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BRANDING IN GLOBAL MARKETING MANAGEMENT

Introduction. The role of branding decisions rose internationally after many companies realized the importance of the marketing value of global brands [15]. A consumer buys a brand not once, but repeatedly and a company builds a long-term franchise having in assets a worthy brand [9]. However, there are good reasons for a branding not only for a seller, but also for a consumer. Brands are useful for consumer whenever he wants to find an appropriate good or a service. Sellers appreciate brands due to recognition and a promotion. Moreover, a price comparison between products with the use of brands is reduced [6].

The purpose of this article is to introduce the reader the concept of branding, explain what the brand equity is and why it is so important for the company, show the perspectives of a local and a global branding, and provide with the latest information about a development of the most popular brands.

This article consists of three main parts. The first part defines the term of a brand and explains the nature and importance of brands. In addition, in the first part is presented information about trademarks and examples of extraordinary registrations of them.

Afterwards, the reader will be familiarized with the definition of brand equity and with factors that influence the brand equity. This part also asks the question: "How does the brand equity depend on the profit of the company?"

The last part provides with a comparative description of local versus global branding decision. In the beginning of this part reader will acquaint with cases when regional brands exist. Also in the last part a detailed description of local brands and global brands with instances is given. In the end, a description of a brand extension and brand dilution is provided to the reader.

Defining the Brand. According to Keegan and Green, brand is a set of information that customer learns by experiencing different products. A company's goals for a certain product are represented in advertisements; the customer memorizes its promise and defines the quality through later experience of the product. In addition, brands help the customer to organize the variety of products that companies provide and, in case of need, find a particular product with ease [10].

The American Marketing Association defines a brand as "Name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers" [2]. The same definition use Kotler and Keller and, summarizing this statement, they characterize a brand as a product or service (with set of differences from other products or services) that the customer can identify and distinguish from others [11].

Referring to the United States Patent and Trademark Office, the definition of trademark is nothing but a brand name [14]. Etzel, Walker and Stanton say that trademark is a brand that has a legal protection [6]. However, Onkvisit and Shaw stress that trademark can be not only a name or logo. Unlike Harley Davidson's failure in registering their motorcycles' sound as a trademark, the H. J. Heinz Company have registered Heinz Baked Beans' turquoise color of the tin in the United Kingdom as being an essential part of British culture. As a consequence, firms spend a great deal of money on designing and advancing their trademarks in order that the consumer can associate it with quality and confidence [13].

Brand equity. David A. Aaker defines the term *brand equity* as "A set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers". In addition, Aaker classifies these assets and liabilities into five categories:

1. *Brand loyalty.* A brand appeals to the customer to buy it and tries to make her apathetic to competitors' brands.

2. *Name awareness.* Customer would prefer to buy an accustomed brand as it creates an impression of quality and reliability.

3. *Perceived quality.* The customer's purchase decision is based on the quality of the product.

4. *Brand associations.* The characteristics and values are expressed in a brand's name so that hearing it, the customer should make the "proper" association.

5. *Other proprietary brand assets.* Represented as trademarks, patents and channel relationships; necessary to use in case the customer's relationships with the brand are under the threat of competitors [1].

Brand equity is a possibility for a company to achieve a greater profit. The customer would pay more for a branded product or service than for an unbranded product or service, even though they are identical in characteristics [7]. In addition, Chen and Cui have proved that if a brand sets up the uniform price on its products in the retailing industry, it increases the demand for the product and, therefore, leads to higher profits [4].

Branding Decision: Local vs. Global Brands. One of the four levels of branding decisions, according to Onkvisit and Shaw, is *local brand versus worldwide brand* [13]. Mühlbacher, Leihs and Dahringer point out the same distinction, but they add regional brand as the complementary criteria of local and worldwide brands. Referring to them, the regional brand exists when across markets or countries the customer uses the same media or language, the brand is similar across different cultures and when the volume of cross-border trade is high enough [12].

Keegan and Green mention that the *local brand* is the one that is successful on a single national market [10]. Similarly, Mühlbacher, Leihs and Dahringer claim that the local brand subsists in a single country or in a limited geographical area. It is a well-known fact that a company can create a local brand in order to increase its market share on unique country markets as did Coca-Cola, the most valuable brand in 2012 with an 8% increase (compared to 2011) and $77,839 million in value [8, p. 12]. In Japan, with 12 bottling partners, Coca-Cola produces drinks which are available only within the country, such as blended tea Sokenbicha [5, 10].

Onkvisit and Shaw explain the reasons for existence of local brands. A manufacturer's inability to accommodate customers with the equal quality of a product in different countries is one of the reasons. Interestingly, even the pronunciation of brand names plays a role in creating a local brand; though in some countries a given brand name can be embarrassing for usage and a consumer does not want to buy it [13].

Svend Hollensen gives a clear statement of a *global brand*, saying that if a product is known for its quality or just has a good reputation and all its products bear a name of the brand, then it is nothing but a global brand [7]. A perfect example of a global brand is Apple, with a stunning 129% increase in 2012 compared to 2011 [8]. In this connection, Keegan and Green define a global brand as the one that has the similar name and sometimes the same image in all countries. For instance, Nestl? affirms that it “Makes the very best” and everyone all over the world can understand the promise [10].

All worldwide companies want their brands to be appreciated in the main markets, such as China and USA [10]. According to this, Wang and Yang assert that brand credibility positively influences on car purchases in China. It is more likely that a brand purchase intension in emerging markets would be higher if the brand has a strong and unique image [16].

Keegan and Green claim that some global companies strengthen their brands by creating *brand extensions* [10]. Regarding this, Anwar et al. studied a behavior of 200 women and drew a conclusion that the consumer attitude towards the brand extension mainly depends on the brand loyalty [3]. Kotler and Keller highlight Dunkin’ Donuts coffee, Progresso Light soups and Hormel Compleats microwave meals as the most advantageous new product brand extensions in supermarkets in 2008. Kotler and Keller say that ability to win with ease new-product recognition, which leads to reduction of launch costs, and to receive positive feedback for the parent brand or company are main advantages of a brand extension. They also stress brand dilution as the main disadvantage of a brand extension. A brand dilution happens when consumer stops associating a brand with a bundle of resembling products and therefore does not consider brand a special [11]. As consequence, managers should decide themselves, what kind of the geographic extension should they choose: whether a global brand or a local brand [12].

Conclusion. The purpose of this article is to provide the reader with the information about branding, as it is a significant part of a modern marketing management. A rising significance of a brand’s marketing value led to the high concern from the companies to build strong brands. A perspective to reduce launch costs of some good or a service attracted many companies to create brand extensions. Researchers have found out that the stronger and more unique image of a brand is, the more possibility a company has to gain more profit. Therefore, nowadays a lot of companies spend a great deal of money on development of their logos.

This article is divided on three main parts. We can draw a conclusion from the first part that the brand is a good or a service that the consumer can identify and differ from others, and a trademark is a legally protected brand. Moreover, the consumer is ready to pay for a branded product more than for an unbranded product, thus companies spend a great deal of money on the advancement of their brands.

From the second part we can conclude that the brand loyalty, name awareness, perceived quality, brand associations and other proprietary brand assets are five factors that influence the brand equity. In addition, we can say if a brand sets up the uniform price on its products in retail industry, then it can expect for higher profits.

In the final chapter we found out that the local brand can be successful even without going worldwide, and that some global brands prefer to have their local subsidiaries, to be more customer oriented. It is also not a secret that all global brands want to be appreciated in emerging markets such as China and USA. Finally, we found out that a brand extension can lead to a brand dilution.

The topic of the branding has a significant impact in determining the development of companies. Therefore, a branding influence on the consumer behavior is a forever evolving subject for managers.

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Доценко Г. В., Цисарук С. С. Брендінг в глобальному маркетинговому менеджменті

У статті описано сутність брендінгу; пояснюється, що визначає гідність марки і чому деякі компанії воліють мати бренд на місцевому рівні, ніж на глобальному рівні. Автор пояснює необхідність розширення і розведення бренду, а також показує приклади з найбільш розвинених брендів. Метою цієї статті є інформувати читача про бренди та визначити фактори, які впливають на успішний його розвиток.

Ключові слова: брендінг, гідність марки, стратегії брендінгу, бренди місцевого рівня, бренди глобального рівня.

Доценко Г. В., Цисарук С. С. Брендинг в глобальном маркетинговом менеджменте

В статье описывается суть брендинга; объясняется, что определяет достоинство марки и почему некоторые компании предпочитают иметь бренд на местном уровне, чем на глобальном уровне. Автор поясняет суть расширения и разведение бренда, а также показывает примеры из наиболее развитых брендов. Целью этой статьи является информирование читателя о брендах и определить факторы, которые влияют на успешное его развитие.

Ключевые слова: брендинг, достоинство марки, стратегия брендинга, бренды местного уровня, бренды глобального уровня.

Dotsenko G. V., Tsysaruk S. S. Branding in Global Marketing Management

This article describes the essence of branding; it explains what identifies the brand equity and why do some companies prefer to have a locally based brand to a globally based brand. This work clarifies the meaning of a brand extension and brand dilution, and highlights the examples of the most developed brands. The purpose of this paper is to provide the reader with the information about the brands and to identify factors that affect the success of the brand development.

Key words: branding, brand equity, branding decision, local brands, global brands.

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