have become critical for any global healthcare company that wants to diversify and continue to build their business." 4

This financial pressure is compounded by time pressure. "A growing emphasis on speed to market, especially in the last five to ten years, has created an industry-wide fear of being left behind," says Robin Zvonek of Paragraphs. "While there is a case to be made for being the first company on the scene in an emerging market, we see many companies cutting corners on research and respect for the regions they’re ‘invading,’ dramatically increasing the risks of cultural misunderstanding and costly brand failures." 4

Are you rushing in blindly without a map?

Efficiency is the most common justification brand managers give for rushing into global markets. Yet in China alone, this kind of “efficiency” has been directly responsible for the failure of world-class brands like Google, eBay, Best Buy, Home Depot, Mattel, and Amazon. Wal-Mart is holding on for now, but struggling to maintain market share.

These brands didn’t go wrong because opportunities were lacking, but because they tried to convince Chinese consumers to buy products the American way. Starbucks, KFC, McDonald’s, Coach, Intel, Burberry, and Nike have all proven that it’s possible to thrive in China and elsewhere if you take the trouble to become familiar with the people you’re selling to.

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– Robin Zvonek, Founder/President, Paragraphs LLC

4 Interview with Muhammad Asim, Ipsos Healthcare, April 17, 2013.
Consultant and author Alina Wheeler recently confirmed the dangers of rushing headlong into China in the fourth edition of her book Designing Brand Identity: An Essential Guide for the Whole Branding Team:

As brand builders rush into the emerging BRIC markets (Brazil, Russia, India and China) they most covet China, which represents the largest consumer market in the world and a dynamic economy. However, from a branding perspective, China is the most complex by far. Its vast diversity of regional, linguistic, and cultural nuances and its relative newness to branding demand a different approach.

The multinational companies that are most successful in China are the ones that don’t rush. They begin by finding in-country native partners and advisors, taking the necessary time to build relationships based on trust, respect and understanding.  

"Smart companies have learned there are many things that are invisible to outsiders," Wheeler added recently in a personal interview. "The research everyone seems to forget about is more critical than ever."  

Wheeler’s assessment is confirmed by the experience of professionals who specialize in researching healthcare brands. Ipsos Healthcare’s Muhammad Asim once consulted on a Chinese product launch that was saved by last-minute research. Noting that the Chinese market was sensitive to costs, the manufacturer had planned to sell a scaled-down version of a successful product, eliminating many features in order to make it available at a value price.

Just before they were about to enter the market, they did some last-minute research and found out very quickly that the product was the exact opposite of what the customer needed.

We discovered that it’s extremely difficult to get approvals for purchases of this sort in China, and that consumers who have to go through all that red tape would rather have something expensive and durable enough to last a long time. Even if they didn’t need all the bells and whistles now, they wanted them in case they might need them eventually so they wouldn’t have to go through the approval process again.

The manufacturer was able to redesign their product and re-think how it would be branded for the Chinese marketplace. They could potentially have saved a lot more time and money on R&D if they had done their research earlier, but even that eleventh-hour research saved the product launch.  

6 Interview with Alina Wheeler, March 29, 2013.
7 Interview with Muhammad Asim, Ipsos Healthcare, April 17, 2013.
Get the most efficient jump on a world of opportunity

The healthcare industry has identified huge global opportunities, both now and in the near future. Thanks to a catchy acronym, much of the spotlight falls on the BRICs, but many other markets also show increasing promise for U.S. brands, including much of Latin America, Eastern and Central Europe, Israel, South Korea, Turkey, and more.

In particular, treatments for noncommunicable diseases—such as cardiovascular disease, cancer, chronic respiratory diseases, and diabetes—are needed by much of the world. According to statistics published by the World Health Organization (WHO) in 2012, around 80% of all NCD deaths (29 million) occurred in low- and middle-income countries, and a higher proportion of deaths (48%) were estimated to occur in people under age 70, compared with 26% in the developed world.

Statistics like these make it easy to understand why many healthcare companies are eager to go global, especially with brands that have a proven track record. We understand why you want to get there fast, and you can—if you do it wisely.

5 global branding traps

Whether you’re taking an existing brand into a new market or launching a new one into the global arena, watch out for these 5 dangerously-common myths:

1. “We need to get in as fast as possible to meet our goals and beat the competition.”

Pressure to perform is the number one reason why healthcare companies buy into the false efficiency of a “ready, fire, aim” approach to new markets. Nobody wants to miss out on profits by coming late to a region that’s ripe with opportunity. Yet we regularly see healthcare companies scrambling to get in on the ground floor without laying a solid foundation, paying the price in costly “do-overs” very quickly. Ignore this reality, and you’ll find yourself getting out of new markets well ahead of the competition. How efficient will that be?

2. “We don’t have the time or the budget to do a lot of research.”

Any new business venture requires investment. Compared to tangible needs like equipment, real estate, and distribution infrastructure, many companies seem to think market research is an optional luxury. That’s unfortunate, since even a small investment in fact-finding can boost returns for years to come. More to the point, it could be vital to your survival abroad. Talk to just about anyone who’s worked on a global brand failure, and they’ll tell you it flopped because they didn’t know the territory going in.

Even if you’re lucky enough to ride in on a strong wave of demand, do your homework or save time by hiring someone to do it for you. It doesn’t take the world’s largest agency to do this job right, and it pays dividends in the form of stronger brand loyalty. Being a “company that cares” will give you the kind of local credibility money can’t buy, making it easier to fend off competitors who take the “colonial” approach.

As for expense, compare it to the cost of having to re-do your branding all over again, being unable to get to market because you didn’t identify a legal or trademark issue in a key region, or worst of all, having to pull out and write off a global market as a complete loss.

3. “What works in the U.S. will work everywhere.”

Think about the most passionate coffee lover you know. If you were that person (perhaps you already are), what would you say if a foreign company came barreling into town with a multimillion-dollar marketing campaign encouraging you to replace your morning java with prune juice? Would you take that company seriously?

That’s why Starbucks didn’t try to make Asians give up tea. Walk into one of their stores in Japan—or Morocco, Argentina, Bulgaria, Vietnam, Switzerland, or any of the other 62 countries they do business in—and you’ll likely find brews unknown to most Americans. (Want a Za’atar croissant with that Red Bean Frappuccino?)

From a healthcare perspective, a related but more important factor is the people to whom you market drugs, devices, and medical services to in the U.S. are very different from those you’ll encounter in global markets. In many countries you’ll be dealing with government representatives who have very different needs and motivations than the hospitals and GPOs you deal with back home. Muhammad Asim also notes that the range of decision makers is growing in more places than just the U.S.

In the past it was traditionally just the physician who made the key buying decision with some input from the patient. It’s now expanded to many different stakeholders, including nurses, hospital administrators, payers and insurance companies—public or private. In some markets where there’s a controlled national healthcare system, more of the decisions may be made at the national or regional level. So now you have to think about branding not only for the physician and the consumer, but for all these other stakeholder groups as well.

Each case will be unique depending on what product you’re talking about and what market you’re in. Having an understanding of how the healthcare system—and reimbursement—works in those markets is an important thing for any company to think about.10

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– Muhammad Asim, Vice President, Ipsos Healthcare

9 For an eye-opening look at how Starbucks blends regional tastes without watering down their unique brand identity, check out http://www.thedailymeal.com/starbucks-items-you-need-passport-slideshow
10 Interview with Muhammad Asim, Ipsos Healthcare, April 17, 2013.
4. “We know our brand better than anyone.”

You may know your products inside and out, but locals in foreign countries know their own people better than you ever will. The more effectively you communicate locally, the more effective you’ll be at marketing your products and growing your business.

“You’d be shocked by how many global companies don’t involve their local affiliates when trying to understand a marketplace they’re entering with a new product.” Asim warns. “Working with a research partner who understands these markets is key to getting the right kind of information back.”

It’s easy to recruit workers in many foreign markets, but understand that many of the locals you’ll hire will be so glad just to have a job with you that they won’t tell you if you’re about to do something that doesn’t make regional sense. In many cultures, especially in Asia and Latin America, you’ll find a tendency to comply with instructions from the top even if they know the ideas will fail. Building a work environment where it’s safe to make suggestions should be a key priority. You can boost your chance of success by looking for locals with marketing talent and listening to what they have to say about their own culture.

5. “Our branding needs to be exactly the same in every market.”

It may seem cheaper and more efficient to support one brand message in an unyielding way, but it risks closing profitable doors. While a certain amount of consistency is a good thing, look for ways to be brand-compliant without becoming brand-constrained.

In French, for example, the expression *j’aime*, or “I love” is sometimes abbreviated “j’m.” In Quebec, McDonald’s created one of the world’s simplest advertising slogans by replacing the “m” in “j’m” with the golden arches.¹¹ This campaign offers a classic example of how a local language can open fresh opportunities for your brand to engage with the regional culture, blending the best of both worlds.

The biggest global myth of all

By now you may be thinking “I’d love to roll out our brand this way, but don’t have the time to do it or the money to hire a huge agency with this kind of expertise.” Here’s a quick way to make sure you have all the bases covered:

Get our global branding checklist—Free

Request a copy of our free global branding checklist, which details all the key points we look for when we take brands into new markets abroad. Just visit http://paragraphs.com/parathink/global-branding-checklist/ to download the checklist. There’s no obligation whatsoever. Consider it our way of saying “thanks” for taking the time to read this briefing.

For more information about how you can get your healthcare brand into global markets fully prepared, contact Paragraphs today.

312.527.4722 Ask for Robin

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Which healthcare companies have sought Paragraphs counsel?

Abbott Laboratories
Adolor Corporation
Advocate Health Care
AGFA Healthcare
Allscripts Healthcare Solutions
American Dental Association
Automatic Liquid Packaging
Baxter Healthcare Corporation
Beckman Coulter, Inc.
bioMérieux, Inc.
Caremark International, Inc.
Center for Partnership Medicine
Clintec International
Cystic Fibrosis Foundation
Dade Behring
EHS Partners
Fisher Scientific International
Hospira, Inc.
Incyte Corporation
Juvenile Diabetes Foundation

Kaufman Hall & Associates Inc.
Lyphomed Inc.
Michael Reese Hospital
Navigant Consulting, Inc.
Northwestern Memorial Hospital
PathoGenesis Corporation
Periodontix Inc.
PharMEDium Services, LLC
Physicians Interactive
Quest Diagnostics
Roche
Rush Prudential Health Plans Inc.
Sagent Pharmaceuticals, Inc.
Siemens Medical Solutions
Stericycle
St. James Hospital
TAP Pharmaceuticals
University of Chicago Hospital
US Labs
Ventana Medical Systems, Inc.

Parathink briefings are designed to help you get fast, deep insights into global healthcare marketing so you can face your crazy work schedule a smarter, more efficient, and less stressed person.

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