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## EVALUATION AND ANALYSIS OF THE FEATURES OF BRAND FORMING OF RETAIL TRADE ENTERPRISES OF UKRAINE

*The article considers the peculiarities of the formation and development of the own brand of the top 10 companies engaged in retail trade in Ukraine with the brand value position. The importance of creation and development of branding enterprises and the main advantages of brand use are analysed. The analysis of the value of the most important national brands in the field of retail trade and its dynamics has been carried out. The main factors of reducing the value of individual brands and the generally accepted prices of the brand are determined by the respective enterprises. The influence on the development of its own brand on the brand value and summing up the main characteristics of the retail market in Ukraine are shown.*

*Keywords: brand, trade mark, brand advantages, brand price, dynamics.*

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## ОСОБЛИВОСТІ ФОРМУВАННЯ БРЕНДУ ПІДПРИЄМСТВ РОЗДРІБНОЇ ТОРГІВЛІ УКРАЇНИ

*У статті розглянуто особливості формування та розвитку власного бренду топ-10 підприємств роздрібною торгівлі в Україні з позиції вартості бренду. Проаналізовано актуальність створення та розвитку бренду роздрібними підприємствами та визначено основні переваги використання бренду. Проведено аналіз вартості найдорожчих національних брендів у галузі роздрібною торгівлі та її динаміки. Визначено основні фактори зниження вартості окремих брендів та обґрунтовано передумови зростання ціни бренду відповідних підприємств роздрібною торгівлі. Відображено вплив розвитку власної торгової марки на вартість бренду та підсумовано основні характеристики ринку роздрібною торгівлі в Україні.*

*Ключові слова: бренд, роздрібна торгівля, торгова марка, переваги бренду, вартість бренду, динаміка.*

**Introduction.** Currently, the world economy is going through a period an extraordinary upswing and a significant increase in growth. In the countries of Europe and Japan is observed the trend of rapid growth, in China and the US to stabilize, and in many developing countries to renewal and recovery of growth. For businesses operating in the retail sector, sustainable economics growth is the most favourable factor.

The retail sector must radically change its own methods and be prepared for the big ones transformations. Consumers armed with technologies that always keep in touch and provide more opportunities than ever before, shaping new shopping trends behaviour of retailers.

New technologies and the Internet are driving changes that are happening in the retail industry worldwide, and Ukraine is no exception. The largest Ukrainian retailers are already actively investing in the development of new technologies, for example, by collaborating with start-ups and engaging with buyers across social networks.

The importance of new technologies for domestic retail will increase as they decline organic growth opportunities by opening new stores. In general, the Ukrainian consumer positively adopts new technologies, because it is the consumer who will push retail networks in the future to the development and implementation of advanced technologies.

The primary purpose of retail is to ensure a stable supply of high quality goods, a wide range of different population categories to meet their demand for these products. Exactly retailing completes the process of commodity circulation, because with its help products that are made in others sectors of the economy are brought to the end consumer.

Today's conditions of aggravation of competition actualize the use by enterprises of various modern means and mechanisms of competition. The main ones, to date, should be considered: the autonomy of the enterprise, trust from partners and consumers, the image of the company, entrepreneurial reputation, public recognition and others. That is, we can say that the main factor in improving competitiveness is the face of the organization, its brand.

In general, the formation and valuation of an enterprise brand also contributes to its entry into a new, global market, increasing profitability, increasing its market value and even attracting investment.

Therefore, in today's context, it is very important to find touch points in the direction of developing your brand by Ukrainian retailers and constantly assessing them, taking into account changing factors of influence.

The purpose of the article. Analysis of changes in the value of brands of Ukrainian enterprises in the field of retail trade and assessment of factors influencing its value.

**Results.** In recent years, Ukraine has been developing rapidly retail networks consisting of dozens or even hundreds of sole proprietorship retailers that can be as domestic as well as a foreign entity. The advantages of such property are:

– centralization and a high level of management throughout commercial activity through the involvement of qualified professionals can avoid many disadvantages, specific to the individual store;

- Network sizes allow you to buy large quantities of goods while getting maximum discounts and saving on transport costs;
- possible placement of goods with a change of space and changing the range of products, forming attractive assortment at competitive prices; diversification of activities taking into account the increase efficiency;
- reducing unit costs by saving on sales promotion costs by purchasing advertising profitable for their stores and costing them on a large number of goods;
- the ability to combine wholesale and retail features trade.

The role of the brand in today's market conditions is increasing, which is associated with fierce competition on the one hand, as well as globalization of economic space, structures, processes and phenomena on the other. Such conditions require a deep understanding of the concept of a brand that is evolving, transforming and becoming more complex. Most brand definitions mean a complex phenomenon that takes into account the tangible and intangible properties of a brand-owned entity, which results in different approaches to interpreting the brand.

In recent years, brand owners have been paying increasing attention to the fact that, despite their intangibility, brands are of sufficient importance and their licensing cannot be a formal matter.

Brand licensing involves the transfer of the right to use the trademark of another company. License agreements focus mainly on the fact that brands as industrial property have a price. Licenses set a royalty rate, and all are prescribed conditions that guarantee the proper use of the brand's capabilities, both legally and in market terms.

It is the creation of effective strong brands that will allow domestic companies to determine their position in the market and to ensure the promotion of goods in the domestic and world markets, to achieve competitive advantages and to increase competitiveness.

A trademark today is not just a sign, a logo, that identifies the products of a particular producer. This concept is much more capacious, having in mind the whole complex of associative perceptions and perceptions that arise in the consumer, related to the name of the manufacturer of a particular type of product (his trademark), and influence the consumer's choice.

The brand should be understood as a brand that has existed on the market for some time and has reached certain indicators.

Trademark (brand) as a component of competitiveness of the enterprise covers: internal factors of competitiveness, as loyalty of personnel to production opportunity, obtaining additional profit, etc.; External factors of competitiveness: adequacy trademark (compliance with consumer requirements); brand dominance; scale of the brand (ability to attract the consumer to new products under the given brand); consumer commitment to the brand, partnerships with suppliers, legal protection, etc.

Large domestic retailers began to make significant efforts to develop their brand, realizing that branding in today's context plays almost the largest role.

According to research on the need to create and use the brand by domestic retailers, which were conducted among 226 retailers of different types, organizational form and scale of activity, it was concluded that more than 70% of consumers rely on the brand when making their purchasing decisions, and 50% of purchases are actually branded, recommendations from friends, colleagues and other people affect almost 30% of all purchases made [1, p. 339].

So, once again, we can make sure that the brand directly affects the results of the enterprise, its profitability.

The development of the Ukrainian retail market is a rather complex and dynamic process, which is caused, first of all, by the conditions of the transfer economy and a number of external and internal factors that directly affect it.

This issue is particularly ripe today when Ukraine is heading towards European markets.

Analysing the top 10 most expensive national retail brands, it should be noted that their total value in 2018 decreased by 9.2% compared to 2017 (Table 1).

Table 1

**Cost of the top 10 most expensive national brands in the retail industry and its dynamics**

№	Brand	Cost, mln \$		Growth rate,%
		2017	2018	
1	ATB	192,6	157	122,7
2	Silpo	99,1	96	103,2
3	Fora	66,8	62	107,8
4	Novus	27,7	24,9	111,2
5	Velyka kyshenia	23,9	22,1	108,3
6	Eva	23,6	19,8	119,3
7	Eco market	13,2	18,5	71,2
8	Cosmo	6,6	9,8	67,6
9	Furshet	6,8	9,4	72,3
10	Varus	8,5	6,4	133,3
Sum:		468,9	425,9	90,8

Source: author by [2].

In particular, it caused the value of such brands as Eco Market, Cosmo and Furshet to be reduced by 28.8%, 32.4% and 27.7% respectively.

This could be due to the following factors:

- decrease in quality of products represented by the brand;
- reduction of the brand's market share;
- changing the commitment of consumers to a particular brand;
- insufficient level of brand recognition;
- insufficient efficiency and competence of company management [3, p. 108].

According to the data, the three most expensive brands in the industry are ATB, Silpo and Fora. Their total value is 73.96% of the total value of the top 10 brands (Figure 1), and interestingly, the latter are representatives of one of the largest trade and industrial groups of Ukraine Fozzy Group.

With regard to the most valuable brand of the ATB industry, its price is expected to grow by 22.7 % in 2018. In our opinion, this is mainly due to FMCG's marketing strategy for the product and the brand itself, respectively.

The FMCG scope is the scope of fast moving consumer goods. FMCG market is usually characterized by the following features: high turnover of goods, relatively low level of net profit, high level of demand, low involvement of consumers, ease of replacement of goods (in the FMCG market very quickly and fairly easily appears substitute products) [4].

In this regard, the management and leading marketers of ATB have combined two technologies for the promotion of goods in their FMCG strategy, namely, the promotion of goods through the Internet and television, radio and advertising banners in the city.

That is, they have, in a sense, united two consumption audiences – young people and middle-aged people.

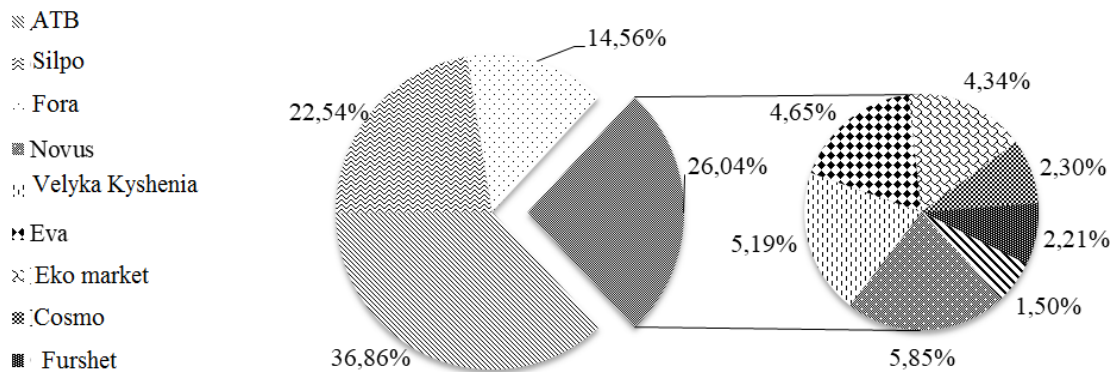


Figure 1. Share of value of the top 10 most expensive Ukrainian retail brands in their total value

Thus, the network of grocery stores "ATB" were able to reach the maximum number of audiences and to establish their own ways of communication with it, which formed in the population an unconscious habit of consuming goods in the stores of this network.

In addition, a very positive influence on the development of trading enterprises has its own brand, which is characteristic of each brand of the three ("ATB", "Silpo" and "Fora").

With respect to ATB Market LLC, it owns the following trademarks: ATB Special Order, De Luxe, Its Line and Smart Choice.

And since, as already mentioned, Silpo LLC and Fora LLC are all part of a single industrial group, they have jointly owned trademarks such as the Premium, Full Cup, Ricky Tiki Award and Premiya Select ». In addition, Fora is owned by TM "Own Import", and Silpo LLC is owned by TM "Shop of Traditions", which distinguishes them from each other.

To compare the Silpo and Fora brands in more detail, let us turn to the results of a survey conducted during 2017 that surveyed about 100,000 potential consumers of these brands (Table 2).

Therefore, the overall rating of represented brands by consumer version is consistent with the rating of these brands. Summarizing the information analysed, it is necessary to determine the main characteristics of the retail market in Ukraine, namely:

1. Increasing the attention of retail managers to the development of their own brand of the company;
2. Active use of flexible pricing strategies;
3. Optimizing the range and adapting it to changes in demand based on a study of consumer behaviour;
4. Using the Internet to increase consumer loyalty;
5. Increasing attention to the service and differentiation of its offer by retailers;
6. Development of own production and production of goods under own trade mark.

Table 2

## Results of the consumer survey

Index	Positive consumer reviews , %	
	« Silpo »	«Fora»
Shopping in a store	33	33
Providing consultations	30	25
Purchase of unplanned product	20	18
The level of aggregate consumer income	45	30
Store staff work	18	15
Placing goods in the store	30	26
The price of the product	22	17
Quality of household products	30	30
The quality of the product packaging	29	27
Food quality	3	3
Expiration date	3	3
Brand rating:	<b>23,9</b>	<b>20,6</b>

Source: author by [5].

**Conclusions.** The current stage of market economy development, in particular, of retailers, is characterized by increasing attention to the development of its own brand and actively using it to increase the market value of the firm.

Today, the importance of the concept of the brand is constantly growing, as well as the scope of its use, which include: planning of mergers and acquisitions, tax planning, accounting of intangible assets and reporting, strategic marketing planning, licensing and franchising, marketing loans budget, investor relations, and more.

Thus, the modern stage of market economy development, in particular, of retailers, is characterized by increasing attention to the development of its own brand and its active use to increase the market value of the firm, and an extensive system of areas of brand use is increasingly attracting the attention of domestic entrepreneurs and top managers.

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