

# **BRAND DEVELOPMENT THROUGH THE TIME**

**M.D. Shavkunova**

**K.I. Petrochenkov**

**Institute of Humanities, Social Sciences and Technologies**

**Scientific advisor: O. B. Stupnikova, language department assistant**

**Language advisor: O. B. Stupnikova, language department assistant**

**Abstract:** The article offers to submit a brand as a man (how Kipling advises) to understand the appropriate behavior that should be applied to a brand. This study proved some peculiarities of brands and actions that can be used in order to provide brand's eternal existence. The results can be applied to using as the learning material for beginning businessmen.

**Key words:** brand, marketing, products, sales, consumers, business, PR

If you try to imagine brands like persons and give them human characteristics, it would be logical to be consistent at all and perceive them as if they were real people. For example, you can't take away from these figures all the life enjoyment (real or questionable).

Not every brand has managed to maintain integrity throughout its lifecycle. Brands can be compared with people and they face the same issues as people in their daily routine: with whom make their relationship, how to maintain their positions, etc.

Some experts believe that brands (like people) have the vicious circle of life: birth - adulthood - maturity - extinction - death. Naturally, the extent of pleasantness getting close to the brand in the first three stages of its existence is inversely proportional to the extent of standing at the bed next to the sick at the two latest. In order to maximally brighten sorrowful moments at work with brands, experts have invented a wide range of "rules". These "rules" vary depending on the brand with which have deals, this article will consider two types of brands - the so-called "corporate" or those that represent primarily companies themselves. The second type includes all of other brands that do not fall into the first category, and for simplicity, let's call them "normal". The causes of these separation brands will become apparent as the review of operations, which can (or can't) spend with "corporate" and "usual" brands.

There are two large groups of people: those, who leave an unpleasant "for later" and those, who are trying to do away with the sad duty of any kind firstly. Brand belongs to the second category, so from the outset propose to consider the most lingering work on the brand: its establishment.

It should be noted that the history has no examples of destruction of the brand, which has the slightest ability to generate income. So the brand liquidation leads not only to profit loose, but also to the loss of the long-accumulating clients. Basically brand is liquidated only after when it becomes clear that it has no ability to generate revenue and consumers are absent.

There are several major reasons why there is a loss of buyers: offensive competitors, changes in life style, new fashion; constant prices; outdate packaging and so on. But the main reason for the loss of customers is always the one: brand manager hasn't done any modernize on time. In today's market no one brand can survive without changes. Someone can afford to confine the new faces in advertising. Someone needs to change the packaging or formula. Someone would have to turn upside down everything from the smell to the target audience. But the survival recipe was determined by experts a long time ago: everything must change. Consumers appreciate brands that offer unique advantages, possess outstanding features and stand out among competitors. But consumers go to other products, if their favorite brand became irrelevant, lost appeal or individuality.

Main problems encountered by Western managers with obsolescent brands are provoked by natural causes: consumers aging. Those products that people liked in the mid-50s may not be liked by their children in the 70s and grandchildren in the 90s. Thus, "Beefeater", the market leader of alcoholic beverages for many years, has attended some time ago that a target group of consumers is

aging and can't or don't want to buy and drink the necessary amount of gin. This historic drop in sales worsened a global trend limiting the consumption of spirits. The company has developed for brand positioning and new brand advertising campaign aimed at youth. In the commercials and posters a young man played the major role, he worked as a Beefeater during the day and at the evening, putting off a uniform, had a fun with friends.

But problems can arise not only because of consumers aging. There is also such a thing as a «decline» of the brand. One of the most dangerous factors that can cut even the most successful brand down is the product quality degradation. According to study every tenth company in the Russian market faces with dying brand. The reason for this is that the founders did not bother to maintain the quality of the goods at the proper level.

It's necessary to remember that brands are eliminating just due to their inability to make a profit. There are only two ways to remove brands: fast and slow (or natural). The slow way means just ceased to deliver goods in terms of sales, but not removed from the network. As a result, sooner or later consumers buy remainders of "unnecessary" brand. The fast method involves the forced removal of all goods from the stocks of sales partners. Brand aging is a natural process. A cause of it is brand inability to meet demands of new consumers.

Turning to questions about brand rejuvenate, it is essential to mark, that a number of reliably known to science the brands reincarnations significantly more than the number of reliably known reincarnations of people. Of course, Dalai Lama is not count here: they have updates delivered on the industrial basis in Tibet.

In the world there is large amount of brands, which are generally contraindicated rejuvenation or renewal. The Marlboro men and the Michelin cowboy are examples of old-timers. Generally speaking, static brand very quickly becomes irrelevant to the market and for the customers. Brands such as Oldsmobile, Maxwell House, and United Airlines have experienced the truth of this statement in their own skin.

The need to rejuvenate or refresh occurs for all brands. There are many factors that can lead to loss of unique brand position. And if the company has invested in the brand a certain amount of money and effort, of course, it should make every effort to breathe new life into the brand.

To determine the need for restoring the strength and image of brand the following identified key questions were determined:

1. The reason of the brand decline - itself or its managers?
  - There are many examples when brands were in a tough situation only due to poor management.
2. Determination of unrealized brand reserves.
  - New ways of using, new geographic markets and new customer groups.
3. What is the general perception of the brand by customers (or partners)?
  - Brand may become boring for one group of customers or partners, but remain popular for the other, that gives a chance.
4. Does the brand conform to the modern market?
  - Typewriters under no circumstances will be ever bought.
5. Determination the origin of the brand decline: external factors or internal factors?
  - The internal corporate submission about the outside world may not coincide with what is happening outside the office - this hostage will be the brand. (Aaker, 2008).

In case of some positive responses for these questions it can be stated that reanimation of the brand makes a sense.

If we talk about the appropriateness of resuscitation of old brands, choosing between the restoration of pre-existing copies and launching new, it's worth remembering that established brands have their regular audience. So often to restore a brand is easier than making a new one. Remember the Soviet-era brands like "Lemonade", "Prima" and "Zhigulyovskoe". Many manufacturers had been involved in the restoration of these brands. And it can be said, some of them have reached a certain height. For example, the company Reemtsma not only "returned to life" the famous "Prima", but was able to move up a brand to new buyers group, releasing cigarettes with different filters in high-quality packaging and providing them with proper marketing support.

According to the research, which was done, and the experience of Russian and foreign brands, there are several options for the development of the brand.

The one way of brands development is moving it up or down in the price (that means perception of buyers). By choosing this option, you need to remember that the movement of the brand down is easier, but also more dangerous. Cause in the process of brand lowering the company risks of losing not only a certain percentage of income, but also of reduction of the consumers perception.

There are many causes to brand translation in a lower category. The main is an attempt to adjust its brand under the audience with low purchasing power. Tendency to such movements is very noticeable in Ukraine, since their economy is recovering much slower than Russian, which directly affects the purse Ukrainian buyers.

Second reason is the emergence of powerful competitors. Not necessarily that brand going down will be inferior to competitors. More often the competitor comes in with a lower price, forcing yesterday's leader to bear the loss. This situation happened in the segment of refined sunflower oil. Before the beginning of the last year due to the absence of competitors the "Oleina" oil had 85% of market share. After the appearance of the oil of the same quality "Chumak", "Oleina" was forced to reduce prices, which, in general, has saved it, to some extent, from large losses. (Brand development through the time [сайт]. URL <http://marketingmix.com>).

No less significant way to the brand development is the movement up the scale of consumer perception. For such activities it's worth not only completely understand what exactly the new brand will attract more affluent buyers, but also be very lucky.

In both cases, the following technique is widely used way is creating and bringing to market sub-brands. The sub-brands can take a negative point in the case of loss of brand products, in means that sub-brand remains aloof from happening. The consumer, who has left the core brand, but has the demand for goods produced by the company, usually switches to prepared substitute, which has allowed to delete all the shortcomings of the main brand, that has served to the consumers outflow. If the brand is moving up, then sub-brand can give the consumer confidence that the new product is much better than the old one. This is especially important if the current brand has had some problem or if according to the perception of the potential buyers of the upper segment it was not fit to the role of "best brand".

In the history of the agency "BrandAid" there was an experience of brand movement both up and down. In 1999, in the post-crisis, they faced the problem of increasing in sales of plastic windows of the market leader of the company "Enran Akros". Usual publicity stunts do not passed, because the population just could not afford such windows, and those who could - already had installed them. Lowering prices for the products had made no sense, since "Enran Akros" was a real leader and lower prices would lead to a destructive price war. "BrandAid" proposed a variant of separation to some extent generic brand windows "Enran Akros" to three brand : "Standard", "Classic" and "Elite". "Classic" in this case - the brand, which was based on a standard double glazing, it is still sold as a generic. "Standard" was a cheaper version of windows, which was supposed to become a certain amount of sales generated from the customers with limited funds. Brand "Elite" - very expensive windows - was introduced with the aim to prevent lost "Classic" against the backdrop of cheap "Standard". "Elite" was intended to set off price reduction. As expected, «Elite» practically was not selling. Thus "Enran Akros" could actually reduce the prices of their products without causing any impact on its position as market leader, nor in volume of sales. (Развитие бренда во времени [сайт]. URL <http://business.rin.ru/>).

Established brand requires constant modifications and market monitoring referring to customer needs. Studies have shown that by imagining the brand by Kipling as a "man", who requires constant care, you need to take care about it, like about own brainchild. With the maturation of the brand there become not less problems. On the contrary, every year the brand's life requires spending more quality events to strengthen the position of the brand in today's rapidly evolving market.

In this article there were considered some aspects of the brands that may not soon be in demand by domestic managers. The aim was to show how complex and varied brands and processes to preserve its position as not just to attract a new audience with a new generation of consumers and taking care of the old. Conclusion of this study - by all means necessary to preserve established brand since its modification is cheaper than creating a new one.

## References:

1. Brand development through the time [Электронный ресурс] : журнал / Marketing journal – Электрон. журн. – URL <http://marketingmix.com> (дата обращения: 15.11.2013)
2. David A. Aaker, Building Strong Brands.; Издательский дом Гребенникова, 2008. - 440 р.
3. Перция В. М. Развитие бренда во времени [Электронный ресурс] : / Бизнес от и до – Электрон. журн. – URL <http://business.rin.ru> (дата обращения: 15.11.2013)

Shavkunova Margarita Dmitrievna – Students at the Institute of Social and Humanitarian Technologies (the Faculty of International Management) of TPU.

E-mail: [savkunova@yandex.ru](mailto:savkunova@yandex.ru)

Petrochenkov Konstantin Igorevich – Students at the Institute of Social and Humanitarian Technologies (the Faculty of Small Business) of TPU.

E-mail: [xomsk@qip.ru](mailto:xomsk@qip.ru)