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PARADIGM FORMATION OF BRAND STRATEGIES

Today, when the integration processes are in the progress and the competitiveness of domestic enterprises is growing there is a constant need for the unique national identity of Ukrainian manufacturers, a necessity to focus on the formation, promotion, and management of the brand, and the development of the image of Ukraine in the global market. Special stress should be made on strategic brand management of the market of mineral water, under severe competition, economic expansion of foreign manufacturers. The issue of strategy development and adaptation to modern conditions is now relevant for Ukrainian manufacturers.

The research uses the following methods: analytical analysis, generalization, and comparison that make it possible to reveal the main paradigms of brand management.

The prospects of further study are the analysis of brand management as a strategic management tool, listing promising directions of the use of strategic resources, implementation of integration strategies.

Keywords: brand, strategy, strategic management, paradigm, mineral water.

Setting the problem. Today, the brand is the most valuable asset of a company, the most important element of the development strategy of a modern enterprise, a tool for product / service and personality identification, the guarantee, the image, and the emotional component of business. A question of brand formation and management is gaining greater importance where brands grow to be a necessary condition of a sustainable competitive status of a company and priority direction of today.

Analysis of the latest studies and publications. The research and publications devoted to brand management were analyzed by the well-known domestic and foreign scientists, in particular D. Aaker¹, C. Burmann, and S. Zeplin (2009)², J.-N. Kapferer³, K. Keller⁴, Zh.-Zh. Lamben⁵, O. Kusraeva⁶, et al. However, the issues of brand formation and strategic management are still relevant, and high interest to the importance of brands determine the significance of checking and specifying the preconditions of the formation of models that serve as a platform of brand strategies of enterprises.

Purpose. The analysis of modern approaches to brand management, paradigms based on the processes of conceptualization and brand management.

The statement of basic materials. Under the globalization economic processes there are considerable changes in the approaches to the paradigm of strategic brand management.

There are approaches of V. Domnina, A. Starova⁷, T. Ambler⁸, J. Ropo⁹ based on the functional component of a brand as a method of product identification, a set of characteristics that single out the product out of the similar ones. On the other hand, brand management is management of added values for consumers where the brand is an intangible asset. M. Roll¹⁰ identifies additional characteristics of these

¹ Аакер, Д., Йохимштайлер, Е. (2003). *Бренд-лидерство: новая концепция брендинга*. Москва: ИД Гребенникова.

² Burmann, C., Zeplin, S. (2009). Building brand commitment: A behavioral approach to internal brand management. *Journal of Brand Management*, 12 (4).

³ Kapferer, J.-N. (2004). *The New Strategic Brand Management: Creating and Sustaining Brand Equity Long Term*. London: Kogan Page Publishers.

⁴ Keller, K. L. (2002). *Branding and Brand Equity*. Marketing Science Institute: Cambridge, Massachusetts.

⁵ Ламбен, Ж.-Ж. (1996). *Стратегический маркетинг. Европейская перспектива*. СПб: Наука.

⁶ Кусраева, О. А. (2017). Современная теория брендинга: разделение подходов на основе функциональной составляющей. *Вестник СПУ, серия 8. Менеджмент*, 1, 16, 69-91.

⁷ Домнін, В., Старов, А. (2017). Эволюция ключевых концепций бренд-менеджмента. *Вестник СПбГУ, сер.: Менеджмент*, 16, 1, 5-32.

⁸ Амблер, Т. (2009). *Практический маркетинг. Марочный капитал, маркетинговые войны, позиционирование, парадоксы*. СПб: Питер.

⁹ Theseus (2009). *Brands and Branding* <<https://www.theseus.fi/bitstream/handle/10024/8472/Ropo.Juha-Pekka.pdf>> (2019, November, 11).

¹⁰ Roll, M. (2005) *Asian Brand Strategy: How Asia Builds Strong Brands* <<http://www.untagsmd.ac.id>> (2019, November, 12).

directions. On the one hand, there is a connection between costs of branding instruments use and the brand value. On the other hand, the brand is a strategic asset of a company, and its management is promising for the long-term development. Sticking to one approach one can focus on the brand manufacture and quality. Another approach is of different origin and appeals to the formation of a brand strategy, raising the value for consumers. Apart from this, we find that J. Ropo distinguishes between the traditional and the holistic approaches. The traditional one is based on making the marketing department of a company responsible for the brand.

Holistic approach considers the process of brand management as a purposeful procedure of coordinate organizational work of the whole company, its structural divisions, directed at creating an integral image of the brand where the employees are the source of brand idea and value formation.

Tracing the dynamics of changes in brand management, it is necessary to take into consideration the emergence of new media communications, innovation trends of the 21st century. These approaches required expansion and completion. The development of media environment in the beginning of 2010 was accompanied by the use instruments, such as search system, context advertisement, means of traditional advertisement, emails, partially advertisements in online games, cooperation with bloggers. The specific feature of brand management is the creation of offline and online environment for the brand formation and promotion.

The formation of brand management strategies is now micro segmentation and targeting for personalization, the use of micro bloggers and nano bloggers, maximal contact with consumer audience through the creation of interactive brand content, additional and unconventional publicity media¹.

B. Kremer, an American expert in business strategy development, co-founder and CEO of PureMatter marketing agency, claims that in the era of the Internet development and social media, the boundaries between B2B and B2C are blurring, and a new paradigm of brand management is being formed through the formation of interaction of the brand with consumers based on H2H principle (storytelling, creation of images in the same brand style). A continuous close contact with consumer audience, communications, participation in its life as an assistant in solving problems.

A static brand turns into dynamic, uses trends and flexible digital communications. Under such conditions the role of one of the main communication instruments is played by corporate media: blogs, messenger channels, social network accounts with the content, directed at a consumer.

The brands get more opportunities, they can expand visibility through stimulating sales by new instruments: programmatic platforms for placing publicity on television, digital online radio stations, outdoor advertisement with trigger data and technologies of face recognition, mobile applications using the technologies of added and virtual reality.

A new brand paradigm highlighted by Sara de Dios², the founder and head of the initiative group called Meaningful Brands working globally, expects from brands the improvement of the quality of life of the consumer audience, facilitation of their personal wellbeing and increase of value positions of society in general. This shift from the notion of brand as a product to the results of this product consumption speaks about the formation of the concept of what is called brand orientation in the modern world. The focus on result or impact of a product on society, on consumers and environment signifies the beginning of a new challenge for marketing and brand management, which can be illustrated by a bright example of mineral water brands S.Pellegrino, Acqua Panna, Borjomi.

We can also consider the expansion of eco food that determines the ecological paradigm of a brand strategy. The basis for this is actualization of visual perception of brand by consumer's mind, the use of a set of factors of psychological, technological, media constitution for highlighting ecological issues, harmony between the brand, society and nature, the formation of value barriers. Today, the brands are based on ecosophy uniting holistic and ecological thinking, there is a shift of ecological studies to intersubjective ethics. The notion 'deep ecology' (ecosophy) was introduced in 1973 by a philosopher A. Naess³ who formed the basic principles of deep ecology promotion, focusing on the ecological individuality of a brand. On the other hand, F. Guattari develops an alternative concept of ecosophy, making stress on the combination of mental, social and environmental ecology.⁴

¹ Solardigital (2019). *Бренд тогда и сейчас* <<https://solardigital.com.ua/blog/brend-togda-i-sejchas-transformaciya-brandinga-za-poslednie-pyat-let>> (2019, November, 11).

² Robfields (2013). *Meaningful Brands Index Methodology* <<https://robfields.com/2013/07/11/meaningful-brands-index-methodology/>> (2019, November, 11).

³ Drengson, A., Inoue, Y. (1995). *The Deep Ecology Movement: An Introductory Anthology*. Berkeley, 8.

⁴ Радеев, А. Е. (2014). Концепт территории и его значение для философии и эстетики. *Экологическая эстетика: проблемы и границы. Коллективная монография*. СПб: СПФО. 112.

From the point of view of the brand ecosophy is a philosophical area dealing with thinking over the relations of an individual brand to the nature and society. It is brightly illustrated by the international brand of Italian mineral water Sab Benedetto having on its official website <https://www.sanbenedetto.es/en/ecolosofia.asp> the information about the value of the company built on the health of the plant and future of our children.

Thus, we can single out the following principles: a brand should play a role of a friend and helper, advisor whose purpose is to solve the consumers' problem and make their life better. A special role is given to the civil position of the brand, its social responsibility. The brand should be presented everywhere: different communication channels should complete one another to remind about the company continuously. The content should be personalized as much as possible for a user to feel that the company addresses him/her directly. The connection between the brand and the consumer should be mutual: it is important to push the user to cooperate, discuss, create their own content, promote ideas that unite consumers around the brand, thus, a bright example is French mineral water brands Perrier, Vittel, Evian.

One of the possible variants of the brand strategy development is the one created by Chan Kin and Renee Mauborgne¹, the strategy of 'red' and 'blue' ocean. According to the views of C. Kin and R. Mauborgne, the first is based on competition, constant struggle for the market and for the niche where the brand is represented, the struggle in the existing space, exploitation on the market space, sticking to the compromise of 'values – costs', building the whole system of the activity of the company. On the other hand, 'the blue ocean strategy' is a new and the most popular approach to strategic management which means the creation of competition-free market space; the possibility of competition sphere expansion; the creation of new demand, a new product, a new brand; ruining the compromise of 'values – costs'; innovation structure of the whole system of the company operation with the purpose of achieving differentiation and at the same time the reduction of costs.

It was proven above that the basis of any brand is the value but it is necessary to focus on the innovation component and unique value of the product.

The model contains the area of value and the area of costs, so by increasing and reducing costs one can create innovative value which will become a competitive advantage.

While applying this strategy the following tools can be used:

- strategic canvas;
- model of four actions;
- grade 'delete-reduce-increase-create'.

The strategic canvas of diagnostics used creating the 'blue ocean' strategy for the Ukrainian mineral water brand Morshynska makes it possible to reflect the current state of the market taking into account the factors of competition environment. To facilitate a better perception of information and for its further analysis it is convenient to use the graph. Horizontally, there is a value factor, i.e. the competition parameters, the main objects of investments in this field. Vertically, there is a supply level of the company as of each factor (fig 1).

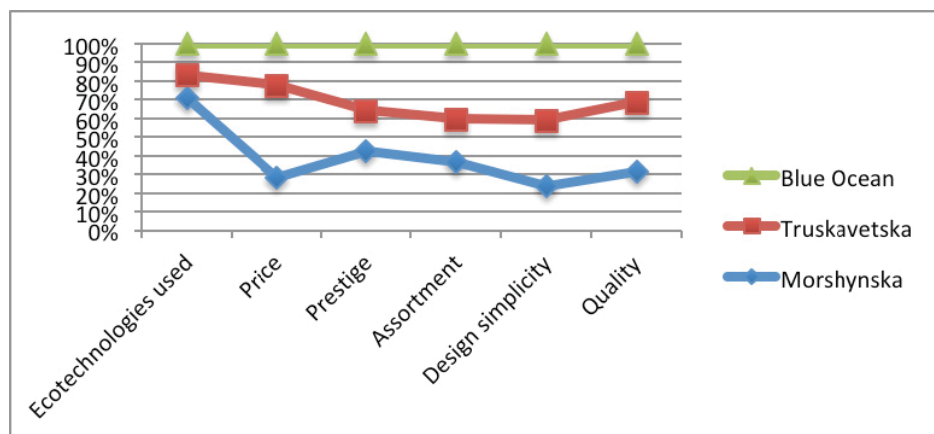


Fig. 1. Strategic Canvas

¹ Ким, Ч., Моборн, Р. (2005). *Стратегия голубого океана*. Москва: НИППО.

For each rival, the points are given for these parameters and the focus is made on the vacant niches. It is clear that at the moment none uses ecotechnologies in the market. It may be the formed 'blue ocean' strategy. The main thing is declare the values and communicate them to the consumer audience through high quality and real performance.

Conclusions. The analysis of the paradigm of strategic brand management distinguishes between the main vectors and focus on strategic values of the company, form innovative instruments of conceptual approaches, coordinate work of the company and all its structural divisions, and further theoretical consideration and grounding.

The prospects of further research are theoretical and methodological provisions concerning the specifics of strategic brand management in the market of mineral water, the list of promising directions of the use of strategic resources, implementation of integration and innovation approaches to the development of the model of strategic brand management.

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