

Ayman M. Kazybaeva<sup>1</sup>, Tamara S. Satkalieva<sup>2</sup>  
**FORMING THE STRATEGY AND LONG-TERM MARKETING  
PROGRAM FOR BRAND MANAGEMENT**

*The paper considers the conceptual approach to strategy and long-term marketing program of brand management. It defines the current approach to brand management at companies of the Republic of Kazakhstan. The program of brand management is offered on the basis of consumer loyalty.*

*Keywords: marketing strategy; brand; consumer loyalty; brand management.*

Айман М. Казыбаева, Тамара С. Саткалієва  
**ФОРМУВАННЯ СТРАТЕГІЇ ТА ДОВГОСТРОКОВОЇ  
МАРКЕТИНГОВОЇ ПРОГРАМИ УПРАВЛІННЯ БРЕНДОМ**

*У статті розглянуто концептуальний підхід до формування стратегії і довгострокової маркетингової програми управління брендом. Визначено сучасний підхід до бренд-менеджменту підприємств Республіки Казахстан. Запропоновано програму управління брендом на основі формування споживацької лояльності.*

*Ключові слова: маркетингова стратегія; бренд; споживацька лояльність; управління брендом.*

*Табл. 1. Рис. 3. Літ. 15.*

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МАРКЕТИНГОВОЙ ПРОГРАММЫ УПРАВЛЕНИЯ БРЕНДОМ**

*В статье рассмотрен концептуальный подход к формированию стратегии и долгосрочной маркетинговой программы управления брендом. Определен современный подход к бренд-менеджменту предприятий Республики Казахстан. Предложена программа управления брендом на основе формирования потребительской лояльности.*

*Ключевые слова: маркетинговая стратегия; бренд; потребительская лояльность; управления брендом.*

**Problem statement.** Today, the brand of an enterprise is the key criterion for consumers while making purchases. It helps organizations to demonstrate values and obligations to consumers. Brand management is the basis for marketing strategy which determines its place at the market of goods and services. However, the development of a strategy and a long-term program of brand management are associated with problems of resources' lack, inefficiently built management system, irrational choice in marketing etc.

**Recent publications analysis.** G.L. Bahiyev et al. (2006), L.B. Balabanov and O.A. Bringina (2006), E. Dihtlya and H. Hershgen (1996) were engaged in the studies on branding and brand strategies. The problems associated with the creation of brands were described by J.K. Verkman (1986) and G. Charmesson (1999), trademarks and advertising mechanisms were described by D. Aaker and E. Joachimsthaler (2003) and R. Batra et al. (1999). However, effective construction of the system of marketing management based on the relationship with customers is yet to be formed.

<sup>1</sup> Turar Ryskulov Kazakh Economic University, Almaty, Kazakhstan.

<sup>2</sup> Turar Ryskulov Kazakh Economic University, Almaty, Kazakhstan.

**Formulation of the research objectives.** The research objective is to analyze the development of brands and brand management at enterprises of the Republic of Kazakhstan, to work out the approaches to forming strategy and long-term marketing program of brand management based on customer loyalty.

**Key research findings.** Under current conditions brand as a virtual symbolism, a set of image features, marketing communications and intangible value of companies requires purposeful and systematic management.

The value of brand for the organization is manifested only in the course of its instrumental use. F. Kotler and other Western experts specialized on brand management note that the most peculiar qualities of professional brand managers is the ability to create, maintain, protect, enhance and expand brands, that is to say to manage them (Kotler, 1999). P. Temporal in his book "Effective brand management" argues that brand management (principle of brand management) is a well thought out theory, a formed system of ideas, principles and methods, which summarizes practical experience and reflects the basic laws of the implemented processes (Temporal, 2003).

The development of investing into fixed assets of companies in Kazakhstan increase the importance and the value of brands, develops corporate management and quality management and increase the value of intangible assets of enterprises in the Republic. Among the most costly brand enterprises of the Republic of Kazakhstan in 2012 were the following brands: "Karaganda", "Rahat", "BTA Bank", "KCell", "Aynalaynyn", "Derbes", "Food Master", "Haoma", "Kaspi Bank" (Efes Kazakhstan, no date). In 2012 well-developed brands belonged to food processing industry (beer and nonalcoholic beverage industry, confectionery, dairy industry, alcoholic beverage industry, production of other foodstuffs), financial sector, telecommunications, fuel and energy sector and the construction sector.

Effective strategy gradually promotes a brand to achieve goals, coordinating tactical measures that define brand positioning. Among developed brand models used by companies there is a wheel of brand, considering brand as 5 components, such as the essence of brand, the central idea of brand, brand personality, brand preferences and brand attributes. The model "Unilever Brand Key" (UBK) is focusing on target audience and the analysis of competitive environment of brand, as well as the analysis of consumer purchase motivations (Zozulyov and Nesterova, 2006).

Large companies of Kazakhstan mostly use the strategy of total brand management, while possessing several brands, manage each brand separately, developing strategies and management programs that compete within company. Successful brands develop in the direction of growth of technological, human and customer capitals, gain customers' sympathy and possess successful image characteristics. For example, "Karagandinskoe" has 13 brands (Efes, Pilsener, Kruzhdka Svezhego, Belyi Medved', Karagandinskoe, Peroni, Nastro, Azzurro (Efes Kazakhstan, no date).

The brands of "Food Master" company can be divided into several components: macaroni and flour: "Sultan" – 43.7 mln morth (11th place), "Tsesna" – 26.0 mln (19th place); beverages: "Gracio" – 21.0 mln (24th place), "Da-Da" – 19.0 mln (27th place), "Piko" – 10.1 mln (40th place); mineral water: "Asem Ai" – 15.2 mln (30th place), "Calipso" – 7.3 mln (48th place) (Top 50 Kazakh Brands, 2012).

However, the problems are traced in the process of brand management of medium-sized enterprises in the Republic of Kazakhstan such as: lack of brand manage-

ment as an intangible asset, brand management in the context of planning advertising and PR. Therefore, the formation of brand management strategy is largely influenced by the factors of development potential of a company (Figure 1).

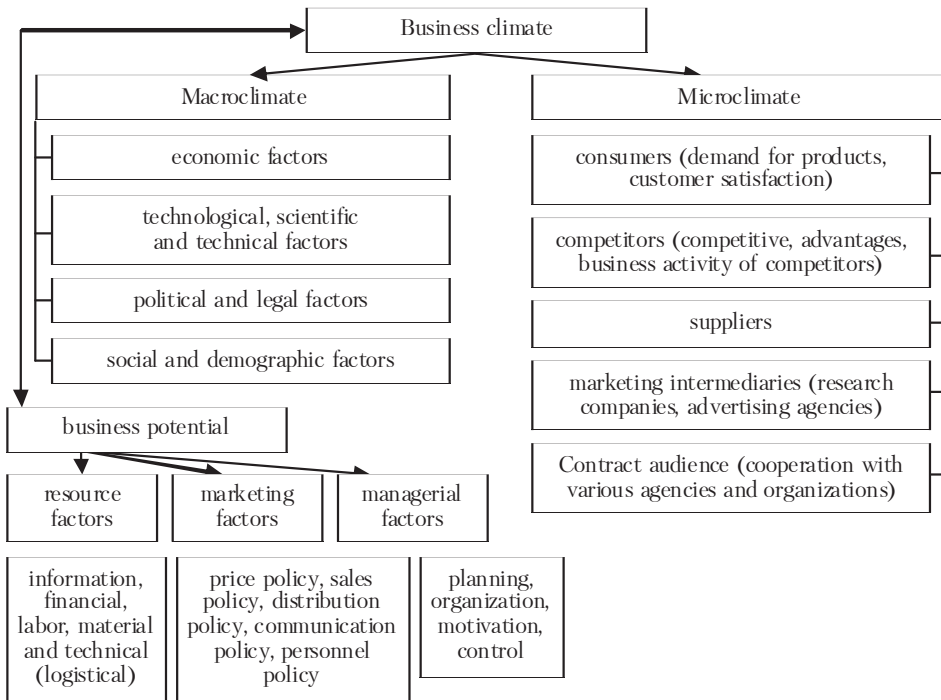


Figure 1. Factors that influence brand management strategy of company, compiled and summarized by the authors from the materials of (Balabanova and Brindina, 2006)

In terms of marketing orientation company brand is formed under the influence of its potential and climate. It should be noted that climate in a company, in turn, affects its potential. That is, the factors that influence climate and potential of a company will equally influence the associations between company and its products (Balabanova and Brindina, 2006).

According to the new conceptual approach to brand management, the main long-term objective of brand management is the development and growth of the value of intangible assets of organization – brand equity which is determined by the value of brand. In this case, brand image, the quality of its relations with consumers, the increase in the number of loyal customers and the degree of their loyalty to brand is only the way to increase brand equity (Dihtl and Hershgen, 1996). The largest brand companies in Kazakhstan have the following capital volumes: "Karagandinskoe" brand is estimated by experts as worth 9,595 mln USD, "BTA-Bank" – 90 mln USD, "Rakhat" – 83 mln USD. Given the abovementioned, a considerable part of popular brands are related food processing.

Under the current conditions of brand management strategy development should be formed on the basis of innovative trends, including:

1. Orientation of management strategies on long-term goals – the increase in value of intangible assets and brand capitalization through which an increase in company's profits can be reached. Analyzing goal-directedness of "Karagandinskoe" brand, one can say that the company sets the following objectives: to increase twice the size of the company by 2020 and become the most reputable company in Kazakhstan (Efes Kazakhstan, no date).

2. Globalisation of markets and brands shifts the focus on different types of markets, considerable scope of one brand (several products and markets can be formed within the same brand). "Karagandinskoe" effectively applies export programs and cooperates with international distributors, thus positioning its brand abroad. The countries where the brand is spread include Russia, Belarus, some European countries, Japan, Turkey, UAE.

3. Formation of brand identity among other brands in the consumership is focused on market segmentation of consumers, determining their motives and needs. Brand of "Karagandinskoe" is determined by "Efes Kazakhstan".

Currently the most popular branded companies of Kazakhstan have their brand management without strategic brand planning. In particular, "Karagandinskoe" has no program for brand development. Suggestions on the formation of strategy and long-term marketing programs of the enterprise should be submitted through the choice of marketing management of an enterprise, development of a strategy or brand/brands of the company, the choice for directions of its positioning, product realization and communication, development of target program of a brand/brands, formation of organizational and economic mechanism of program implementation, monitoring of its implementation, analysis of the program implementation results, adjusting and corrections (Figure 2).

Variety of strategies (models) of brand management is based on the BCG matrix which is focused on the formation of market share of a brand as well as growth rates in market share of the brand, I. Ansoff matrix (1989), which determines the novelty of a brand; matrix of financial brand management, market share, investments in brand.

Today, the most popular brands of "Karagandinskoe" are determined by market needs, in particular, these are white beer brands. The main consumers of the company are people of middle age (29–49) with different income levels. Although, the demand for special kinds of beer with high alcohol content and dry matter is currently increasing, brand advertising is realized by the company within the entire brand advertising campaign and less commonly – for particular products.

The main tasks of companies and "Karagandinskoe" in particular are to retain consumers' loyalty and expand contacts with customers.

At this stage the important role in marketing activities of enterprises of the Republic of Kazakhstan is the strategy and management brand program on customers' loyalty, including the following brand management strategies through: the strategy of strengthening (amplification) of loyalty focused on regular loyal customer of brand, the loyalty of which has already been formed; the strategy of loyalty disclosure, oriented on customers which represent latent loyalty (positive attitude to the brand, but not constant purchases); the strategy loyalty conversion, focused on the customers who accidentally buy branded products; the strategy of loyalty formation,

oriented on the customers who are not supporters of the brand. The objectives of consumer loyalty are presented in Table 1.

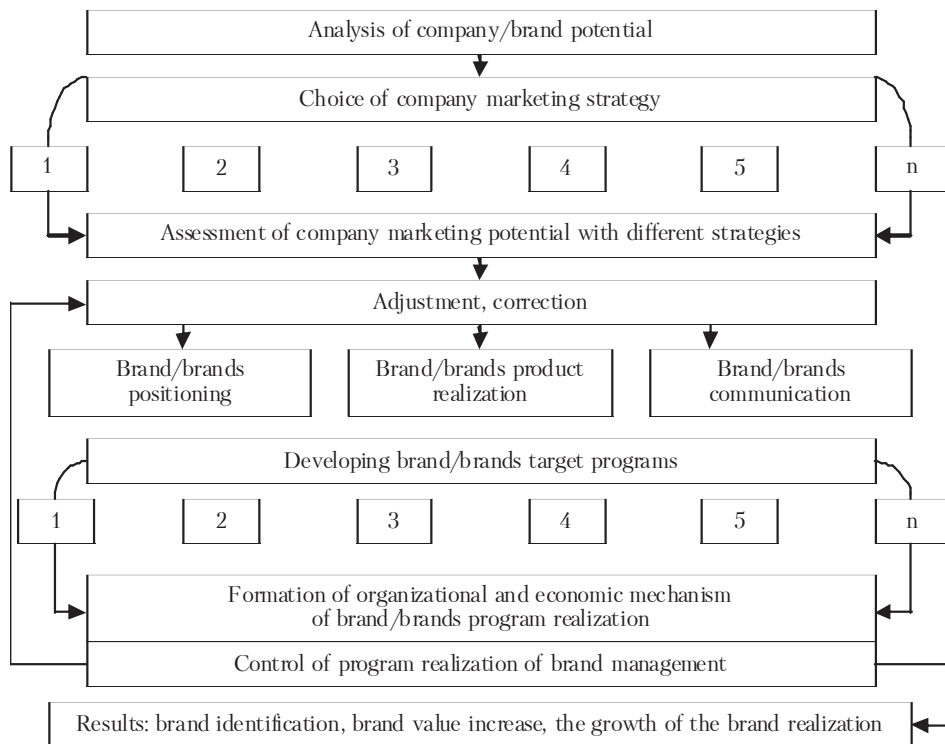


Figure 2. The stages of strategy formation and long-term marketing program, compiled and summarized by the authors from the materials of (Mescheryakov and Tihonova, 2008)

Table 1. The objectives, means and methods of brand management program based on consumer loyalty of company (the example of "Karagandinskoe" for the consumers' of age different groups), authors' own development

N	Strategic objectives	Tactical objectives	Means	Methods of implementation
1	To strengthen the loyalty of regular customers of brand (20–29, 30–39 y.o.)	Formation of a stable brand image	Direct marketing. Certificates. Accumulating bonuses program. Clubs for regular consumers. Preferential terms of service.	Individual Coalitional
2	To increase customers with latent loyalty (40–49 y.o.)	Increasing motivation for purchases	Promotions and price offers. Seasonal sales. Discounts. Gifts	
3	To attract new clients through additional privileges (50–59 y.o.)	To increase visiting and sales	Direct marketing. Discounting programs. Gifts. Guarantees	
4	Increasing the level of contacts and clients. Tracking of customers' behavior, motivation through database (all the consumers' categories)	Increasing the volume of information on consumers	Direct Marketing. Poll	

The most promising programs on consumer loyalty which can be suggested for "Karagandinskoe" are the coalitional loyalty programs. All the distributional centres of the company should be engaged in this coalitional program (priority cities – Karaganda, Koksheau, Astana, Atbasar), as well as sales networks (supermarkets) at which surveys can be carried out and prizes for customers can be given.

The coalition program for encouraging customer loyalty is specified on Figure 3.

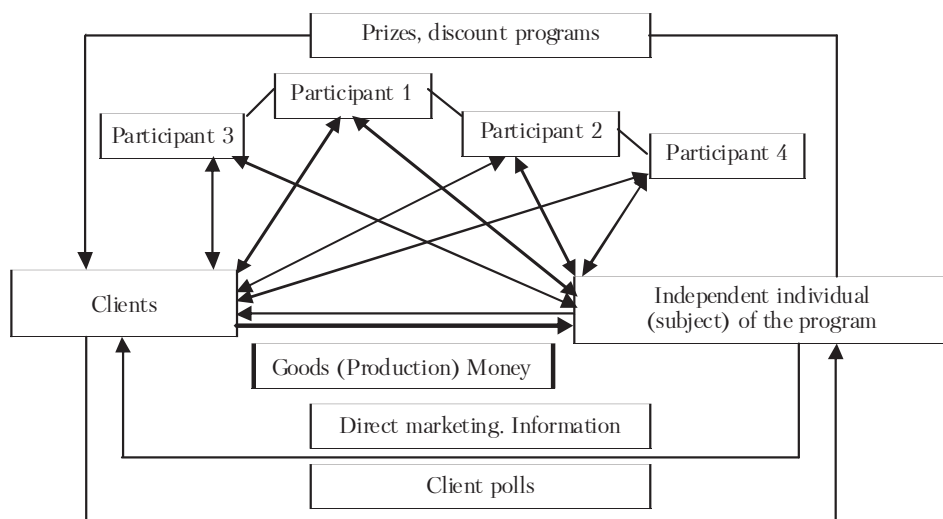


Figure 3. Coalition program for stimulating customer loyalty, authors' own development

Through the coalition programs of consumer loyalty companies can stimulate consumers' activity, get feedback and trace consumers' needs, while exchanging client base of sales partners within the program, as well as implementing its discount and bonus programs with other market entities. This approach allows more objective interaction with loyalty program participants and customers.

**Conclusions.** Company brand management in terms of marketing orientation consists of brand product and company image and is based on its potential and climate. Another important component of enterprise marketing strategy is the development of brand management strategy through the formation of customer loyalty, which makes possible the combination of various companies efforts to obtain new customers. The promising directions for further research in this area are working out the models of companies' cooperation within the coalition program to stimulate consumer loyalty.

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## КНИЖКОВИЙ СВІТ



СУЧАСНА ЕКОНОМІЧНА ТА ЮРИДИЧНА ОСВІТА  
ПРЕСТИЖНИЙ ВИЩИЙ НАВЧАЛЬНИЙ ЗАКЛАД

### НАЦІОНАЛЬНА АКАДЕМІЯ УПРАВЛІННЯ

Україна, 01011, м. Київ, вул. Панаса Мирного, 26

E-mail: book@nam.kiev.ua

тел./факс 288-94-98, 280-80-56



**Фінансово-економічний розвиток України в умовах глобалізації: Колективна наукова монографія / За ред. Я.В. Белінської. – К.: Національна академія управління, 2008. – 212 с. Ціна без доставки – 25 грн.**

Монографія присвячена фінансово-економічним проблемам розвитку економіки України в умовах глобалізації. Викладені теоретико-методологічні питання розробки стратегії входження України у світове господарство та формування фінансово-економічного механізму цього процесу. В основу викладу матеріалу монографії покладені багаторічні дослідження науковців в галузі економічної теорії, фінансів та банківської справи, які були апробовані на сторінках авторитетного журналу "Актуальні проблеми економіки" в 2004–2007 роках. В монографії обґрунтовано шляхи забезпечення структурно збалансованого економічного зростання економічної системи України та її ефективного міжнародного співробітництва, визначені напрями вдосконалення всіх ланок господарської системи.

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