



УДК 658.8:339.138.2

**BRAND STRATEGY FORMATION IN THE CONDITIONS OF
TRANSFORMATION OF CONSUMER SENTIMENTS OF UKRAINIAN
SOCIETY****ФОРМУВАННЯ БРЕНД-СТРАТЕГІЇ В УМОВАХ ТРАНСФОРМАЦІЇ СПОЖИВЧИХ
НАСТРОЇВ УКРАЇНСЬКОГО СУСПІЛЬСТВА**

Yahelska K.Yu. / Ягельська К.Ю.

d.e.s., prof. / д.е.н., проф.

ORCID: 0000-0002-3760-003X

Vasylyshyna L.M. / Василюшина Л.М.

s.e.s. / к.е.н.

ORCID: 0000-0001-8025-7786

*State University of Trade and Economics, Kyiv, Kyoto str., 19, 02156**Державний торговельно-економічний університет, м. Київ, вул. Кіото, 19, 02156*

Abstract. *The article describes the brand strategy as an economic category. The main brand strategies are systematized according to subject characteristics. The main factors of brand strategy formation are considered and the content of consumer attitudes is revealed as one of the most influential of them. The essence and expediency of applying the adaptation-marketing approach to forming a brand strategy is substantiated. Marketing support for the formation of a brand strategy based on an adaptive marketing approach is generalized. To establish the relationship between factors and the transformation of consumer attitudes in the context of brand strategy, a vector expression is proposed that can serve as a general model for analyzing and predicting the influence of various factors on the transformation of consumer attitudes of society in the context of brand strategy.*

Keywords: *brand strategy, factor, consumer, behavior, approach*

Introduction

In the modern business environment, the relevance of developing a brand strategy is beyond doubt. First, the intensification of competition determines the search for ways to stand out from business rivals, which is possible due to the disclosure of new opportunities for brands. Forming effective brand strategies helps to increase brand recognition, create positive consumer perception, ensure loyalty and increase market share. Second, the changing technological landscape, namely the expansion of technology and digital transformation, is affecting the way consumers interact with brands. Online platforms, social media and mobile applications have become key channels of communication and consumption. Accordingly, research on the formation of brand strategies allows us to reveal new opportunities associated with the use of digital technologies and to determine effective ways of interacting with modern consumers. Third, consumer attitudes are constantly evolving under the influence of social, economic, technological and cultural changes. This requires brands to adapt in time to the dynamic preferences and desires of consumers.

Despite a sufficient number of scientific and scientific-practical publications devoted to brand strategies, in particular [1-8], the methodology of forming a brand strategy requires refinement. The problems of forming a brand strategy are determined by the complexity and multifacetedness of the latter, its dependence on intangible and socio-cultural factors, as well as the need to use an integrated approach based on a



combination of data analysis, expert evaluation, creative process, depending on the specific situation and the purpose of the brand.

Theoretical background

The *purpose* of the article is to substantiate the adaptive marketing approach to the formation of a brand strategy in the conditions of the transformation of consumer attitudes of Ukrainian society.

Based on [1-3, 7], it can be stated that the brand strategy is a long-term plan developed by the company that determines the way in which the brand will be positioned and perceived in the market. It defines the unique characteristics, values and messages of the brand, as well as a set of strategic actions to achieve the brand's goal. The brand strategy is focused on creating a favorable and recognizable image of the company or product by the target audience, on ensuring competitive advantage and increasing consumer loyalty.

The system of brand strategies is quite limited: despite their wide variety, at first glance [7, p. 97; 9, p. 148; 10], a detailed analysis of the characteristics of these strategies allows us to draw a conclusion about the substantive similarity of some varieties. In general, the main brand strategies can be systematized according to the following characteristics:

goods:

- assortment expansion strategies (linear or categorical - expansion of the product or service line with new variations or categories);
- the strategy of new brands (used during the production of a new category of goods);

marketing:

- differentiation strategy (aspiration to stand out in the market due to unique characteristics or advantages that make the products or services of the brand different from competitors, for example, with the help of quality, design, innovation, etc.);
- diversification strategy (prepares the consumer to pay a higher price than for other similar products);
- low price strategy (focus on competitive prices, discounts or availability of a product or service);

branded:

- multi-brand strategy (creation of additional brands in the same product category);
- strategy of corporate brands (promotion of all its products on the market under a single brand);

market:

- brand-leader strategy (aimed at becoming a market leader and gaining the maximum market share through active marketing activities, innovations, high quality and other strategic actions);
- focus strategy (directing efforts to a specific niche or market segment).

The choice of strategy and its formation or the approach to their combination is determined by the factors of the internal and external environments [8, p. 83; 11, p. 119]. In our opinion, the following are key:



- the price of goods or services (P), which can significantly influence the choice of consumers. Accordingly, within the brand strategy, the brand can be positioned as a premium product and set a higher price to emphasize its quality and exclusivity, or focus on a competitive price strategy to attract a wider audience;
- marketing costs (M), which include advertising campaigns, market promotion, participation in events and sponsorships, development of an Internet presence, etc. At first glance, it may seem that if the price can directly influence the consumer's choice, then the marketing costs concern only the enterprise. However, they can indirectly influence the positive impression of the brand and create additional value for consumers, that goes beyond the simple price of the product or service. That is, they can contribute to the formation of a positive consumer experience, a feeling of brand attractiveness and increasing consumer loyalty;
- the quality of the product or service (Q), which affects consumers through the formation of trust, loyalty and satisfaction of consumers and shapes their perception of the brand;
- innovation (I), because brands that offer innovative solutions, products or services can have a competitive advantage and attract the attention of consumers;
- socio-cultural (F), which determine the formation of unique socio-cultural features of the population of a certain territory, which must be taken into account by brands;
- economic factors (E) that determine the purchasing power of consumers, the market situation, trends in its development and influence the purchase decision.

These factors interact with each other and together determine the effectiveness and success of the brand strategy. However, in today's dynamism and uncertainty, consumer attitudes play an important role in brand strategy formation, which can have a great impact on consumer buying behavior and their perception of brands. The main elements of consumer attitudes include perceptions and beliefs, emotions, consumption trends, social context (cultural norms, social trends and the influence of people around).

Taking into account consumer attitudes in brand strategy allows companies to better understand the needs and desires of their target audience; adapt to changes in consumer behavior and develop effective communication and marketing strategies.

The dynamism of moods can be traced in the process of changing generations of consumers (from GI to Z) [12], whose habits and tastes changed and, accordingly, the structure of consumption changed. For example, the growing interest in a healthy lifestyle leads to an increase in demand for fitness products and organic food.

Changes in consumer behavior forced brands to adapt to their audience. So, for example, customization appeared – personalization of a product or service taking into account the individual needs, requirements or preferences of each individual consumer. That is, the consumer himself can choose and modify various aspects of the product or service, such as design, functionality, size, colors, materials and other parameters, so that they correspond to his personal preferences and needs. For example, “Mini” allows customers to customize their cars by choosing from a variety of options and accessories. Nike has a “NikeiD” program that allows consumers to customize shoes and apparel by choosing colors, materials and other details. MAC Cosmetics is known for its “MAC Pro Palette” program, where customers can choose their favorite eye



shadow colors and create their own palette.

That is, regarding modern consumers, it is safe to say that they are currently more knowledgeable and therefore more demanding. At the same time, they can be quite tolerant of the situation and the brand, depending on certain conditions. Given this, the main task of brand management is to feel the consumer and find the right way to his mood, which will be reflected in the brand strategy. This issue is well illustrated by the situation in Ukraine. If COVID changed the behavior of the global consumer, teaching him to work and rest at home, which led to the “goblin regime” with an increase in demand for video games and the activation of food delivery services, and then the war in Ukraine sharpened the national spirit of the Ukrainian consumer. The demand for national clothes, food, and entertainment increased along with the increased attraction to European nations. Accordingly, companies in the process of forming a brand strategy try to be useful and support Ukrainian consumers.

In these conditions, it makes sense to talk about an adaptive marketing approach to the study of consumer behavior and the formation of a brand strategy. The concept of adaptive marketing was first proposed by Erik Reis regarding the development and management of startups [13]. If, according to the classical economic approach, the consumer satisfies his need and evaluates it from the point of view of utility, and with the motivational-marketing approach, value is created that satisfies a number of needs of the consumer [14, p. 998], then, in our understanding, the main principle of the adaptive marketing approach should be the flexibility of marketing support of the brand strategy, taking into account changes in market conditions, moods and consumer behavior.

Accordingly, the marketing support of the brand strategy according to the adaptive marketing approach can be briefly presented as follows (figure 1).

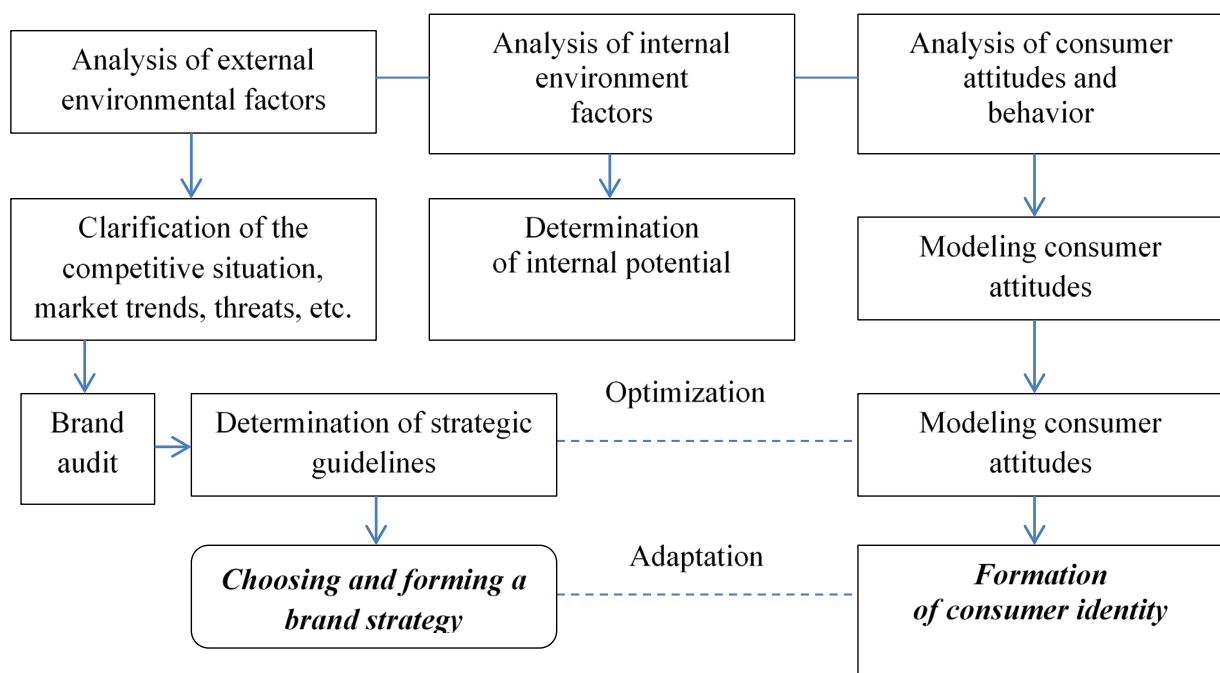


Figure 1 – Marketing support of the brand strategy according to the adaptive marketing approach

Source: developed by the authors



The first stage is implemented with the help of analytical tools for collecting and analyzing data using strategic marketing methods. Modeling of consumer attitudes will allow us to describe the relationship between consumer attitudes, economic factors and brand strategy. Optimization involves the use of optimization methods to determine the optimal parameters of the brand strategy. For example, mathematical optimization models can be used to maximize profits, minimize costs, or ensure optimal levels of customer satisfaction. Adaptation involves making the brand match the needs and expectations of the audience.

The relationship between factors and the transformation of consumer attitudes in the context of brand strategy can be represented by a vector expression:

$$C = aP + bM + cQ + dI + eF + gE \quad (1)$$

where C – a vector that represents the transformation of consumer attitudes;

P, M, Q, I, F, E – factors affecting consumer attitudes;

a, b, c, d, e, g – influence coefficients (indicators that reflect the degree of influence of each factor on consumer sentiment)

Each term (aP, bM, cQ, dI, eF, gE) represents the influence of the corresponding factor on the transformation of consumer attitudes. The coefficients (a, b, c, d, e, g) determine the degree of importance of each factor. The accuracy and efficiency of such a model will depend on the quality of the data, the selection of factors and the correct setting of the influence coefficients.

Conclusions

On the basis of the considered types of brand strategies and the main approaches to their formation in modern conditions of a dynamic environment and transformations of consumer sentiments, it is possible to conclude about the expediency of using an adaptive marketing approach to the development of a brand strategy. The proposed approach allows brands to be more flexible, efficient and competitive in the market, ensuring continuous interaction with consumers and adaptation to their needs and requirements in real time.

The vector expression can serve as a general model for analyzing and predicting the influence of various factors on the transformation of consumer attitudes of society in the context of brand strategy. Thus, applying an adaptive marketing approach to the formation of brand strategies will help brands adapt to the dynamic consumer environment, provide a competitive advantage, increase brand value and use new technologies to achieve success in the market.

Prospects for further research in this direction are the development of a system of criteria for determining the importance of model factors and its approval.

References

1. Abimbola T. Brand strategy as a paradigm for marketing competitiveness. *J. Brand Manag.* 2010. 18, 177–179. URL: <https://doi.org/10.1057/bm.2010.48>
2. Morgan Neil A., Lopo L. Rego. Brand Portfolio Strategy and Firm Performance. *Journal of Marketing.* 2009. № 73 (1). P. 59–74.
3. Alemu D., Zewdi, S. Trends of organizational branding strategies- systematic review and research agendas. *Jurnal Perspektif Pembiayaan Dan Pembangunan Daerah.* 2022. № 9(6). P. 461-478. URL: <https://doi.org/10.22437/ppd.v9i6.15294>



4. Natarelli M., Plapper R. Brand Intimacy: A New Paradigm in Marketing. Hatherleigh Press. 2017.

5. Westergaard N. Brand Now: How to Stand Out in a Crowded, Distracted World. 2018.

6. M. R. Drew. Brand Strategy 101: Your Logo Is Irrelevant - The 3-Step Process to Build a Kick-Ass Brand. Kindle Edition. 2017.

7. Зборовський Р. В. Планування бренд-стратегії підприємства. *Науковий вісник Херсонського державного університету*. 2018. Вип. 30(1). С. 96-101.

8. Подра О. П., Петришин Н. Я. Особливості розроблення та реалізації стратегії розвитку бренду підприємства в умовах євроінтеграції. 2022. № 2 (8). С. 79-87.

9. Стеблюк Н.Ф. Стратегічні пріоритети формування бренд-орієнтованої системи управління. *Глобальні та національні проблеми економіки*. 2016. Вип. 12. С. 146-148.

10. Зозульов О.В., Григоращ М.О. Корпоративний бренд: сутність та особливості. *Маркетинг в Україні*. 2010. № 2. С. 36-42.

11. Трапаїдзе С.М. Удосконалення класифікації факторів впливу на вибір маркетингової стратегії підприємства. 2016. *Економіка і суспільство*. Вип. 5. С. 116-121.

12. Губарь О.В., Переверзева А.В. Мікроекономічний аналіз поведінки споживачів з точки зору теорії поколінь в умовах цифровізації. *Вчені записки ТНЕУ*. 2021. Т. 32 (71). №4. С. 13-18.

13. Ries E. The lean startup: How today's entrepreneurs use continuous innovation to create radically successful businesses. Crown Business. 2011.

14. Раца О.Б. Методичні аспекти дослідження середовища при формуванні економічної поведінки підприємства. *Глобальні та національні проблеми економіки. Електронне наукове видання*. 2016. Вип. 2. URL: <http://global-national.in.ua/issue-6-2015> (accessed 08.05.2023)

Анотація. Сучасне бізнес-середовище характеризується посиленою конкуренцією і обумовлює пошуки способів вирізнятися від бізнес-суперників, що можливо за рахунок розкриття нових можливостей брендів, які реалізуються за допомогою бренд-стратегій.

Стаття розкриває зміст бізнес-стратегії та визначає її характеристики як економічної категорії. В роботі здійснено систематизацію основних бренд-стратегій за предметними ознаками та констатовано, що вибір бренд-стратегії та її формування обумовлюється факторами внутрішнього і зовнішнього середовища.

Розглянуто основні фактори формування бренд-стратегії та розкрито зміст споживчих настроїв як одного з найбільш впливового з них. Проаналізовано зміст і характерні риси споживацьких настроїв та зроблено висновок щодо їх нестійкості і динамічності. На підставі цього обґрунтовано сутність та доцільність застосування адаптаційно-маркетингового підходу до формування бренд-стратегії з урахуванням трансформаційних змін споживчих настроїв.

Узагальнено маркетингове забезпечення формування бренд-стратегії на основі адаптаційно-маркетингового підходу. Для встановлення взаємозв'язку між факторами та трансформацією споживчих настроїв в контексті бренд-стратегії запропоновано векторний вираз, який може слугувати загальною моделлю для аналізу та прогнозування впливу різних факторів на трансформацію споживчого ставлення суспільства в контексті стратегії бренду.



Ключові слова: бренд-стратегія, фактор, споживач, поведінка, підхід

Статтю відправлено: 27.05.2023 р.
© Ягельська К.Ю., Васишина Л.М.