THEORETICAL AND METHODOLOGICAL FOUNDATIONS SUBSYSTEM BRAND MANAGEMENT AT THE ENTERPRISE

Urgency of the research. The media market is the most dynamic market. Hence, there is a need for clear identification of one's products and determination of one's market standing. This requires studying the range of problems associated with building brands of television channels in the media market.

Actual scientific researches and issues analysis. Domestic and foreign research workers addressing the issue of building brands, brand management and branding include such persons as D. Aaker [1]; A. Bolsakov [2]; V. Pertsjya [3]; Y. Gordon [4]; V. Korolko [5]; T. Nilson [6]; S. Pogodayev [9]; Y. Romanenko [10] and others.

Investigated parts of general matters defining. The topicality of this problem in the media market stems from the fact that corporate employees act in this market as images of media brands, TV channels and the entire media holding company.

The research objective. The primary research objective is to analyze the specifics of building a brand management subsystem at an enterprise and provide thereon practical recommendations on its successful operation.

The statement of basic materials. A brand development management system (hereinafter referred to as BDMS) represents a collection of management entities, objects, tools and techniques, which, while interacting with one another, are intended to build and develop a strong brand [2, p. 203].

A distinction is made among the following main approaches to the concept of brand development management system:

- Functional approach;
- Entity-object approach;
- Tiered approach; and
- Territorial approach.

It is our opinion that the functional approach is an all-in-one approach to the BDMS concept. The functional approach is one of the main approaches to brand management.

Conclusions. So successful operation of the brand management system at an enterprise and successful fulfillment of branding and brand management tasks require a comprehensive approach covering planning, organization and control that are ensured by continuous information system support during all stages. Among the key approaches to the concept of brand development management system, the functional one is the most universal, in that managerial functions are universal and peculiar to any management system at any management level.

Keywords: branding; brand management; brand portfolio management strategy; and brand development management system.

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Relevance of the research topic. The media market is the most dynamic market. Hence, there is a need for clear identification of one’s products and determination of one’s market standing. This requires studying the range of problems associated with building brands of television channels in the media market. The main purpose of a brand, in addition to a TV product differentiation, also is to form a brand value – a product worth. Owing to media brands and positioning strategies, the Ukrainian media market participants have the opportunity to effectively use their airtime, on time and correctly identify their niche and format. Efficient operation of a media holding company is primarily based on quality and effective work of the staff members. So achieving high results in the market requires attaining a high level of internal organization, ensuring well-coordinated work of all co-workers, securing comfortable and fair working conditions, a positive and friendly team environment. At present, these issues govern making important decisions on building a media brand to secure profit enhancement. At the moment, brand is one of the fundamental factors of business development and a steady position on the market, as well as becomes a necessary external and internal communication channel. Amid a crisis and inflation, a need arises to reduce the workforce, cut salaries and wages. Given the situation at hand, it is necessary to additionally and intensely motivate corporate employees to stay in their working positions, as well as work effectively, and so there is a need to build a strong internal corporate brand, develop and strengthen internal communications. The topicality of this problem in the media market stems from the fact that corporate employees act in this market as images of media brands, TV channels and the entire media holding company.

Problem statement. The primary research objective is to analyze the specifics of building a brand management subsystem at an enterprise and provide thereon practical recommendations on its successful operation.

Review of recent papers and research. Domestic and foreign research workers addressing the issue of building brands, brand management and branding include such persons as D. Aaker [1], A. Bolshakov [2], V. Pertsia [3], Y. Gordon [4], V. Korolko [5], T. Nilson [6], S. Pogodayev [9], Y. Romanenko [10] and others. In spite of the already-existing studies of domestic and foreign scholars in the area of brand management issues relating to the specifics of building a brand in the media market remain unresolved therefore they need further research.

Basic material presentation. A brand development management system (hereinafter referred to as BDMS) represents a collection of management entities, objects, tools and techniques, which, while interacting with one another, are intended to build and develop a strong brand [2, p. 203].

A distinction is made among the following main approaches to the concept of brand development management system:
- Functional approach;
- Entity-object approach;
- Tiered approach; and
- Territorial approach.

It is our opinion that the functional approach is an all-in-one approach to the BDMS concept. The functional approach is one of the main approaches to brand management. Management functions are universal and peculiar to any management system at any management level. The following basic management functions should be mentioned in the first place: Information support for the management process; Articulation of a set of objectives, or planning; Organization and administration of practical achievement of the stated objectives; and Control.

A diagram of relationship of management functions is shown in Fig. 1.

The BDMS information subsystem is not remarkable for pronounced specific features being rather traditional, similar to a corresponding marketing management subsystem.

The purpose of the BDMS information subsystem operation is to provide brand management entities with unbiased, complete, reliable, timely, up-to-date, and relevant information.

The information scope and structure should be suitable for making certain managerial decisions. The BDMS information subsystem comprises the following components [6, p. 137]:
1. Internal reporting system;
2. Secondary external information gathering system;
3. Marketing research system; and
4. Information storage and analysis system.

Fig. 1. A diagram of relationship of management functions

These components consistently interact with each other thereby ensuring seamless operation of the information subsystem.

The following basic types of marketing research are fairly often used in the brand management process:
- Exploratory;
- Descriptive; and
- Causal.

Let us consider and analyze each of these types in more detail. Exploratory studies are conducted in order to clarify a problem, fundamentally examine the market situation, disseminate the idea or essence of an event, as well as to identify the lines of future research (tests, focus groups).

Descriptive studies are used in order to determine the frequency of a given event between two variables (review of secondary data, observation, experiment, and interview).

Casual studies are associated with establishment of cause-and-effect relationships. There is a hypothesis that should be either validated or explained.

The function of trademark development planning includes a mission statement, a brand vision, as well as determination of a brand strategy, main development goals and major lines of implementing tactical brand-related decisions.

A brand mission – the overriding purpose of a brand’s existence that determines the reason for its existence for consumers.

A brand vision – a specific characteristic of a brand describing strategic objectives of a brand operation in the long run, desirable for implementation. The vision must reflect confidence in a brand vitality, direct personnel and brand partners towards a necessary line of development.

A brand strategy represents a large-scale and long-term program of a brand systems development designed to achieve stated crucially important objectives. The strategy must conform to the brand's essential characteristics, its marketing position and competitive differentiation principles [9].

To mold a brand strategy, one should answer the following questions:
1. Who are the target audience for a brand?
2. What should be promised to this target audience, what kind of offer should be made them?
3. What proofs should be furnished to demonstrate the value of the said offer?
4. What emotions should be used and what kind of impression should be formed?

The marketing strategy is integrated into a brand development strategy that can be focused on:
- Support for an existing brand;
- Brand extension;
- Branding;
- Development or purchase of a new brand; and
- Brand liquidation.

The following stages of a brand strategy formulation are distinguished:
1. Identifying a brand strategy main objectives;
2. Basing on a brand mission and vision;
3. Searching for and studying a brand target audience;
4. Analyzing the marketing environment;
5. Brand positioning, identifying brand attributes, values and other brand elements;
6. Developing a brand basic promise;
7. Building a brand architecture;
8. Molding a brand communication strategy;
9. Developing a brand creative concept;
10. Implementing a brand strategy; and
11. Analyzing brand strategy effectiveness.

A brand strategy is determined by such key features of the marketing environment as macro-political, socio-cultural, economic, territorial, environmental factors, as well as micro-environmental factors (customers, competitors, target audience, suppliers, marketing research) [8, p. 196].

The brand’s position determines the place in consumer consciousness that a brand takes or should take, that is, the benefits, which primarily come to a consumer’s mind, when he recalls a particular brand.

The same aforementioned benefits and advantages a consumer gains after a product usage are called a brand promise.

Two important strategies are included with a brand strategy - communication and creative, which ensure loyalty toward a brand at the emotional and psychological levels.

Therefore, a brand’s communication strategy is a conscious and programming activity aimed at successful promotion of a brand, while a brand’s creative strategy represents the keynote idea upon which a brand’s communication strategy will be developed [7, p. 44].

A company’s brand portfolio management means intentional influence on the entire brand portfolio system and on each of the sub-brands composing it, the overall goal of which is to create and develop a strong brand and improve performance of the company owning a given brand.

As to a brand portfolio development strategy, it represents, in its turn, a large-scale and long-range program having a general object to gain competitive advantages and increase the brand equity. The strategy identifies the brand portfolio development task, markets and product categories where brands will be moved, and principles for resources allocation within the brand portfolio. The major elements of the brand portfolio management process are shown in Fig. 2.

![Diagram of brand portfolio management process]

**Fig. 2. Major elements of the brand portfolio management process**

In addition to the development strategy, there also is a brand extension strategy.

Studies of an American firm indicate that 30% of brands launched for the first time and 50% of those being extended survive within six years. Branding expert Mary Sullivan claims that the probability of an extended brand survival amounts to 0.93, while that of a new brand equals 0.75 in a mature market. Most experts consider brand extension as one of the main ways of a trademark development [3].
Thus, D. Aaker and K. Keller argue that brand extension means “the use of a popular brand in a new product category” [1, p. 75]. P. Doyle confirms the view of his colleagues defining market expansion as “using a brand name that earlier managed to gain a foot hold in a certain market segment in order to enter a new segment in the same market” [1, p. 75].

The following basic means of brand extension are distinguished:

1. Production of another assortment of goods;
2. Acquisition of a company manufacturing a certain assortment;
3. Purchase of goods of other manufacturers followed by assignment of one's brand to such goods. It is a fairly common practice for large retail networks to sell goods under their trademarks (private labels) by virtue of agreements with producers.
4. Franchising – sale of rights to use a brand.

There are, for now, three main types of brand extension: upward, downward and horizontal brand extensions.

1) **Upward brand extension**: in this case, new sub-brands are geared to market segments bringing higher incomes (premium segment orientation). Upward brand extension is generally geared to premium segments. At the same time, a new sub-brand can retain the name of the core brand. Sometimes, a new brand is given a new name (*for example*, Lexus (TM Toyota) or Vertu (TM Nokia)).

2) **Downward brand extension**: new sub-brands are geared to market segments bringing lower incomes. During downward movement of a brand, a brand is being created targeting an audience seeking to achieve economy. As a rule, this is accompanied with dissociation from the core brand.

3) **Horizontal brand extension**: new sub-brands are geared to market segments with nearly the same income level. Buyers with an average level of well-being (average plus) are targeted.

Despite all advantages of a brand extension strategy, extension also has advantages. Let us consider its advantages and disadvantages in Tab. 1.

<table>
<thead>
<tr>
<th>Advantages enabling to achieve brand extension</th>
<th>Brand extension results in the following risks</th>
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<tr>
<td>1. Extension helps explain the brand content to core buyers</td>
<td>1. Creating confusion in the brand meaning</td>
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<tr>
<td>2. It strengthens and creates new associations with a brand</td>
<td>2. Creating undesirable situations when current core buyers abandon a brand</td>
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<td>4. It lays the foundation for further enhancements</td>
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The ability to make sound tactical, in addition to strategic, decisions is important for successful activity in the brand management area.

Management tactics means specific techniques and methods intended to accomplish a stated objective in a specific context. The task of management tactics is to choose the best decision and management methods and techniques the most acceptable in a certain market situation [10].

The following pertain to the primary areas of implementing tactical decisions in the brand management sphere:

1) Formation of the brand’s product line;
2) Final identification of the brand attributes;
3) Decision on specific distribution channels;
4) Advertising campaign-level communication solutions; and
5) Creating a brand book.

**Brand book** is an extremely important tool for brand identification and represents the pinnacle of a corporate identity.

**Brand book** is a detailed instruction on using all elements developed for a company (logo, corporate font, branded paper etc.) that, when properly used, significantly improves the company’s image. Compliance with the brand books’ direction will assist in creating a necessary consumer attitude towards a commodity or service. A brand book is commonly developed along with corporate identity [5, p. 129].
A brand book has a wide range of functions. Aside from descriptions using corporate identity, a brand book contains a collection of detailed information on a trademark, its mission, story, positioning, requirements as to product packaging, labeling and promotional materials. It is just a brand book that helps properly use the developed elements of corporate identity, since it is essential, in terms of compliance with the brand image and positioning, that all trademark carriers be created in the same style and express a general idea.

Brand books can vary in structure and information volume. It depends on the needs of each particular client. Two types of brand books are usually distinguished: those for a company overall and those for a particular product. Corporate brand books are focused on systematizing all materials developed for a company and include a list of rules using corporate identity elements. Brand books of this type contain information on the range of services the company renders, as well as on its divisions and their activities.

No matter of what type a brand book is of, its main task is to maintain high awareness about a trademark and its distinguishing features and protect exclusivity.

The brand book content is not regulated but its main components can be identified:
- logo;
- corporate signature;
- proportion of the corporate signature, corporate address block and core information;
- corporate font;
- letter-head paper;
- corporate colors;
- envelope;
- visiting card;
- booklets; and
- additional corporate identity elements.

The concepts of “corporate identity” and “brand book” often are confounded or merged into one. Such an opinion is wrong: corporate identity is intended for consumers; its role is to set a brand apart from the competitors, while a brand book – for corporate employees, as well as those engaged in market promotion of a brand.

The next important function of brand management is to organize creation and development of a trademark. There are two main approaches to organization as a managerial function. This is in reference to organization in a narrower sense and in a broader one. Organization in a narrower sense represents a process of formation of organizational structures among which performance of certain functions is distributed. Organization in a broader sense means implementation of such managerial functions as administration, delegation of powers, coordination, and motivation and so on.

From the perspective of the first approach (a narrower one), brand management organization uses vertical and horizontal coordination of marketing services.

Vertical coordination occurs through creation of units engaged in development of certain brands strictly subordinated to the company’s management team, as well as by establishing standards on the brand characteristics and requirements imposed on it.

Horizontal coordination is effected through:
- mutual communications of various functional departments of a firm;
- establishment of temporary working groups on development of a certain brand.

At the present stage, the trend is toward both centralization and decentralization in brand management. Centralization means that formulation of a brand mission and vision is assigned to the exclusive competence of top management. In addition, control over a brand development is exercised vertically (by implementing corporate brand standards, a function execution reporting system).

The point of decentralization is that powers concerning brand development are delegated to almost all functional departments. In addition, introduction of brand manager positions has become a frequent practice in the context of decentralization.

The following is reckoned among the functions of brand managers:
1. Formulation of proposals on strategies for development of brands;
2. Coordination of activities of a company’s all functional departments concerning brand development; and
3. Control over compliance with the brand standards.

In some cases, the work of brand managers (directly focused on certain brands) also target certain territories and consumer markets.

It is necessary to control brand management effectiveness and efficiency after having planned and shaped a brand strategy, arranged implementation of strategic and tactical decisions.

Brand management efficiency assessment occurs based on the following main approaches:
1. Traditional approach to brand management efficiency assessment - sales figures and post-campaign analysis;
2. Using the brand equity concept to assess brand management efficiency;
3. Alternative approach - brand management efficiency assessment by measuring its value;
4. Brand management efficiency from the perspective of systems theory.

To study a brand and improve its positioning in the market and consumer awareness, the brand, brand architecture and brand management undergo audits.

*Brand audit* – thorough and systematic examination of the brand’s existing assets (tangible and intangible) in order to get an idea of its “health”, conceive the sources of its equity, and pinpoint ways and means to accumulate this equity. It is assumed at the same time that both the firm and consumers serve as sources of the brand equity [4, p. 342].

A brand audit is carried out to improve the brand positioning and control the core architecture elements.

The following brand audit sections are distinguished:
- brand development strategy analysis;
- brand position analysis;
- analysis of the brand assets and equity; and
- analysis of the brand communications.

*Brand architecture audit* represents a way to systematically examine the current state and identify those problems and aspects that require further analysis and development of adjustment programs.

The following key stages of a brand architecture audit:
1. *Business analysis* provides answers to the following questions:
   - What are the current and prospective sales, profits and their dynamics in the brand portfolio?
   - What are the strategic initiatives?
   - What business areas are the most important based on the financial and general strategic aspects? To date and in the long run.
   - What market segments are priorities strategically?
2. *Brand architecture analysis*:
   - Brand portfolio analysis;
   - Identifying the roles of brands within a portfolio;
   - Role of brands in the contexts of commodity markets;
   - Brand portfolio structure;
   - Graphic representation of brands and relationships among them.
3. *Analysis of the brand architecture management* answers the following questions:
   - What brands are added to the brand portfolio? What criteria and principles are used in such a case?
   - Is the brand architecture periodically analyzed?
   - What are the most important areas and examples of brand visualization?

As to *brand management analysis*, it represents a way to systematically monitor the brand (brand portfolio) management system and identify those problems and aspects that require further analysis and development of adjustment programs.

Brand management audit is focused on analyzing the process of shaping strategies of brands and their positioning, availability of brand characteristics standards with a company, the organizational

Romanenko Y. A., Chaplay I. V. Theoretical and methodological foundations subsystem brand management at the enterprise
structure of brand management and the system of communications in brand management, as well as the level of competence of brand managers of different levels.

**Conclusion.** So successful operation of the brand management system at an enterprise and successful fulfillment of branding and brand management tasks require a comprehensive approach covering planning, organization and control that are ensured by continuous information system support during all stages. Among the key approaches to the concept of brand development management system, the functional one is the most universal, in that managerial functions are universal and peculiar to any management system at any management level. The following major functions are distinguished: planning, organization, control, which are sequentially and directly interconnected. Such a system ensures an efficient brand management process. Efficiency is assessed to assess performance in introducing brands, as well as to predict future results. Brand management efficiency assessment occurs based on as key approaches as traditional (sales figures and post-campaign analysis), alternative (brand management efficiency assessment by measuring its value), using the brand equity concept to assess brand management efficiency and brand management efficiency determination from the perspective of systems theory. Choosing an approach to efficiency assessment depends on the specifics of a market in which an enterprise operates, as well as on the internal situation at this enterprise.

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