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A STRONG BRAND AS A WAY TO SUCCESSFUL BUSINESS

These days in a highly competitive environment it is becoming increasingly clear that only a strong brand can help a company to succeed and that is why so many companies put a lot of efforts to build and create such a brand. Brands as the most important intangible assets of a company have approved their ability to not only provide strong competitive advantages to companies, but they also increase significantly their market value. Therefore, it is extremely important to build a strong brand, because a strong brand is difficult to copy and it has higher level of loyalty for the customers as it offers an exceptional service or product.

People do not buy products, they buy brands; and brands are far more than just being a piece of effective marketing. Brands are an incarnation of the people who produce the product and what they represent. Brands are the overall experience that a customer has with a product. Brands are the link that connects consumers to producers.

Brand management or branding could be viewed as a process, which a company uses in order to build, maintain and control its brand. The brand is how a customer recognise a company, its product or service and its reputation. And it helps to build a trust with customers and leads to loyalty. The brand helps a company to differentiate its product from similar products on a marketplace. The process of branding is constant because a company continue to strengthen its brand further and make sure that the specific message is delivered to a customer properly as well as to be sure that the right message about its brand is delivered. Many large corporations hire a brand manager to be sure that the brand is not diminished or misused.

Specialists from Interbrand give the following definition of branding “is concerned increasingly with assembling together and maintaining a mix of values, both tangible and intangible, which are relevant to consumers and which meaningfully and appropriately distinguish one supplier's brand from that of another” [2, p. 2].

Companies, which invent strong brands, are able to get all the benefits, because if a brand is a good one it means that a consumer will purchase it and such a brand will become a valuable asset. If the consumer perceives a brand as a set of values which he/she can specify means that this consumer will reject alternatives, which are presented to him/her. Brands are a good asset as long as they are maintained in a good shape and continue to offer consumers the value, which they require. Thereby, there is a constant need in brand management.

The strong brand has following benefits for a company: provides increased market share and revenues; creates unique image of a company; helps a company to attract new customers and distributors; increases a company's market value; create customers' preferences for a product, etc.

So, there is a need to define a brand and to understand a nature of it.

A brand is very popular topic over a few last decades, however it is not still properly understood. Many believe that a brand is a product or a logo of a company, but it is not true. According to Marty Neumeier a brand is “a person's gut feeling about a product, service or organisation” [4, p. 14]. Therefore, brand is not a product or organisation itself, it is not a logo, but a brand is feelings, thoughts, and psychological relationships between a business and a client; it is a set of values it brings to a consumer, it is an association and an image of a product or an organisation, so it is emotional relationships of a company with its customers.

Kevin Keller in his book “Strategic Brand Management” gives a following definition of a brand “is a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate it from those of competitors” [3, p. 30].

J. Wolker defines a brand as “unique elements that identify products and set it apart from those of other producers and service providers” [6, p. 517].

A strong brand makes a customer feel good about the choice he/she has made. And a strong brand helps a customer to make a choice. The idea is an essence of a brand and idea can be changed, modified and that is how a brand lives, grows and learns. Brands and ideas behind brands have learnt to match the circumstances. The brand determines the position and strength of the whole marketing framework. And it is highly important to understand the concept of brand identity and the concept of brand equity which help to build a strong brand and to maintain an existing one at a proper level.

Strong brand helps company to stay profitable, to create customer loyalty and to express its uniqueness. Furthermore, it helps to build long-term relationships which will last as a customer loyalty in the future. Consequently, it is highly important to have a strong brand and clear brand identity, because brand identity makes brand more tangible to the consumers. Alina Wheeler wrote in her book that “brand identity is tangible and appeals to the senses. You can see it, touch it, hold it, hear it, and watch it. Brand identity takes disparate elements and unifies them into whole systems” [7, p. 4]. Hence, brand identity transfers intangible brand into more tangible things.

A brand identity provides purpose, direction and meaning for a brand. It is crucial to the strategic vision of the brand and the driver of one of the four basic dimensions of brand equity– associations, which are the heart of the brand.

Designing a brand identity is a complicated process, which needs a combination of strategic thinking, investigation, design excellence and project management skills, so if there is a need to create a strong brand identity a special team should be formed. All of the team members have to be very creative, passionate with what they are doing, have excellent decision making skills, good at collaboration and have broad knowledge.

The guru of brand management David Aaker identifies Brand Equity as “a set of brand assets connected to the brand’s name and symbols that adds to the value, which is provided by a product to a company or its customers” [1, pp. 10-25].

He also describes four components of brand equity: brand name awareness; brand loyalty; perceived quality; and brand associations [1, pp. 10-25].

Brand Awareness

Brand awareness even at the level of recognition can provide the brand with a sense of familiar and signal substance and commitment. Brand, that is known, perhaps

can be a reliable and acceptable quality. Awareness at the level of recall further influences the choice by affecting what brands get considered and chosen as the brand must first log into consideration set before being listed to be purchased.

Perceived Quality

Perceived quality provides a basis for a purchase. The brand will be associated with the perception of the overall quality and is not necessarily based on knowledge of the detailed specifications. Quality associated with the brand can also be a crucial factor in the differentiation and positioning. Constructing durable and strong brand means nevertheless higher than average quality or positioning at least a minimum perceptual quality when considering brands positioned as low in the marketplace. Perceived quality may also attract the interest of the members of the channel, allow expansion and supports a higher price, which provides resources for reinvestment in the brand.

Brand Loyalty

Loyalty to the brand generates value by reducing the costs of marketing and leveraging trade. Loyal customers expect the brand to be always available and encourage others advising them to use it. Retaining existing customers is much cheaper than attracting new and even if there is a low cost of switching there is a significant inertia among customers. In addition, it is difficult for competitors to attract satisfied users of the brand, because they have little motivation to learn about alternatives. Therefore, competitors may not want to waste resources to attract satisfied and loyal customers, and even if they do so, there is plenty of time to respond appropriately to this action.

Brand Associations

Brand associations can apply to people, lifestyle or personality. All of these may change the use of the experience and help to process and retrieve information in a certain order. Two identical products may create different effects in using only because of their associations of a brand are different. Associations can be critical factors in the differentiation and positioning, creating a reason to buy for those potential customers who are looking for specific physical or emotional characteristics. A strong association can also be the basis for the extension of the brand, providing a significant competitive advantage in the target area [1, pp. 10-25].

As it is seen for the above, brand is an intangible asset – brand identity, which includes all tangible expression from packaging to websites, upholds that value. Since a brand is not something tangible and the only emotional connection between a product or a company with a customer, there is a need to design a good brand identity and is a crucial task for every company, which wants to connect emotionally with its customers and create lifelong relationships, because brand identity makes intangible brand more tangible for its consumers and helps to strengthen a brand.

Taking into consideration cultural differences is also crucial for the company if it wants to build a strong brand and make it survive on the market of other countries. Cultures differs in terms of languages, meaning of signs, images, colours and numbers. But also there are a lot of differences in terms of cultural dimensions which where proposed by Geert Hofstede. Let's have a closer look on these differences on the basic of cultural dimensions.

In individualistic societies brands are produced by adding value or abstract personality traits to products, while members of collectivistic societies are more interested in a

specific product and its features than in abstract brands, because they are less accustomed to conceptual thinking. For members of collectivistic societies, the concept of the brand is too abstract to discuss as members of individualistic societies do. Orientation on a relationship is also found in individualistic societies that are feminine, this is not only specific for collectivistic societies. Status brands as jewelry, alcoholic beverages are important and can help to show success and achievements to other people. Ownership of luxury items such as expensive jewelry and watches is associated with masculinity, and this connection is stable with time. Car ownership is associated with wealth, but also around the rich countries is associated with individualism. Also financial products vary depending on the culture. More life insurance policies, for example, sold in individualistic cultures than in collectivist cultures. There is no connection with the uncertainty avoidance, which confirms that uncertainty avoidance is not the same as risk avoidance. In individualistic societies a youth must develop an identity that allows him or her to function independently in different social groups besides the family. A failure to do so can lead to an identity crisis. In collectivist societies a youth development is based on the promotion of the needs of dependency on the family, and the group ideal of being like others, do not differ from other [11, pp. 184, 187, 189].

The most important factor of masculine society is an achievement. In conjunction with individualism, success can be shown, to a lesser extent than in conjunction with the collectivism. Innovation and a desire for change are low in high uncertainty avoidance societies, but in combination with high power distance appeals as modernity and innovation provide status. High scores on masculinity and power distance refer to the need of the status. In high power distance cultures, the role of brands is to demonstrate the owner position in the hierarchy. In masculine societies, status brands demonstrate their success. The set of high power distance and uncertainty avoidance explains the importance of appearance. Japanese (high PDI / high UAI) judge people by their clothes, which is not so with the Chinese (high PDI / low UAI) [5, pp. 293-301].

If brand is characterised as “friendly” it is included to the most powerful brands in the high uncertainty avoidance and low power distance cultures. In high power distance cultures, “luxury” is a characteristic attributed to global brands, and in high uncertainty avoidance cultures, “trustworthy” most attributed to the strong brands. In cultures configuration low power distance and low uncertainty avoidance people include “different” and “innovative” to these brands [11, p. 185].

These findings have implications for global brand positioning. Global companies of Western origin want to be consistent in their messages around the world. They are carefully formulated brand-positioning statement, including brand personality, as a benchmark for global communication, but consumers attribute personality to brands that are consistent with their own cultural values, not the values of the brand manufacturer [11, p. 185].

Implications for the concept of brand personality are that in individualistic societies, brands need to be unique and different with the successive characteristics, while in collectivistic societies brand should be seen as part of a larger whole, the product of a reliable company. While American companies have developed brands with unique characteristics, Japanese companies tend to stress corporate brand. Essentially, this means inspiring trust among consumers and companies have to convince them to buy their

products. Japanese and Korean companies, in their television advertising, display corporate logos more often than German and American companies do [14, pp. 825].

Hofstede's cultural dimensions can also be widely used for promoting products, especially in advertising. It is crucial to know all the aspects of cultural differences and to use appropriate language and to communicate correct message to potential consumers.

In individualistic societies, advertising must convince while in collectivistic societies, the goal is to build relationships and trust between buyer and seller. Japanese advertising focuses mostly on inducing good emotions and feelings, rather than just giving information. Different objectives are reflected in the difference in the time and frequency of verbal or visual mention of brand name in television commercials. In typical Japanese television commercials, the first identification of the brand, the name of the company or product occurs later than in the typical American commercials. In Chinese commercials, brand recognition appears later than in the United States commercials [8, pp. 111-119].

Advertising in Japan is based on building relationships between the company and the consumer. The aim of advertising in Japan is to cater to the consumer and build a relationship of dependency, and this could be possible by the indirect approach. As a result, "feel" is the initial response of the Japanese consumer, and only after that the actions are taken: to go a shop and buy a product [12, p. 217].

In collectivistic societies like Korea and China, focusing on group benefits, harmony and family are more efficient, while in individualistic societies, like the United States and the United Kingdom, advertising that treats to the individual benefits and preferences, and personal independence and success is more efficient. The use of celebrities in advertising is associated with collectivism, where celebrity might give a face to the brand and distinguish a brand from the brands with similar attributes and characteristics [13, p. 98].

Some researchers have shown the differences in advertising in different countries:

Weinberger and Spotts found that the British television advertising contained a lesser level of information content than U.S. advertising

Biswas, Olsen and Carlet found that French advertisements use more humor, sex and emotions, however U.S. advertisements use a greater number of information cues.

Frith and Wesson found that British advertisement made social class differences more evident, while magazine advertisements in the USA characters are shown in more "individualistic" stances than British ones.

Belk and Bryce found that the U.S. advertisements contained more emphasis on materialism and individual determinism than Japanese advertisements [9, p. 17].

Understanding that all the cultures differ and have their own rules and traditions may help to minimize negative impact of cross-cultural differences and helps to enter foreign market more easily and with less harm to a company and its products and also make your product and brand successful.

Cultures differ not only on the scale of Hofstede's national culture dimensions, but also by languages, communication styles, a meaning of colours, numbers, images and gestures.

Language

A company should carefully choose a name of a company, its products, slogan. While developing a new brand name developers have to check the meaning of the chosen name in different languages. It is also important to properly translate a slogan of a company. Language should be also analysed if it suits to a particular country. Names and slogans should be carefully chosen and checked in order to avoid mistakes.

Packaging/design (Colours, numbers, images)

A company should carefully choose the colours and the shape of a packaging for its products, because colours and shapes have different meaning throughout the world. Also there are some common colours, which are used for particular products from the same category. For example, for dairy products the most commonly used colour of packaging is white, for a coffee rich gold, green with an image of coffee beans. And also some colours have different meanings, different colours are considered as lucky and unlucky colours. For example, white colour means purity in the USA and death in Japan; yellow colour means warmth in the USA and jealousy in Ukraine. That's why a company should check it too.

Images are also quite sensitive cultural topic. Company should know that some pictures are not acceptable to use in some countries. For example, if it is quite normal to see a woman in bikini on advertising somewhere in London, however it is not acceptable to use such an image somewhere in Middle East [10].

Numbers are also culturally susceptible as have different meaning around the world. Some hotels do not have rooms with 13 number or 13th floor [10].

Communication style

If company wants to be successful on a particular market it needs also to learn about style of communication in the country. It allows through advertising to speak to potential consumers in a way, which they appreciate and understand.

There are explicit and implicit communication styles. Explicit (individualistic societies, the USA) supposes that customer is unaware about related issues or background information to the topic and provides it themselves. Implicit (collectivistic societies, Japan) the customer is well informed on the issue and minimise the information transmitted on the premise that the customer will understand from involvement [10].

Cultural values

While advertising abroad, the cultural values underpinning the society must be carefully analysed. Is it family oriented? Is there a dominant political or economic ideology? Is it hierarchical? Is there a religion that is practiced by most people? Is the collectivist society or an individualist? All of these factors will affect the advertising campaign if a company left it unexamined. For example, advertising that focuses on independence, individual success and stressing the word "I" will be received negatively in the countries where teamwork is considered as a positive quality. Rebellion or lack of respect to authority should always be avoided in family orientated or hierarchical societies.

Paying careful attention to all of these factors will help a company to build a strong brand and design clear brand identity, which will be sufficient and successful and will lead to the customers' loyalty and will add value to a brand.

Interestingly that we can brand not only products or services, but also it becomes more and more popular to build a brand for a city and territory. So, author will propose some suggestion how to brand the city of Odessa. Due to the fact that Odessa is the only big seaport and one of the largest cities of Ukraine it makes sense to build a strong brand identity for the city, which will help to attract more tourists. And to start the process of branding, first of all, Odessa should position itself, which suggests that the city has to declare its mission, destination at the regional, national and international levels in certain target audiences.

Another suggestion is to have some verbal and visual symbols. For example, it can be verbal slogans of the city as “Pearl of the Sea”, “City of humor”, “Southern Capital of Ukraine”, etc. As a slogan can also be poems, songs, quotes, etc. The visual symbols could be the emblem of the city of Odessa, the flag, the monuments of Duke, Pushkin, Potemkin Steps, Opera House, etc.

There is a need for branding of Odessa, it will improve the lives of the people, attract investments and tourists, and as an important element of creating a positive image of Ukraine. Since the city is a major cultural and tourist centre of the country, branding will enhance the prestige of Odessa in the eyes of not only internal, but also external audiences, which has a positive impact on the development of both this region and the whole country.

The image of Odessa is so versatile at the moment, it is difficult to distinguish the basis of positioning, which would attract to the city the target audiences, and after them the investment. And it must be done, because the brand is created in the area of intersection of the strengths of the city and the needs of the target groups. If to talk about the experience that accompanies Odessa, it can be said that this is actually the most vibrant city of Ukraine. This impression is based on creative, cultural, and commercial potentials of the resort city. At the word "Odessa" a lot of people immediately have many pleasant associations and memories. First of all, thanks to the inhabitants of Odessa, which the whole world knows. It is Anna Akhmatova, Isaac Babel, Mikhail Zhvanetsky, Ilya Ilf, Evgeny Petrov, Valentin Kataev, Yury Olesha, Sholem Aleichem, and many others. And also Leonid Utyosov, Roman Kartsev, Ilya Mechnikov, Vladimir Filatov, David Oistrakh, Kira Muratova, Stanislav Govorukhin, Larisa Dolina and many others.

Nowadays Odessa is one of the most beautiful city in Ukraine as an independent state, respectively, some of the components of the external image of the city should be directed to the search for new opportunities that did not exist during the Soviet era.

Taking into consideration all the information, which was discussed within the previous pages, it becomes obvious that a strong brand plays very important role in a business today. Smart and clear brand identity is crucial element of a strong brand as it makes a product or service more tangible to the customers. Customers can rely only on a representation of a brand or on their previous experience before they will try a product. Strong brand leads to creation of long-term relationships or loyalty between producers and customers. When customer is loyal to a brand, he or she is not so price sensitive and the probability that he or she will switch to another brand is also much lower. Paying careful attention to the cultural differences and doing a market research before to enter a new market help to avoid mistakes and reduce the risk of product's failure and increase of chance of product's success. All of these mean that the companies should

pay carefully control and look after their brands and maintain and make them stronger. Because only strong brand offers customer an exceptional product or service and strong brand is difficult to copy by the rivals and will lead to success.

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Annotation

Korets O. A strong brand as a way to successful business. – Article.

This paper serves to point out the importance of building strong brands and to clarify some definitions related to brand, brand identity and equity. Also, to give some examples of cultural differences and emphasise the importance of them for a brand building process, in order to prevent making mistakes and increase brand's performance on a global arena.

Keywords: brand, brand management, brand identity, brand equity, cultural differences.

Анотація

Корець О. Сильний бренд, як шлях до успішного бізнесу. – Стаття.

Ця стаття служить для того, аби вказати на важливість створення сильних брендів і уточнити деякі визначення, пов'язані з поняттям бренд, система характерних особливостей бренду і значимість бренду. Також, щоб дати деякі приклади культурних відмінностей та відзначити їх важливість для процесу створення бренду, щоб запобігти помилок і підвищити продуктивність бренду на світовій арені.

Ключові слова: бренд, бренд-менеджмент, система характерних особливостей бренду, значимість бренду, культурні відмінності.

Аннотация

Корец О. Сильный бренд, как путь к успешному бизнесу. – Статья.

Данная статья указывает на важность создания сильных брендов и уточняет некоторые определения, связанные с понятиями бренд, система характерных особенностей бренда и значимость бренда. Также, дает некоторые примеры культурных различий и их важность для процесса создания бренда, чтобы предотвратить ошибки и повысить производительность бренда на мировой арене.

Ключевые слова: бренд, бренд-менеджмент, система характерных особенностей бренда, значимость бренда, культурные различия.