

BRANDING DEVELOPMENT IN A COMMERCIAL ENTERPRISE

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Examines the nature, content and the evolution of the concept of “branding”.

Nowadays, in the conditions of constant expanding of consumer market assortment and the structure of its subjects, it is becoming more and more complicated for consumers to distinguish commercial enterprises among competitors, since they implement the goods, identical according to their consumer features and functionality. Thus, it becomes necessary to use such marketing instruments that will allow the consumers to identify commercial enterprises for forming consumers’ devotion to them. The solving of these problems is ensured by means of branding; the thing appeared in the Russian practice not long ago and so hasn’t got the system character of its usage till the present time.

Today a brand is viewed in comparison with the essence of the trade mark, which is caused by the lack of legislative treatment of these terms as opposed to other means of good’s (organization’s) individualization.

Actually, a designation is understood under a trade mark, notwithstanding the fact of registration presence or lack, used for commercial enterprises’ identification and for the products (goods, operations, services) implemented by it, whereas a brand is an easily recognizable popular brand possessing with a number of specific non-material features that differentiate her from other means of individualization.

The study of basic theoretical approaches to the investigation of essence and explanation of the brand phenomenon (historical, legal, sociological, marketing, economic, behavioral, social, cultural and institutional) demonstrated the fact that theoretical brand justification evolves in accordance with the necessity of its cognition as a marketing phenomenon, as well as in accordance with the increase in the brand influence on consumers’ tastes forming, market development and its subject activities.

In modern market relations goods’ individualization, determined by the current Law of

the Russian Federation (firm-name, trade mark, service mark, appellation of goods’ origin), is based on the following important factors:

- ◆ the Law ignores the criteria of popularity designations of commercial enterprises and products, and thus, brands are not protected by law;

- ◆ the existing list of individualization has a “non-closed” character, and therefore, concedes uncertainty of individualization means composition and their correlation;

- ◆ individualization means are scrutinized in the Law as a component of intellectual property; however, intellectual creative activities typical for trade marks and brands development is not reflected in the Law.

Branding is regarded as a systemic, task-oriented marketing activity in the sphere of creation, advancement, consolidation and development of branding trade marks, which main aims are the forming of consumers’ dedication and loyalty to the products (commercial enterprises) that act as factors of brand-capital forming and subject to management influence.

Branding is considered to be the most complicated trend of commercial enterprises’ marketing activity as it goes beyond the scope as a formal formation by affecting the system of relationship with products consumers (goods, operations, services), produced (sold) by commercial enterprise.

In fact, methodological instrument ground, which allows to organize branding on the systematic basis and to concretize the order of marketing activities connected with the process implementation, oriented on the increase in organization’s competitiveness and forming of the system of long-term relations with consumers and other interested parties, is considered one of the basic branding implementation aims. Thus, it is necessary to use a complex of recommendations on branding strategy development not only during the process of new goods

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or services branding but also in the process of already existing commercial enterprise's bands portfolio restructuring.

Commercial enterprises' forming of strategic brands is impossible without its general brand strategy, the development of which should include the following stages:

- ◆ the statement of brand strategy development aim;
- ◆ the selection of fundamental trade mark development strategy that corresponds to the task of brand identity forming for brand strategy commercial enterprise development;
- ◆ the selection of the method of product category broadening that corresponds to the task of branding commercial enterprise;
- ◆ the analysis of weak and strong points of brand strategies and production according to the elements of marketing-mix;
- ◆ the ground for the spheres of brand strategy use;
- ◆ the determination of structure and statement of basic brand market strategy.

For the estimation of branding effectiveness at commercial enterprises it is necessary to create methodological instrument intended for complex estimation of the factors of commercial enterprise's brand forming, dedication of consumers to it and branding results at organization for the determination of trends of its system analysis. In connection with it basic methodological regulations of methodological instrument development should consist in the following things:

- ◆ the effectiveness of branding is realized as a demonstration of positive changes in basic parameters of commercial enterprise activities, conditioned by the increase in the demand for its products (operations, services) from the consumer's side;
- ◆ branding effectiveness should be scrutinized in dynamics that makes it possible to reveal the appearance of positive and negative tendencies in the commercial enterprise's activities influencing on its brand;

- ◆ branding effectiveness in commercial enterprise by virtue of specifics of its multisectoral of economical activities should be treated as a characteristics of interaction of all economic sectors, technologically related between each other, forming complex offer of products (operations, services) to consumers taking into consideration specifics of their ways of life and managing a household, as well as social aspects of commercial enterprise activities;

- ◆ branding effectiveness should be estimated as much as possible by qualitative but not quantitative indicators that help to avoid estimation subjectivism and provide with analytic evidence of first-prior trends in the commercial enterprise activities that need improvement with the aim of brand support and broadening.

In conclusion it should be said that the use of branding organization technology determines clear actions order on the preliminary, basic and appraisal stage of its organization with the emphasis on branding strategies correspondence to brand-presentation of commercial enterprise and following the rules of its cooperative identity. The use of methodology of branding effectiveness estimation at a commercial enterprise provides it with a methodological instrument of reliable estimation of brand forming component and estimation of branding results in order to develop concrete trends of its development.

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