

УДК 339.138

DOI: 10.30857/2786-5398.2023.6.13

Володимир С. Титикало

Національний медичний університет ім. О.О. Богомольця, Київ, Україна

**ІННОВАЦІЙНІ ПЕРЕДУМОВИ ФОРМУВАННЯ
СТРАТЕГІЇ РОЗВИТКУ БРЕНДУ КОМПАНІЇ**

У статті досліджено сучасні виклики та загрози, що постали перед вітчизняними підприємствами, які обумовлені військовими діями на території України, глибокою політичною кризою та такими ж кризовими явищами в економіці, посилення боротьби за клієнта, перенасичення ринків послугами та товарами і зменшення купівельної спроможності споживачів. Обґрунтовано дієві механізми розвитку бренду для збільшення конкурентних переваг та впізнаваності з-поміж інших гравців ринку для позиціонування лідируючих позицій. Досліджено політику компаній, які вдаються до формування та ефективної реалізації бренд-менеджменту у загальній системі управління підприємством, діагностовано ключові проблеми в управлінні брендами досліджуваної аграрної компанії, сформовано напрями вдосконалення бренд-менеджменту досліджуваного підприємства. Визначено, що управління брендами на сільськогосподарських підприємствах може посилити конкурентоспроможність останніх через надання їм довгострокових конкурентних переваг та вибудову тісних лояльних відносин із споживачем. Тим паче сьогодні значно зростає роль екологізації суспільства, продовольчої безпеки і прагнення людей споживати якісні натуральні продукти харчування, тому роль аграріїв як товаровиробників стратегічно важливої продукції буде посилюватися, а значить необхідно відмежуватися від конкурентів в очах соціуму, виділитися, показати свої кращі сильні сторони й уміло приховати слабкі.

Ключові слова: інновації; інноваційні стратегії; брендинг; бренд-менеджмент; управління; конкурентні переваги.

Volodymyr S. Tytykalo

Bogomolets National Medical University, Kyiv, Ukraine

**INNOVATIVE PREREQUISITES FOR THE FORMATION
OF THE COMPANY'S BRAND DEVELOPMENT STRATEGY**

The article examines modern challenges and threats faced by domestic enterprises, which are caused by military actions on the territory of Ukraine, a deep political crisis and the same crisis phenomena in the economy, the strengthening of the fight for the client, the oversaturation of the markets with services and goods and the decrease in the purchasing power of consumers. Reasonably effective mechanisms of brand development to increase competitive advantages and recognition among other market players for positioning in leading positions. The policy of companies that resort to the formation and effective implementation of brand management in the general management system of the enterprise was investigated, the key problems in brand management of the studied agricultural company were diagnosed, and directions for improving the brand management of the studied enterprise were formed. It was determined that the management of brands at agricultural enterprises can strengthen the competitiveness of the latter by providing them with long-term competitive advantages and building close loyal relations with the consumer. Moreover, today the role of environmentalization of society, food security and the desire of people to consume high-quality natural food products is growing significantly, therefore the role of farmers as producers of strategically important products will increase, which means that it is necessary to distance yourself from competitors in the eyes of society, stand out, show your best strengths and skillfully hide the weak.

Keywords: innovations; innovative strategies; branding; brand management; management; competitive advantages.

Statement of the problem. The problem of building an effective brand management system at a domestic agricultural enterprise, as well as in other non-agricultural business structures, consists in the concentration of brand managers or branding specialists only on the product or symbolic side of the brand, i.e. under the brand some product of the company is perceived or logos are immediately drawn, naming and colors of the company seal are developed. In no way belittling the importance in brand management of the brand design process itself (packaging, logo, font, corporate style), we would like to note that very little attention is paid by companies to considering the brand as an integral part of the essence of the company – as a brand as organizations and as individuals.

This is especially relevant for companies that produce the same type of product, without any technical features or other application, such as the investigated LLC "AGRO ALLIANCE". On the one hand, it does not make sense to stop activities that participate in the formation of food security of the state and foreign countries, and bring good profits (the activity of the company under study was profitable throughout the analyzed period), on the other hand, such uniformity limits the company in increasing the margin in the formation of these profits, because no one will want to pay more for the same product as a competitor with the same or similar characteristics. Therefore, it is necessary to increase the value of capital due to the creation of additional value, and not necessarily material value. Such value can help to create and constantly increase the brand of the company itself as an image of something different, better, special. That is, it is necessary to form additional value of capital at the expense of conditional brand value, that is, brand capital.

All this requires a strategic vision of the company's development, and today's development is inextricably intertwined with an innovative approach in everything: in management, in conducting business activities, in the use of innovative technologies and solutions. However, buying technology and using it at the enterprise without adequately positioning oneself in the market of goods or services can only lead to a temporary reduction in costs, and eventually to a final decrease in profits. And strategic positioning on the grain market, where the price is dictated by the grain trader, not the producer company (realities of the Ukrainian market) with the desire to obtain greater profits and even surplus profits, is impossible without the growth of the intangible component of the cost of capital. And such growth can be provided by properly functioning brand management.

Analysis of the latest research and publications. An interdependent whole set of signs and qualities of the brand, by which the consumer identifies and distinguishes the brand, is called brand identity. This is the core component that determines the direction of the company's development, outlines the goals and purpose of the brand [9]. There are different approaches, according to which the identity of a particular brand is investigated. According to D. Aaker [2], a brand can be considered as a product, as an organization, as a person and as a symbol.

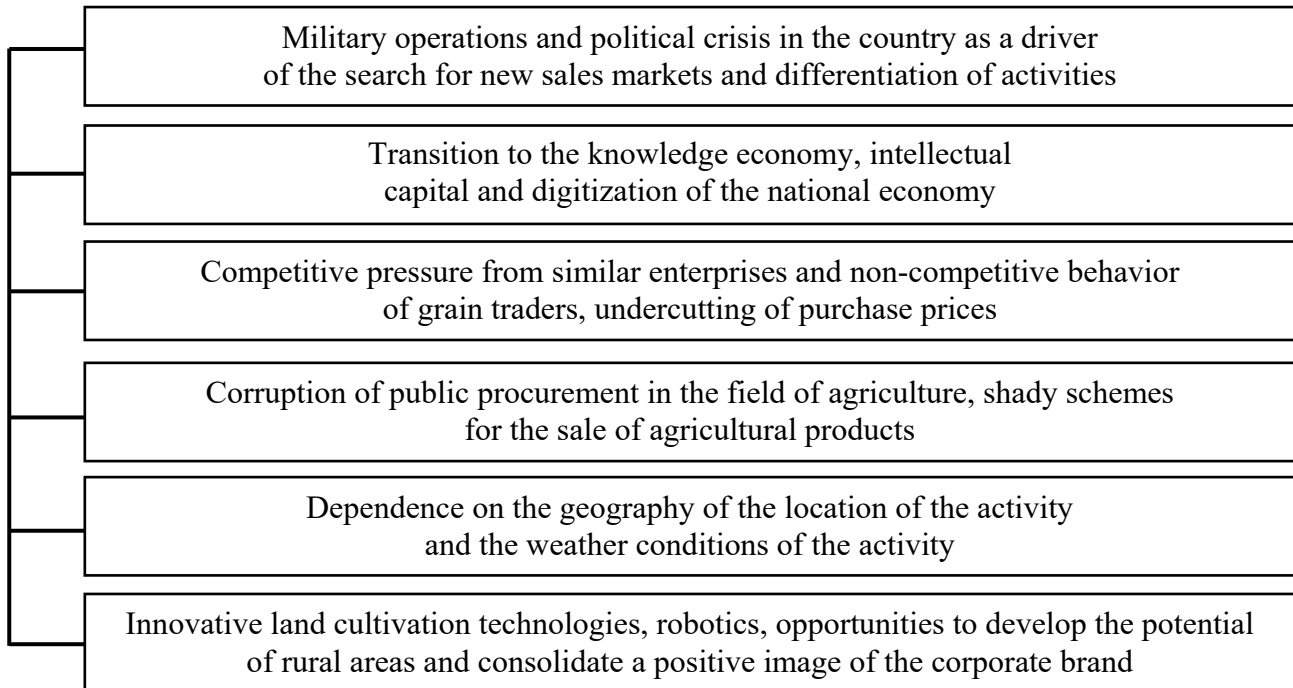
The purpose of the article is research of innovative prerequisites for the formation of the company's brand development strategy.

Outline of the main material. The analysis of ALLIANCE AGRO LLC showed that, in general, even without clearly defined brand management, this company essentially promotes one brand - the brand of itself as a company. That is, an approach to the brand as an organization is appropriate here, or a corporate (mother) brand is meant, and not a product or service brand [9].

For a grain-producing company with the same type of standard products, in order to increase brand equity, it is necessary to either strengthen the corporate brand, which will be associated with the company as such, or differentiate the products produced (bring out new varieties of grain crops – hybrids under its own brand), or engage in business diversification, which is also related to

engaging in new types of activities, or providing new goods and services for the enterprise or the market.

In any case, it is necessary to develop a brand development strategy that would create additional value of the company's capital. The development of such a strategy is determined by a number of factors and processes in the operating environment of ALLIANCE AGRO LLC (Fig. 1).



Source: proposed by the author.

Fig. 1. Innovative prerequisites for the development strategy of the ALLIANCE AGRO brand

Today's realities, related to military actions on the territory of Ukraine, new challenges and threats to the life, health, and general well-being of both individual families and the state as a whole shake up the already turbulent environment to unprecedented proportions and cause a negative effect on the possibility of normal functioning enterprises. Especially their adverse consequences are clearly expressed when an enterprise like "AGRO ALLIANCE" depends on the geographical location and climatic conditions for growing agricultural crops. In any case, these two factors will not allow the company to quickly evacuate its personnel and facilities to a safe place in the event of a threat of occupation. Therefore, it is quite objective for an agricultural company to thoroughly approach the issue of diversifying its activities, so that even in the event of a temporary loss of land resources, it would be possible to implement its activities in another place or with another product.

The first sprouts of business differentiation began with the beginning of the covid-pandemic, when ALLIANCE AGRO LLC began, in addition to the main type of activity, to pay attention to related services, such as the storage of grain and other goods and material values of other economic entities, the rental of its own vehicles and those available in ownership of buildings. However, in today's conditions, this is not enough. It is necessary to increase the client base, reduce the pressure from competitors, draw attention to yourself and your products.

Another prerequisite for the development strategy of the AGRO ALLIANCE brand is the transition to the knowledge economy and digitalization of processes at all levels of economic development. If earlier companies existed only on paper and in reality, now it is impossible to

imagine a company without an informational Internet component: the presence of a website, advertisements, entry into electronic databases as product suppliers, holding video conferences in different parts of the world, robotization of equipment, etc. All this requires new approaches to the positioning of the company and its brands, as well as mastering the digital space and its possibilities.

Another negative factor, on the one hand, and the one that acts as a driving force behind changes in the strategic branding positioning of the company, is the high level of corruption in state purchases of grain, shady schemes between grain traders, and non-competitive pressure on producers of agricultural products. Therefore, the company is forced from time to time to hold products, waiting for more favorable conditions and price opportunities, which causes stagnant turnover processes, sometimes to product losses due to the impossibility or high cost of proper storage. Or you have to sell the products at a lower price, and then the costs of cultivation may be too high compared to the profits. In addition, seasonality and climatic conditions strongly affect the yield level.

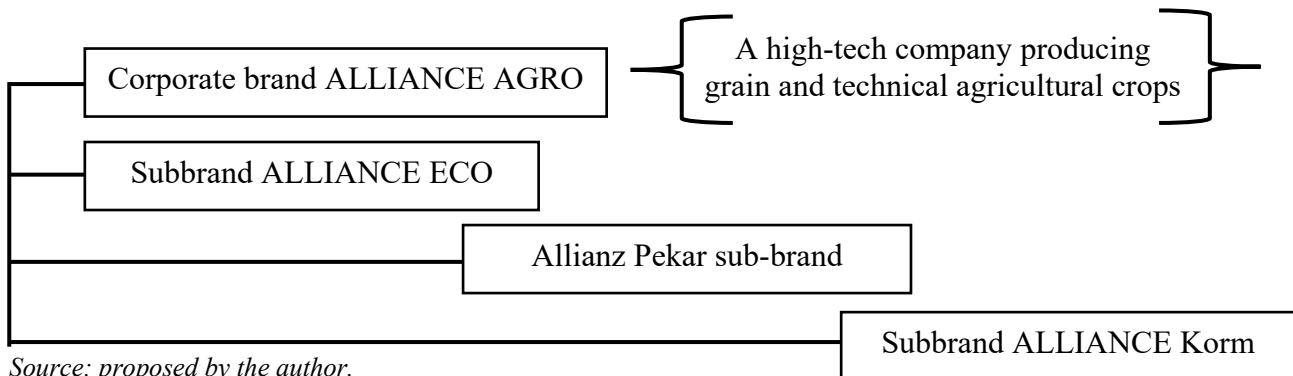
Currently, the only option for circumventing corrupt spheres lies not in the law-making plane (unfortunately), but in the plane of finding new sales channels, using information technologies, developing innovative products, or providing the consumer with products with greater value in his perception (brand formation). This will make it possible, if not to increase the purchase prices, at least to reduce the cost price due to the increase in labor productivity and more technological equipment, an effective tool of which can be a powerful marketing policy with a brand-oriented approach.

Another important factor of innovative approaches in the company's activities, and therefore of the innovative vision of the development of the company's brand strategy, is the problem of the development of villages and rural areas. The main problems here are the lack of highly qualified personnel, low standard of living, underdeveloped infrastructure (compared to big cities), lack of prestige to work on the land, etc. Therefore, when carrying out brand management and promoting trademarks of agricultural products in regional markets, the specifics of developing accents and accents of brand characteristics should be taken into account. The innovativeness of land cultivation technologies and the increase of salaries for workers in rural areas can have a positive effect on the image of the company, contribute to the development of the village, especially due to the aggravation of war troubles and the danger of constant stay in the city due to explosions and damage.

Therefore, the brand development strategy of LLC "ALLIANCE AGRO" should somehow be connected with the promotion of two variants of brand strategies:

1. Strengthening the role and importance, recognition of the ALLIANCE AGRO brand as a high-tech company producing grain and technical agricultural crops of the first class;
2. Differentiation of the company's activities due to the development of new products in another segment of the agro-food regional market, creation of a portfolio of new brands for the company: the brand of ecologically clean products, its own brand of bakery products and the brand of fodder through the establishment of zero-waste production. A possible version of the brand portfolio for ALLIANCE AGRO LLC is proposed in Fig. 2.

Both branding development strategies should be carried out on the basis of the innovative orientation of business processes and the construction of the brand management system of ALLIANCE AGRO LLC, as well as with the help of strengthening the identification of both corporate and future product brands, which consists in creating an ideal identity of the projected and perceived image brand.



Source: proposed by the author.

Fig. 2. Brand portfolio for ALLIANCE AGRO LLC

As for the creation and development of the ALLIANCE AGRO corporate brand, it should be based on changing the company's business model in the direction of increasing brand diversification, which will cause the gradual generation of brand capital, which means the receipt of profits from the intangible component of income generation. If the product can be evaluated by its cost component, then it is extremely difficult to estimate the exact level of additional value for the company due to the existing positive image, but business reputation, which should also be considered as part of brand capital, can just as quickly reduce the company's profits (for example, provocative and negligent behavior in waste management, negative reaction on the part of consumers in case of poor service, reinforced due to brand-oriented perception of the product, etc.).

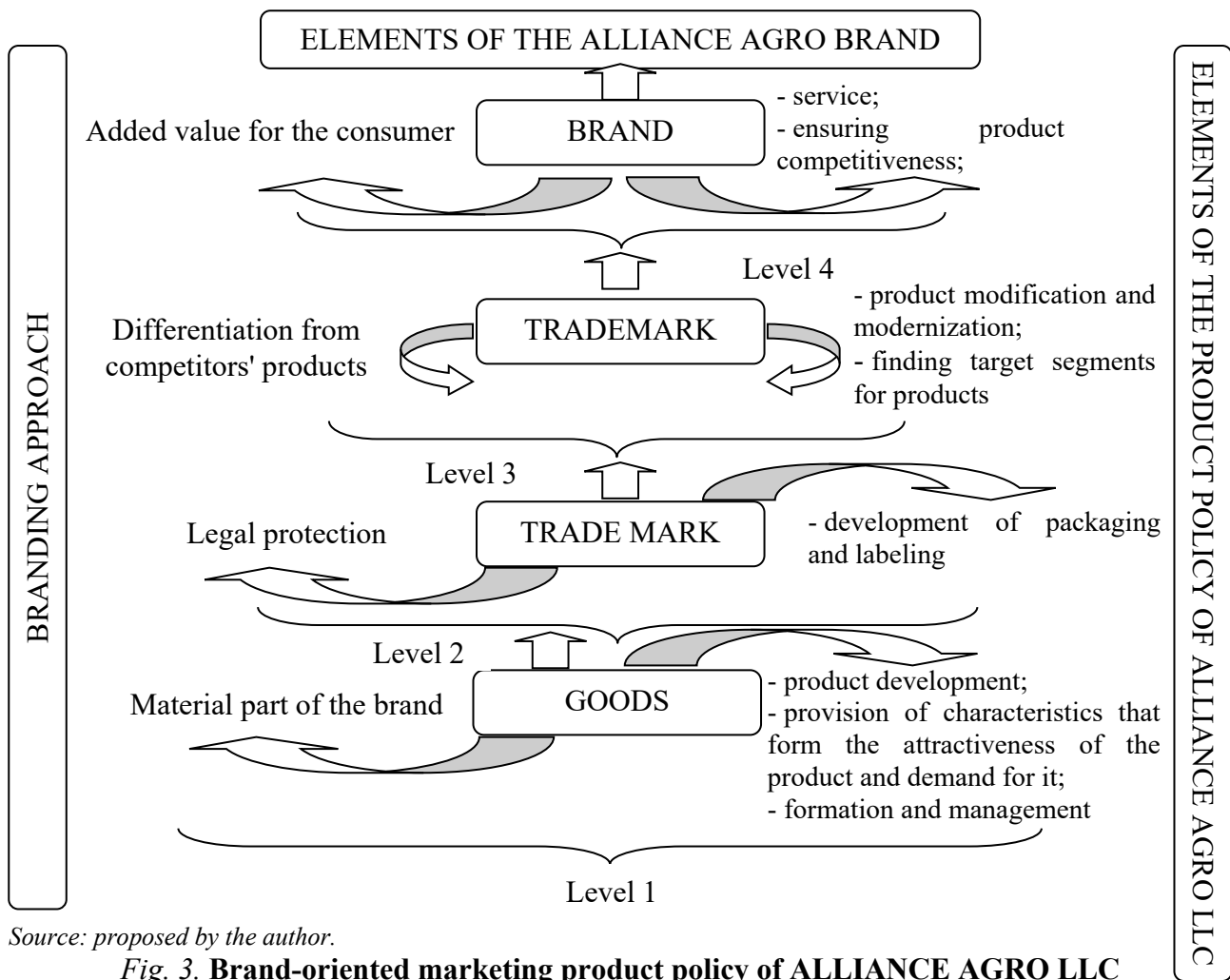
The corporate brand of ALLIANCE AGRO must be combined with an effective product policy, since branding essentially acts as a strategic tool of this policy, and for this it is necessary to carry out numerous measures related to the analysis of the marketing environment and the brand itself. The product development policy acts as a structural basis for comprehensive planning, creation, implementation and evaluation of the brand strategy.

The branding approach to the formation of the product policy of ALLIANCE AGRO LLC should become one of the key elements in the formation of a competitive brand with high value and prospects for further development. The synergy of the ALLIANCE AGRO brand and the product policy of the company under study is shown in fig. 3.

In addition to the corporate brand ALLIANCE AGRO, it is advisable for the company to expand its range of products in the direction of increasing added value. For this, in addition to the development and strengthening of the parent brand, we suggest forming a portfolio of brands that would include new sub-brands, as shown in Fig. 2.

Thus, the sub-brand ALLIANCE ECO includes the offer of pure ecological products in the form of sprouted grain. The Ukrainian market of organic products has not yet been practically developed, the demand for products under the perception of the terms "organic", "eco", "natural" is increasing, since the actual health of a person will always cause associations with the search for natural food and products. "Sprouted grain" as a product offering under the ALLIANCE ECO brand should be positioned for the future consumer as a healing, living food.

A unique commercial offer will be based on its unique composition, because when the germinated grain swells and germinates, this composition enters the active stage. [7] When grains germinate, there is a significant increase in certain vitamins and microelements necessary for humans in a special combination that cannot be obtained by processing ordinary grains. Currently, there are practically no similar products on the regional market (in the Poltava region), so the niche is attractive. A nuance of the cultivation of such products is the certification of confirmation of product quality.



And finally, the sub-brand of the main parent brand ALLIANCE AGRO "ALLIANS Korm" can be included in the general portfolio of brands, since the enterprises have significant residues of by-products of corn from which feed for the livestock sector can be made, realizing the concept of zero-waste production to the maximum. Of course, the company now sells these leftovers, but as raw materials, and not as ready-to-consume goods, so with the right sales strategy, you can also make money from this.

Conclusions. Therefore, the main innovative prerequisites for the formation of the brand development strategy of ALLIANCE AGRO LLC are unpredictable turbulent changes and military threats in the external environment, the desire to survive and maintain their market positions due to technological renewal, strong pressure from price traders who dictate the conditions for purchasing from grain farmers, so the only way to increase profitability in the sector of growing agricultural crops is to find ways to reduce the cost price or to focus on creating additional value for the consumer. Therefore, it is appropriate to use branding for the enterprise under study as an effective strategic tool of the latter's product policy.

The knowledge economy, the strengthening of the intellectual component and innovative prerequisites for business development contribute to greater openness and transparency of its management. Quite often, a situation arises when the business reputation and image of a business entity become more important than the product it produces. Moreover, the ever-increasing pressure from competitors forces companies to implement new ways and methods of capturing and retaining

the consumer's attention. In addition, innovative shifts towards the development of digital technologies, the acceleration of the "obsolescence" of equipment that seemed to be new yesterday, and the efforts of entrepreneurs to create as many competitive advantages as possible contribute to the search for effective ways to grow their capital at the expense of an intangible component.

One of the modern factors of increasing the value of products in the eyes of the buyer is a brand-oriented approach in the management and implementation of brand management at enterprises. Brand management, the main goal of which is the effective promotion and management of company brands in order to increase the company's profitability and recognition, is becoming more and more popular among domestic enterprises, as it makes it possible to increase business activity and competitiveness of the latter.

References

Література

1. Bikulov, D. T., Holovan, O. O., Oliynyk, O. M., Markova, S. V., Sukhareva, K. V., Chkan, A. S. (2020). Brend-menedzhment u sferi zovnishnoekonomichnoi diialnosti: navchalnyy posibnyk dlia zdobuvachiv stupenia vyshchoi osvity bakalavra spetsialnosti "Menedzhment" osvitno-profesiynoi prohramy "Menedzhment zovnishnoekonomichnoi diialnosti" [Brand management in the field of foreign economic activity: a study guide for higher education bachelor's degree holders in the specialty "Management" of the educational and professional program "Management of foreign economic activity"]. Zaporizhzhia: ZNU. 96 p. [in Ukrainian].
1. Бікулов Д. Т., Головань О. О., Олійник О. М., Маркова С. В., Сухарева К. В., Чкан А. С. Бренд-менеджмент у сфері зовнішньоекономічної діяльності: навчальний посібник для здобувачів ступеня вищої освіти бакалавра спеціальності "Менеджмент" освітньо-професійної програми "Менеджмент зовнішньоекономічної діяльності". Запоріжжя: ЗНУ, 2020. 96 с.
2. Aaker, D. (2013). Brand-leadership: a new concept of branding. 374 p.
2. Aaker D. Brand-leadership: a new concept of branding. 2013. 374 p.
3. Vlasenko, O. O. (2015). Novitni pidkhody do stvorennia novoho brenda ta vyvedennia yoho na rynok [New approaches to creating a new brand and bringing it to market]. *Problemy nauky = Problems of science*, No. 2, P. 39–42 [in Ukrainian].
3. Власенко О. О. Новітні підходи до створення нового бренду та виведення його на ринок. *Проблеми науки*. 2015. № 2. С. 39–42.
4. Laburtseva, O. (2016). Identychnist korporatyvnoho brenda torhovelnykh merezh [Corporate brand identity of retail chains]. *Visnyk KNTEU = Bulletin of KNTEU*, No. 5. URL: <http://visnik.knute.edu.ua/files/2016/05/5.pdf> [in Ukrainian].
4. Лабурцева О. Ідентичність корпоративного бренду торговельних мереж. *Вісник КНТЕУ*. 2016. № 5. URL: <http://visnik.knute.edu.ua/files/2016/05/5.pdf>.
5. Khaminich, S. Yu. (2010). Kharakterni osoblyvosti brendynhu na spozhyvchomu rynku Ukrainy [Characteristic features of branding in the consumer market of Ukraine]. URL: http://nbuv.gov.ua/portal/Soc_Gum/Dtr_ep/2010_2/files/EC210_47.pdf [in Ukrainian].
5. Хамініч С. Ю. Характерні особливості брендингу на споживчому ринку України. URL: http://nbuv.gov.ua/portal/Soc_Gum/Dtr_ep/2010_2/files/EC210_47.pdf.
6. Brand Positioning: Meaning and Positioning Strategies. URL: <https://www.yourarticlelibrary.com/brand-management/brand-positioning-meaning-and-positioning-strategies/32314>.
6. Brand Positioning: Meaning and Positioning Strategies. URL: <https://www.yourarticlelibrary.com/brand-management/brand-positioning-meaning-and-positioning-strategies/32314>.

7. Vazquez Casielles, R., Alvarez Alvarez, B. (2007). Consumers' characteristics and brand choice behaviour: Loyalty and consumption. *J Target Meas Anal Mark*, Vol. 15, P. 121–131. <https://doi.org/10.1057/palgrave.jt.5750034>.
8. Walley, K., Cunstance, P., Taylor, S., Lindgreen, A., Hingley, M. (2007). The Importance of Brand in the Industrial Purchase Decision: A Case Study of the UK Tractor Market. *Journal of Business and Industrial Marketing*, Vol. 2, P. 383–393. DOI: 10.1108/08858620710780145.
9. Ganushchak-Efimenko, L., Shcherbak, V., Nifatova, O., Kolodiziev, O., Rębilas, R. (2019). Methodological framework for integrated business structures branding development in Ukraine. *Innovative Marketing*, No. 15 (2), P. 14–29. DOI: 10.21511/im.15(2).2019.02.
10. Hanushchak-Iefimenko, L. M., Shkoda, M. S., Kasumov, T. A. (2023). Monitorynh formuvannia brendynhu tekstyliu ta odiahu na yevropeiskykh rynkakh [Monitoring the formation of textile and clothing branding in European markets]. *Zhurnal stratehichnykh ekonomichnykh doslidzhen = Journal of Strategic Economic Research*, No. 5 (16), P. 87–100. <https://doi.org/10.30857/2786-5398.2023.5.9> [in Ukrainian].
7. Vazquez Casielles R., Alvarez Alvarez B. Consumers' characteristics and brand choice behaviour: Loyalty and consumption. *J Target Meas Anal Mark*. 2007. Vol. 15. P. 121–131. <https://doi.org/10.1057/palgrave.jt.5750034>.
8. Walley K., Cunstance P., Taylor S., Lindgreen A., Hingley M. The Importance of Brand in the Industrial Purchase Decision: A Case Study of the UK Tractor Market. *Journal of Business and Industrial Marketing*. 2007. Vol. 2. P. 383–393. DOI: 10.1108/08858620710780145.
9. Ganushchak-Efimenko L., Shcherbak V., Nifatova O., Kolodiziev O., Rębilas R. Methodological framework for integrated business structures branding development in Ukraine. *Innovative Marketing*. 2019. No. 15 (2). P. 14–29. DOI:10.21511/im.15(2).2019.02.
10. Ганушчак-Єфіменко Л. М., Шкода М. С., Касумов Т. А. Моніторинг формування брендингу текстилю та одягу на європейських ринках. *Журнал стратегічних економічних досліджень*. 2023. № 5 (16). С. 87–100. <https://doi.org/10.30857/2786-5398.2023.5.9>.