



# Brands at the Ramparts

*Background notes to comments by Yuri Radziewsky,  
CEO of GlobalWorks, at the CEO2CEO Leadership Summit,  
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**Q. – What's the biggest challenge to creating and sustaining brands in global markets?**

A. – We call it “the brand identity crisis.” Ten years ago, it would have been easy to define what we mean as the brand experience. Today, the velocity of change in how people experience brands is breathtaking in the way brands literally explode across the global landscape. Think MySpace and YouTube. Or disheartening, if you happen to be a Kodak or General Motors. Such entrenched brands — leaders of their marketplace — are clueless as to how to regain their former greatness. The brand experience they created is now totally out of step with the times.

**Q. – What do you think are the keys to brand sustainability on a global basis?**

A. – We've preached and practiced the mantra of “cultural adaptation” for more than three decades. Baskin & Robbins to Russians. Coca-Cola to Chinese. Discovery Channel to more than 60 countries. In a way, these were easy because we were still dealing with traditional media. The key was to understand—intimately—the cultures, values, buying habits, traditions. Yahoo, ebay and Amazon, not to mention AOL, have succeeded in the U.S., but have faced major challenges abroad, because they failed to make an authentic cultural fit in certain countries. Starbucks is entering China, where coffee-drinking is fairly non-existent.

It will be fascinating to watch this innovative brand powerhouse work its way into the culture — especially since the Chinese dislike the taste of coffee as we know and love it.

**Q. – Beyond cultural adaptation, what else?**

A. – New media has made the process far more complex — and, I might add, far more risky. Today, you not only need an immersive understanding of the culture. You absolutely must grasp how new media is changing consumer culture, country by country.

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**“We are dealing with the impact and interaction of culture and technology — and this intersection is where the real brand battles will play out.”**

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Japanese and Koreans love to take and share pictures by phone. You would have thought this was a natural for the U.S. But the feature, offered by virtually all phone companies, has not turned out to be a brand winner in America. Of course, sharing photos by computer is huge here, via Flickr and others. Again, we are dealing with the impact and interaction of culture and technology — and this intersection is where the real brand battles will play out.

**Q. – How do you see that battle — and how should brands react strategically?**

A. – This era — for someone like myself, who was born in Soviet Russia — is by far the most transforming in modern brand history. When I was

a kid, I watched two state-controlled TV channels. You had no choice. And you never knew what was the truth. Then, when channels opened to commercials, the stuff advertised was never on the shelves. That was one experience: the state in total control of content. In the U.S., it took decades for radio and then TV to permeate brand culture. And to a large degree, the two media — along with print — tried to manage and control brand perceptions.

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Well, as we know, that’s all changed. By traditional media and branding standards, it has happened overnight. Consumers — especially younger consumers — have staged the most impossible brand insurrection we could ever imagine. They, not us, control the brand experience. In terms of velocity of change, decades have turned into weeks — or so it seems. And everyday, a new media innovation — or a new twist on the old — disrupts the brand landscape. To succeed, even the most established global brands will need to confront and adapt to this remarkable new world. I don’t have any great answers, except to say: pay

attention to what your kids are doing. They are, after all, the brand future.

**Q. – What other issues do brands face?**

A. – This is all speculation on my part. It’s hard enough trying to figure how to deal with live consumers. In the future, successful global brands will have determined how to attract the virtual consumers of sites like Second Life, where people create new and often different identities for themselves. How do we reach these second lives? How do we create virtual brand experiences that turn into real-world purchases? These are serious questions, because the new generations of tech-bred consumers will be ever more wired and into these other worlds than any earlier generation. Will brands need to split themselves down the middle, between the real and the virtual? And how will that play out on a global basis, country by country, region by region, neighborhood by neighborhood?

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