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MODELS FOR CREATING AND MANAGING A BRAND IN A COMPETITIVE ENVIRONMENT

Dudko E. N., PhD, associate professor

*Belarusian State Economic University
Minsk, Belarus*

Abstract. The article reveals the essence of a brand, which has transformed from a set of promotional tools into a comprehensive subsystem of an organization's overall marketing system. Brand promotion models are analyzed in the context of their impact on an enterprise's competitiveness. It is demonstrated that in today's environment, branding serves as a strategic asset in ensuring competitiveness.

Keywords: brand, branding, advantages, brand value, approaches, methods and models for creating and promoting a brand.

Globalization of the world economy and fierce competition have shortened the life cycle of products and led to the need to ensure commercialization of new developments, including protected intellectual property. In the promotion of goods and services on the markets, as well as increasing the competitiveness of national producers, an important role belongs to trademarks (service marks), which, under certain conditions, become brands. In the 20th century branding began to develop at a faster pace and became an important component of marketing and communication activities of the organization. The main reason for the development and formation of trademark law and the ongoing changes was the growth of competition, needs and demands of the population and organizations. In order

to stand out, it was no longer enough for a producer to simply manufacture a product or service, it was necessary to provide unique advantages that stand out from others, as well as to ensure the trust and loyalty of the consumer, forming a positive image of the company.

A *brand* is a product or service that has a unique and immediately recognizable identity that distinguishes itself from others in its industry. The concept of “*brand*” began to emerge in ancient times. With the development of society, the degree of brand use has been constantly increasing.

Three main stages of brand evolution can be distinguished: the stages of spontaneous, legal and economic use of the brand. The process of brand formation begins exactly with the creation of a trademark, and a brand is the highest stage of its development. After passing a procedure of registration, trademarks get the function of legal protection and confirm the intellectual property of an individual on this trademark. A brand as an “advanced” trademark is characterized by high consumer recognition, positive attitude and a constant, distinctive set of external and internal features. Moreover, the brand is characterized by the presence of a certain value and makes a significant contribution to the achievement of economic results of the organization.

Branding is the development and realization of a set of activities that help to identify a product, distinguish it from a number of similar and competing ones, and create long-term consumer preference for the brand.

M. Porter's model takes into account not only the actual competition in the industry, but also the potential competition that has a significant impact on the market situation. Having a strong brand allows an organization to be competitive against all five forces of competition and thus achieve maximum efficiency, be stable and grow.

According to other scientists F. Kotler and K. L. Keller, a strong brand has a number of *advantages*: improved product perception; higher consumer loyalty; less sensitivity to the marketing actions of competitors; higher profits; more inelastic consumer response to price increases; more elastic consumer reaction to price reduction; increased efficiency of marketing communications; licensing opportunities; additional opportunities for brand expansion, etc.

In general, a *brand helps a company accomplish the following tasks* when promoting a product in the marketplace: to identify the product; to distinguish itself from competitors; to create an attractive image in the minds of consumers, causing trust; to concentrate positive emotions

associated with the product; to help to decide to buy and get satisfaction from the decision; to form a group of regular customers who associate their lifestyle with the brand (brand followers).

A brand, like any asset has its value, which can be estimated in monetary terms. Brand *valuation* gives the company significant advantages in the market. Firstly, it can more easily attract the necessary monetary resources, and secondly, there is an opportunity to form an optimal capital structure of the company. Also, the value of the brand can be used by managers to make marketing decisions and analyze the results of the company's activities.

The main reasons for the need for brand valuation are: conducting transactions on purchase and sale of business or its part; accounting of the asset in the balance sheet of the company; control over advertising and marketing expenses; promoting goods on the national and foreign markets; increasing the efficiency of intangible assets management; in case of mergers and acquisitions or sale of the company.

Brand value should be understood as the monetary premium that the brand owner receives from customers who are committed to the brand and agree to pay for it. Otherwise, brand value can be defined as the financial value calculated or determined for that brand separately from other assets. Brand value consists of direct and indirect estimates. Direct value estimates are based on the expenses spent on communication investments in the course of brand development. Indirect value is the value that a brand can add to the value of non-branded goods from the same category.

The feature of modern *brand value assessment* is its market nature, which implies taking into account the influence of such factors as time, risk, competition, market conditions, environment and others. In contrast to the assessment of the company's tangible property, the determination of brand value is more complex. This is due to the fact that the brand is an intangible asset of an economic entity, and its value cannot be established by traditional methods used in the assessment of material resources. The complexity of this task is also related to the individual characteristics of the brand, determination of its service life and future benefits.

Some of the best-known approaches, methods and models for creating and promoting a brand include: brand building program by Brand Aid, the scheme of brand development by Brandinsitute Inc; brand formation process by N. Moiseeva and K. Ryumin; TTB model; Unilever Brand Key model, etc.

For example, Brandinsitute Inc. company, a well-known brand building agency, offers the following brand development scheme (from bottom to top): preliminary testing; linguistic analysis; product name selection; brand ideation creative; brand strategy; brand positioning.

The beginning of work on any brand is its positioning in the market. Brand positioning is the place in the market occupied by a brand in relation to its competitors; a set of customer needs and perceptions; part of the brand's personality. Accordingly, brand position is the place a brand occupies in the minds of its target segment relative to its competitors. This position focuses on those benefits of the brand that set it apart from its competitors.

In creating each brand, the developer must answer four questions that allow the positioning to be competently established. Once these key questions are answered, a brand strategy is defined:

- 1) who is the target audience;
- 2) what promise (offer) should be made to that audience;
- 3) what proof should be given to the audience to show that the offer is worth something;
- 4) what final impression should be left.

Brand strategy also determines by what methods the four questions listed above can be answered. The promise of benefits given by the brand writers is the core idea that underlies the brand. The same idea should be the main thought of the future advertising campaign developed for the brand (or other promotional methods to be used for the brand). Next, the brand name is developed, and the final stage is brand testing.

Another model, *Thompson Total Branding (TTB)* brand impression formation, implies that the brand is divided into several layers, each of which is the center for the subsequent layer.

The core of the brand is the product itself – what it represents. The next layer, which incorporates the previous one, is positioning – what the product is for and how it differs from other brands. Then comes the target audience – those potential consumers to whom communications are directed; the last layer is the brand personality, i. e. the identity derived from positioning.

According to the methodology, the formation of the consumer's impression of a brand is influenced by many factors related to marketing communications, consumer characteristics and market situation.

This model can be applied to any market and any product, i. e. it is quite universal. The disadvantage of this type of models is generalization

and difficulty in practical application. It also lacks a logical structure and a system of control over the implementation of the model.

The following *model of integrated brand* – developed by Brand Positioning Services, a consulting agency specializing in branding issues. The concept is based on the fact that a brand consists of three components. The functional component is what the product or service does. The psychological component describes the motivational, situational or role demands of the consumer that the product or service fulfills, and the evaluative component shows how the brand can be evaluated. Thus, a brand can be seen as an integration of the three components mentioned above.

This technique allows managers to connect the individual parts of the brand so that it is stronger and can occupy optimal positions. However, the drawbacks of the model are: too extensive generalization, lack of a clear structure of activities, difficulty in tracking the results of branding. Also, the toolkit for working with each aspect of the brand is not described.

Ten-step model of brand creation proposed by V. V. Tamberg, A. V. Badiin represents a sequence of measures to create a brand on the basis of situational and value analysis of the market. The algorithm of the model consists of the following ten steps (measures):

- 1) identifying possible reasons for purchase is the choice of the actual reason that pushes the consumer to make a purchase under certain circumstances;

- 2) finding out the disposition of players on the market in accordance with the personal values of the consumer (in addition to situational factors, there are personal values expressed through mood, personality, belonging to a certain social group or own status);

- 3) defining a vacant market niche or competitor to attack – it is necessary to determine an unoccupied market niche or the weakest competitor for occupation of its market niche;

- 4) formulating the market offer – the company determines what needs will be satisfied and what image of its brand the company wants to create, i. e. it is necessary to clearly formulate its offer to consumers;

- 5) developing the brand vector as a factor that determines the whole brand strategy – this means that the company needs to develop its logo, slogan, mission, its own style of advertising, format of retail outlets, peculiar design of stores, etc., i. e. such characteristic features by which the consumer can immediately distinguish one company from another.

At the same time, the orientation on the circumstances of purchase, company image and brand vector should not contradict each other;

6) developing rational benefits and features of the brand (positioning) – endowing the company’s products with such material advantages (functionality, aesthetics, low price) that would immediately distinguish them from competitors’ products;

7) developing irrational brand benefits (brand emotioning) – endowing the company’s products with unique personal values (e. g., “status”, “stylish”, “quality”, etc.) that will make the buyer become a follower of these particular goods and services;

8) developing the product embodiment of the brand – developing the packaging, determining its size, methods of product placement in retail outlets;

9) developing the brand’s communication policy – selection of characteristic ways of advertising, methods of product promotion, i.e. communication with potential consumers in accordance with the general behavior of the company in the market;

10) implementing the developed measures in practice – practical implementation of previously developed, thought out and tested measures in reality, monitoring and correction of the company’s actions.

The positive feature of the algorithm is that the model has a hierarchy, the sequence of the brand creation process, the description considers in detail the value and personal components of the brand, but ambiguously and superficially described, for example, such stages as the formulation of the market proposal, the development of product embodiment, the development of irrational benefits of the brand and the development of brand communication policy. This model has a logically clear, consistent structure and completeness of activities, but at the same time it is not completely ideal and can be improved.

Thus, to create a successful brand, brand managers need to consider the following recommendations when using any branding model. A model aimed at creating a successful brand should contain: 1) a sequence of operations (actions, activities); 2) a clear structure of actions in the form of an algorithm scheme; 3) maximum possible consideration of all factors influencing the market and the absence of unaccounted operations that would put brand managers in a situation of uncertainty; 4) maximum reduction of human factor influence on the creation of the brand; 5) interconnection and coordination of actions of all departments and divisions

of the organization aimed at achieving a single goal of the brand; 6) creation of a methodology both in terms of marketing and management theories; 7) availability of constant and regular tracking of the brand development process; 8) timely and immediate response of the company's brand management employees to changes in the market situation.

Based on the analysis of branding models, in general it can be stated that each of the above models has both advantages and disadvantages. At the moment, none of the above models is ideal for building a strong brand. The reason for this is that branding professionals constantly need to take into account the many related factors that play different roles in different markets.

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