

## **BRANDING TENDENCIES: MYTHS AND REALITY**

The American Marketing Association (AMA) defines a brand as a “name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of other sellers”. [1]

Many companies still do not pay attention to the formation of brand capital. As a result, brand management is often focused on local problems solution. This explains why during the crisis the domestic brands were in a vulnerable position. Instead of investing in brand strengthening as well as loyalty and profitability increase, the current crisis strategy of many companies tends to imply lower prices or even brand withdrawal from the market. At the same time the transformation in consumer behavior that is observed in the market today gives a chance for the companies to create the positions of new brands and to strengthen the positions of current ones. Brands are given the opportunity to form the consumer stereotypes. [2]

Branding agency Polaris Brand & Development has developed its own classification of brands, namely two categories: strategic and tactical brands. Strategic brands are the brands in the classical sense with its unique positioning, image, communications, long-term goals and expectations.

Tactical brands are designed to provide a quick profit through new social trends. In the basis of their positioning are modesty, simplicity and honest price. These brands do not really need a massive communication. The communication is achieved through the specific visualization techniques of packaging. The agency has selected several types of such brands. For example, categorical brands embody all the standard categories, like each and all, but not like any specifically; brands-substitutes are aimed at specific rival from leaders group; brands of “small motherland” are sincere and emotional, clear and close to a particular region; brands “non-brand”, which cause a belief that it is certainly the cheapest product on the shelf and you do not overpay for the nice picture on it. [3]

It is suggested to allocate 3 main myths about branding:

- *Only look what is counted.* According to a leading expert of Ukrainian Marketing Association, Andriy Dligach (PhD in economics), just a nice logo will not work for today. The unique image has to be created in the consumer's mind.
- *Price is what the main thing for a consumer.* Consumers do not need a cheap product, they want to be confident in the obtained value (quality) of the product they pay for.
- *More advertising – higher sales.* As a rule, the smaller the budget, the more fresh ideas come to bust the sales. [6]

In the consequence of the financial crises in 2008, when the income of consumers fail to grow, every victory of one market segment is a loss for another. [5]

The main trends which are important to take into account during a new brand formation and in supporting the existing ones:

- People refocus to the family, health and simple pleasures.
- People cannot cut spending on technology that they use every day, as well as on small stuff like sweets, books and greeting cards.
- The era of cooperation and common interests arrives.
- Social media continue to unite the users.
- Life in clouds: mobility, portability and brevity. Information exchange will be greater. Access to the information will be available from anywhere.
- Sound consumption in austerity. Consumers want to know how they are offered with, why they are offered with, what it is for, if they do it in that way. [4], [5]

A strong brand is invaluable as the battle for customers intensifies day by day. It's important to spend time investing in researching, defining, and building your brand. After all, your brand is the source of a promise to your consumer. It's a foundational piece in your marketing communication and one you do not want to be without. [1]

Brand is a tool and if it is worn it has to be repaired or replaced. No matter how long the brand has been working before, what is important is will it continue to work.

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