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## **BRAND AS THE MAIN MARKETING DIRECTION OF ENTERPRISES ACTIVITY**

*The article deals with brand as the main marketing direction for enterprise activity and with its problem and meaning. The main approaches to the brand formation, its kinds and models are observed in the article. The basic approaches of brand formation and brand types are described. Main models for brand creation are analyzed. The basic way for modern companies to develop brands successfully is recommended on the basis of linear expansion, innovation, distribution, transformation and repositioning.*

Keywords: brand, branding, slogan, descriptor, multi-brand, line-brand.

**Problem statement generally.** Today the market is enough saturated with goods and services of different spheres, kinds and price ranges. A competitive brand creation is one of the main marketing activities of modern enterprises. Global companies have success owing to creation of a successful brand. Under modern conditions of the market environment in relation to a wide range and variety of products, it is practically impossible for enterprises to compete without a strong brand, which could provide uniqueness, originality and differentiation of proposals.

The significance of the brand consists in its ability to provide differentiation between competitive supplies. Sales and, consequently, the efficiency of the enterprise will largely depend on consumers' loyalty to the firm.

**Analysis of the recent publications.** Brand research was held by such foreign and native scientists as D. Aaker [1], A.A. Vlasenko [3], O.V. Guseva [4], O.V. Kendyukhov [5], S. Davis, S. Cumber [6], A.F. Kraynyuchenko [7], SM. Makhnusha [8], O.V. Moroz [9], T. Nilson [10], Y.V. Prykhodchenko [11], I.Y. Rozhkov [12], etc. In these works, scientists studied the most urgent problems to form and to develop brands, brand essence and role in modern conditions, product branding companies and ways to ensure its effectiveness, the development of a new branding concept, prescribe the nature of the the trade mark positioning, brand and global communications.

**Unsettled components of the general problem in the article.** The perspective for a strong company formation under the market conditions provides necessity to create a competitive brand. At the same time, despite the significant amount of scientific research in this area, this perspective may be observed in fragments. It requires theoretical generalization

and analysis of trends and in-depth directions of strong brands formation and development.

**The aim of the article** is to research brand as a mainstream of marketing activity at the enterprise.

**Basic material.** Nowadays there is no clear definition of the brand. According to Philip's Kotler definition, the brand is a name, term, symbol or design that represents a certain type of goods or services of a single producer (or producer groups) and makes it stand out among the products and services of other producers [2, p. 230].

Brand is a word, expression, sign, symbol or design solution, or a combination of the mentioned terms, aimed to distinguish the goods and services of a particular seller or group of sellers to differentiate them from competitors (the notion is developed by American Marketing Associations (American Marketing Association)) [1, p. 65].

Brand is a name, term, symbol or picture, or a combination of these elements intended to identify the goods or services of a particular manufacturer and to differentiate them from competitors' products (Carl Bondorff, professor of the College of Business Lindbi, "Marketing models and tools") [4, 89].

There are two concepts of "brand" and "branded product" ("the product promoted with the brand name") in Western literature, which are used as synonyms. Brand is a wider concept than trade mark. There are following differences between brand and trade mark:

1. Branded product is able to win a larger market area than the same product under the trade mark which is not a brand.

2. Demand for branded product is growing more rapidly than the demand for the same product under the trade mark which is not a brand.

3. Branded product can be positioned with higher price ranges than a similar product under the brand name which is not a brand.

4. Brands makes it easier for sellers to work with marketing intermediaries, since the brands are more profitable counting a meter of retail space. The trade mark turns into the brand, when the objective perception of the product value and brand is replaced by a stable personal attitude towards them. The consumer gives his subjective mark to the quality of the product, it's reliability, safety, ergonomics, design, product name, and also he adds emotions.

It is necessary to transfer trade mark into a brand in order it to become a symbol of reliability, guarantee of the goods or services quality, it is advantageous to characterize their specific properties.

The process of brand creation and management is called branding. It can include the creation, enhancement, update and changing of the brand development stage, it's expansion and deepening.

Branding is defined as a set of the company actions, aimed to implement a specific strategy to promote its products and services, i.e. to create the brand. Such strategy should be formed from the first days of the company existence and carried out throughout its further performance.

The basics of branding theory were laid and developed by a professor of the California University D. Aaker [1, p. 64].

I. Rozhkov gives the following definition for branding: "branding is the activity aimed to create a long-term commitment to product, based on the advertising combined effects on a consumer, brand image, packaging, advertising items, which are united by a certain idea and exclusive formalization of the product which distinguish the product among the competitors and create its image" [12].

Branding combines advertiser's, advertising agency's, trade companies' and intermediaries' creative efforts in a large-scale impact on the consciousness of the consumer, based on scientific conclusions, given by the market researches.

Branding helps you to:

1. Maintain the planned sales at the particular market and fulfill its long-term program to build and sustain an image of a products in consumers' minds.
2. Provide an increase of profitability after the products range and information about their unique qualities expanding, introduced with the help of the collective image.
3. Transmit in culture of the country, region, city, where goods are produced in promotional materials and campaigns, take to the consideration the consumers' needs, for whom it is intended, as well as the features of the territory where it is sold.
4. Use three very important factors in relation to the advertising audience factors: the historical roots, the realities of today and plans for the future [5].

The brand has the following advantages for the consumer:

- brand allows you to identify the product and distinguish it from similar products;
- the consumer does not spend time to choose goods, as well as he looks for products more effectively;
- brand is the guarantor of quality for the consumer;
- brand allows you to feel that you belong to a particular social group;
- buying of particular brand goods provides obtaining of a certain status by consumer;
- goods symbolic is more important than real benefits of the goods for many buyers, and so they pay extra money for the symbolic.

The main features of the brand are:

- customers' functional and emotional associations: the verbal part of the mark or the word mark, the visual image of the brand, generated in the buyer's perception;
- the power of the brand (brand awareness level of the buyer), a generalized set of individual features of the brand, cost estimates, performance, intensity of brand promotion;
- the level of brand loyalty in the target audience and its individual segments.

The main components of a brand [5]:

1. Name. The brand name is a key element of identification. This is what the consumer sees at the first place, its something that affects the formation of attitude towards the brand. The brand name must match the company's marketing strategy, should be easy to pronounce, remember, must be individual, and create bright, emotional associations with the brand, has to distinguish it among competitors, provide legal protection.

2. Slogan. The slogan is a short phrase that expresses the essence of the brand philosophy, which makes it unique in the consumer's eyes. Along with the name and logo it is the basis of a long-term communication. It is used to attract attention of your target audience, to improve its brand loyalty, stimulate sales. The slogan can be used also for positioning of a separate advertising campaign within the overall campaign in promoting of the brand. The slogan should not cause rejection of the target audience, it must be easy to read, to be original, truthful, to create bright, emotional associations.

3. Descriptor. Descriptor is a signature of the trade mark, explanation of brand owner's functionality. The descriptor reflects the trade mark position towards its activities and thus takes part in the creation of a unique but simple and clear image of the brand.

4. The system of visual and verbal identity. A required condition of successful existence and functioning of the brand is an effective system of visual and verbal identifications.

It attracts potential customers' attention, connects and secures all the primary brand associations.

The main purpose of branding:

1. To achieve brand awareness.
2. To promote products using packaging, advertising.
3. Creation of a "brand myth".

The brand awareness has two dimensions: the "depth" (the levels of recognition and brand recall) and "width" (shopping and consumption indicators). Brand myth consists of the following associations:

- basic (describe goods);
- favorable (describe the desired and real benefits);
- unique (describe and differentiate).

These associations are divided into impressions:

- the actual brand (brand image);
- experience related to brand users (consumer image);
- experience related to the situation of the brand use (consumer image).

The USA marketers distinguish the following kinds of a brand:

- the parent brand with its subsequent expansion;
- multibrand;
- line-brand;
- a separate brand for each item of product [1, p. 69].

The specificity of the parent brand is that the basic, well-known brand for consumers becomes the basis for the market launch of new goods. On the one hand, it provides the expansion of the range offered at the market, and on the other hand, it contributes to increasing of the market part, attracting new customers.

Multibrand is used to derive a new product to the market and to develop a new brand. The feature of the line-brand is that its species of already known brand are displayed at the market. These species differ from each other just in a little change of description.

The most successful is a brand, created for each type of goods. It makes possible to allocate the product which should take a certain place at the market. The main difficulty to use this type of brand is that the product has unique description, and belongs to a particular product line or its range.

Brand helps producers to recognize the product as soon as it was mentioned; as well as to be distinguished among the competitors, to distinguish the product from the general variety of goods; create an attractive image for consumers, which makes them trust it; focus different emotions relating to the goods; decide to buy the product and confirm the choice, to obtain satisfaction from the decision; to form a group of regular customers, who associate the brand with their life style [4, p. 140].

Branding specialist V.V. Gusev identifies two types of brand, two branding cultures. They are Anglo-American (Western) and Japanese (Asian) [4, p. 67].

West brand is the model, entrenched in the early twentieth century, was the name of the brand theory, a "free standing". In practice it meant that if the company produces several products or product lines, they are positioned completely independently from each other and from the manufacturer (the name of which was often even unknown for the customer). There are several kinds of brands in the Western model:

1. Related brands.

2. Brand-“umbrella”.
3. Individual brands.
4. Brands of a separate product line.
5. Brands of the companies which work with fast consumer goods.

The main task in the Western model is to construct the image which differentiates one product from another. The main value of Asian companies is the high corporate image, not the image of the individual brands.

Each of these models has its own advantages and disadvantages that must be taken into account while choosing a strategy of the company. The most significant advantage of the western brands system is insurance from mistakes. If defective or not fully tested product appears at the market, it does not affect the sale of other brands in the company, as they are not connected with each other in buyers' minds. On the other hand, the Japanese system of working with brands allows companies to deal with competitors more effectively and to bring new products to market faster and cheaper under the guise of “corporate” brand.

There are the following models of brand creating:

- the brand wheel;
- TTB technique;
- Unilever Brand Key;
- model by A.V. Zozulov;
- brand name development service.

1. The Brand Wheel. The essence of the model is that the brand is considered to be a set of five shells nested one inside other.

This technique allows to describe the consumers' feelings in relation to the brand more or less accurately, as well as to find out what is the basis for those feelings. This allows to generate recommendations to increase the efforts in each area of the considered brand perception.

The main drawback in this model usage is that it focuses on the individual emotional experience about the brand. And its functional characteristics description is virtually leveled. The advantage is a detailed description and systematization of interaction aspects between the product and the consumer.

2. TTB Model (Thompson Total Branding). According to this method the formation of impressions about the brand is influenced by many factors related to the marketing communications of different brands, as well as by the features of the consumer and market conditions.

The main features of the model are:

- a product: quality, performance, capabilities, options, color, components, additional services. Everything mentioned is under producer's control has the greatest impact on the brand while its creation;
- manufacturer: the reputation of the manufacturer or producer has an impact on the product;
- name, packaging: style, name performance, associations, type, content, equipment, design of the outer packaging;
- advertising and promotion: the significance, style, creativity and use of media;
- price, spread across the country, accommodation in the sale places: how and where the product is presented, next to which other products it is situated in the store, what is the price and how it relates to the prices of other products in this category;

- consumers and consumer context: who, how, where and when uses the product;
- competitors: everything that relates to a product which is under the consideration of the consumer in the light of competitive offerings. According to the model TTB the brand is divided into several levels, each of which is the center for the next layer.

The core of the brand is a product – it is exactly what the brand represents. The next layer includes the previous one – positioning – something for which the product is meant to be and how it differs from other brands. Target audience is those potential consumers for which the communication is meant to be; the last level is brand identity. It means the identity as the result of the positioning.

3. Model of A.V Zozulov. This model emphasizes the fact that the establishment of a brand can not be a one-time act. It takes time and constant system marketing efforts to become a successful brand. Image and reputation can not be created in a single day, sometimes it takes several years. As for funding, the brand process must be considered to be as a long-term investment and that is how it is evaluated. The main task during the brand formation is to achieve not just psychological, but also an economic differentiation. It means the possibility to create and maximize brand price premium. It allows the company to reduce the price elasticity of demand for brand-name products, and to increase the profitability of each item sales. The last one is particularly important at established markets.

4. Unilever Brand Key. This model is one of the most common now. Actually it combines factorial and procedural approaches to build a brand. On the one hand, the core of brand creation is to identify and focus on the target audience, and on the other hand, the analysis of the competitive environment.

The next step is to determine the dominant motives of targeted customers, which can be used due to competitive environment for brand creation. On this basis the essence of the brand is formed and is connected with such elements as: the definition of the brand, brand utility, value and personalization, and the answer to the question: why consumers should trust the brand. The advantage of this model is that it provides a connection with motivation of the target audience and the the competitive environment specific nature.

5. Brand name development service. The model focuses its attention on the phasing of the brand creation. As it can be seen from the model, market positioning is the core of brand creation. The next step is the development of brand strategy followed by the creative ideas development and future brand check the legal purity. The last step in this model is a linguistic testing and testing the brand in marketing research, using qualitative and quantitative methods [3, p. 40].

As the result of professionally performing work related to the creation of the brand, reaching a high level of knowledge (80% recall), the necessary enabling associations, brand owner receives a product that is characterized by signs of a strong brand.

Signs of a strong brand [10] are:

- expressed customer loyalty;
- weak vulnerable to competitors and crises marketing activities;
- higher profits;
- a flexible response to the reduction in prices (increased sales);
- inelastic response (no reduction of sales at price increase);
- increase of the marketing communication profitability and efficiency;
- additional opportunities for the trade mark promotion.

Brand definition is a multifaceted notion, which includes a set of ideas, associations, images, ideas and commitments, which are formed in people's minds about a particular product or company. Brand is an intangible asset that generates emotions and enters the consumers' subconscious. Nowadays in business, when the production of any product is available for almost any company, competition moves into the information field. Here the brand as a tool has a very important competitive value.

**Conclusions.** Branding is a powerful mean to ensure the competitiveness of the enterprise. Branding becomes the main instrument of non-price competition for manufacturers, and is able to provide a steady demand for the entire product range of products offered to consumers under the brand name. The company that owns strong brands can take advantage of its benefits, and take measures that will help to increase its profits.

Thus, we offer the following main ways to develop modern companies brand successfully:

- linear expansion that will consider new short-term market trends and improve visualization of the brand;
- innovations that can increase brand value for customers and improve brand differentiation;
- transformation of distribution to make the brand more accessible to customers, wherever they may be;
- repositioning, updated advertising or communication aimed at adapting the brand values to competitive conditions.

Both consumers and manufacturers are interested in the brand for many reasons. Consumers prefer the brand, which has a high value, because it is easier to understand what the advantages of goods, which have this brand are. At the same time the brand has value if consumer awareness of the brand contributes to the fact that many consumers are committed to a particular product.

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#### **Бренд як основний напрямок маркетингової діяльності підприємств**

У статті розглянуто бренд як основний напрям маркетингової діяльності сучасних підприємств. Визначено сутність і значення бренда, його основні складові. Охарактеризовано підходи до формування бренда та розглянуті види бренда. Проведено аналіз основних моделей

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*розроблення бренда. Запропоновано шляхи розвитку успішних брендів сучасних компаній на основі лінійного розширення, інновацій, трансформації дистрибуції та репозиціонування.*

Ключові слова: бренд, брендинг, слоган, дескриптор, мультибренд, лайн-бренд.

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**Бренд как основное направление маркетинговой деятельности предприятий**

*В статье рассмотрен бренд как основное направление маркетинговой деятельности современных предприятий. Определена сущность и значение бренда, его основные составляющие. Охарактеризованы подходы к формированию бренда и рассмотрены виды бренда. Проведен анализ основных моделей создания бренда. Предложены пути развития успешных брендов современных компаний на основе линейного расширения, инноваций, трансформации дистрибуции и репозиционирования.*

Ключевые слова: бренд, брендинг, слоган, дескриптор, мультибренд, лайн-бренд.

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