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THE ROLE AND THE IMPORTANCE OF THE BRAND IN THE DEVELOPMENT OF THE ENTERPRISES

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ABSTRACT

The brands are always known by the quality which is delivered to the consumers, the difference which they offer to the markets while reaching additional profit for the companies and organizations, and the same can also be characterized through the products, services, corporations, personalities and location.

The impact of the brands cannot be overvalued, especially while taking into account the requirements of the organizations and enterprises to fulfill the clients' and their consumers demands, as well as to exist and compete in the market.

The brands have the need for development and continuous treatment with their emersion purpose in front of the clients' requirements, who, as long as they remain satisfied with the product and the service, the market will increasingly be more appropriate for their promotion, and the positioning of the brand appears to be more and more important, especially in achieving and realization of the distinction purpose of the brand from majority of the competitors in the market.

It is important to emphasize that the brands are constitute of multidimensional creations which have to be coordinated with the operational and emotional values within the activities and psychological requirements of the consumers in company itself. As is already known, the brands are often identified with the client, respectively with the consumer, by taking into account his psychological and physical needs, and especially these days, when major competition on the market is a fact, the consumers buy and value the brand much more rather than the product and the service itself.

KEYWORDS: Development, Brands, Enterprises, Multidimensional

THE THEORETICAL FRAMEWORK – DEFINITION AND MEANING OF THE BRAND

The Term and Definition of the Brand

The word "brand" is in fact an English word which application has firstly been used in the Wild West, when the cattle were branded in order to distinguish it from the others. Whereas, work aspect vise, the branding on the market is actually much similar with the branding as in the Wild West. The goal of a branding program is to firstly make a distinction of a product or a service on the market where it is promoted from all the other products or services which are similar or exist in the same market. It can even happen that a number of products have similarities between them, which increase the need of the consumers for their perception to be different for the same products from different manufacturers in the market.

Accordingly, the brand represents a name, insignia, symbol or design, in fact a combination of the listed features

in order for a certain product or service of a seller or a group of sellers to be identified so the same can be different from the competition in the market.[1]

What makes one brand different from the others is the summary of different features and emotional elements. In fact, the most frequent elements of one brand are:

- Name
- Design
- Color
- Technical attributes of the product, service
- The selling price of the brand
- The way and the place in which the sale, the promotion is conducted
- The way the brand is advertised
- The opinion of the buyer
- The shortages and advantages in relation to the competition
- The development of the market,
- Profitability

The value of the brand can represent the biggest value of a company, and therefore in the companies of the developed world, but also the ones in the Republic of Macedonia. The value of the brand is expressed and calculated according to the value of the basic assets.[2] The value of the brand often belongs to the area of intellectual wealth or as it is known in the English language, as “know-how”.

It is important to highlight the fact that the brand is not only referred to the marking and distinction of a product or a service, but it also refers to the manufacturers as well, and it also highlights the company which stands behind the product itself which is selling in the market.[3]

Therefore, we can say that the brand also makes the differentiation between the companies, while focusing on making a difference in consumers mind.

Regardless whether the product makes a function or satisfies the needs and certain desires of consumers themselves, the brand also gives a certain level of value to the product, apart from the functionalities and dedications that it has. Functional gains of an industrial brand are easy to identify every single time.

Through these functional benefits the brand helps in getting to know and identify the product which is promoted in the market between the competition and consumers. Nevertheless, the brand is also connected widely with the reference point, premeditation that people have when they think about a certain product.

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[1]Balmer, J.(2001) “Corporate identity, corporate branding and corporate marketing - Seeing through the fog”, page 11-19.
[2]Balmer, J. and Gray, E,(2003) “Corporate brands: what are they? What of them?”, page. 43-49.
[3] David A.Aker (1991), Managing Brand Equity, page. 32-38.

Therefore, the brand usually reminds us, or actually is related to the logo, the colors and the typical banner of the brand.

"Nothing has ever been more important for companies than to stand behind something that is unique, relevant and different in consumers mind, employers and competition"[4]..

Based on the abovementioned famous quote from Evans, with certainty can be confirmed that the brand in fact keeps the corporal identity of a company. The brand is equal with the promise from which it should be answered to the expectations of the consumers and users of the product or the branded service.[5]

Precisely for that matter, the brands should always be ethically correct, to mach the clients' profiles, to be authentic and in the same time well known. The issue is not about advertising, which represents only the visible part from the entire process of branding, and usually happens under the surfaces of the visible part, as a result of the corporal culture of a company.

It is also very important to notice that the brand always has to be directed toward a qualitatively defined market.

The branding often uses symbolism; the accent of branding can change with time, where the majority of the products in short period become able and accommodated to the economic cycle of the market in which they are sold or promoted.

THEORETICAL APPROACH AND THE ASPECTS

From the theoretical point of view, the brand can be defined in various ways. By using the domestic and foreign literature as a relevant source of information, a large number of definitions can be found about the brand. The most common and used definition on brand belongs to the well known David A. Aker, a definition which is also accepted by the American Association of Marketing.

The brand is a name, term, design, a symbol or some other remaining feature which identifies the product or the service of a seller and it separates it from the other sellers."[6]

While noting the vast number of definitions and theoretical frames to the definition of the brand, they all have one thing in common – and this is the fact that the brand is a unique insignia, marking, creative differentiation of a product or a service, by increasing the profit not only to the organization itself but to the consumers as well. However, within the definitions, the same can be expanded also with the second theoretical frame in which it is mainly emphasized the consumers relation toward the service or the product which is sold.

According to this, the brand in the 21 century represents something more than just a name, term, insignia, symbol or any of the given features. The brand also represents and builds the bond between the consumer and the product or the service which is sold.

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[4] R.H. Evans (2010) quotes.
[5]Beverland, M. and Napoli, J, "Branding the business marketing offer: exploring brand attributes in business markets", page 23-51.
[6] More widely look David A.Aker (year 1991), "Marketing Brand Equity".

Figure 1: Brand Relation[7]

This relation is not only important for the companies themselves. It also applies to the consumers where it has an extraordinary meaning. This relation represents what the consumer is in fact, as well as what the consumer believes. In this way the brand helps the consumers to take their place in the social environment.

Therefore, the majority of the professionals from the respective field define the brand as a remarkable complex symbol which can have up to six dimensions of meaning.[8] Once more, this proves the complex relation that the brand and the consumer build, on which several factors influence:

- **Attributes:** *which means the price, the good mastery, sustainability and the appearance of the product itself;*
- **Benefit:** *the brand is not only a combination of attributes; consumers don't buy only attributes but also benefits, therefore every attribute can be understood as a unique functional and emotional benefit that belongs to the consumer himself ;*
- **Value:** *the brand always talks about the manufacturer's value. According to this, the well known products often are featured with qualitative mastery, safety, prestige etc., however, the marketing must find the target group of consumers in order to achieve the determination of the tampered values and to draw more and more consumers;*
- **Cultur:** *the brand can also represent a particular culture. With the help of the product can be highlighted the features of a certain culture, moral, norms of a certain organization, respectively the manufacturer;*
- **Personality:** *the brand can project a special and certain personality, well known car, respectively brand, Mercedes, where the consumer can be personalized into a chief, leader, a man with discipline and self-confidence etc;*
- **Beneficiaries:** *the brand in a certain way also determines the consumers with personification of the product, usually the consumers have common attributes with a certain brand;*

In the modern theory about the brand, while defining it, an additional value is also placed on the spotlight which corresponds mostly to the consumers' needs:

A successful brand is a product, service, person or a place, which can be identified, and that those attributes are so increased in a way that the buyer or users of the services receive an additional relevant value, a unique one which satisfies their needs at most. Therefore, success of the brand results in the opportunities that this added value keeps the

[7]Schultz Don E., Barnes Beth E., (1999) Strategic brand communication campaigns, page 23-31.
[8]Kotler P (1997)., Marketing leadership – analysis, planning, application and control, page 19-21.

relation with the competition as well. "[9]

In the foreground of defining the brand are put all the associations that the consumer have toward a particular company, while highlighting that the brand is all that the consumers imagine when they hear the name of a certain product or particular company. All of this represents a way of entrepreneurship, quality control, a report toward the buyers, the environment, services for the consumers and any news which is transmitted through the media.[10]

Therefore, by using the theoretical frames to define and explain the brand, the following points can be concluded with certainty:

- *The brand represents a collection of elements that people are associated with*
- *The brand identifies and separates different subjects*
- *The brand creates an unique and complicated relation with the consumers*

THE CONCEPT OF IDENTITY OF THE BRAND

The concept of identity of the brand in fact consists of a single range of associations of the brand that represent that what the brand presents and what it promises to the consumers in the same time. The elements of the brand are visible, while sometimes there are even physical assets which serve to identify and separate the brand itself.

Their selection and adequate coordination are of a great importance when we talk about the value of the brand. The elements of the brand must be sufficiently flexible in order to be able to adapt to the needs of using the brand, but in the same time have to be unique in sufficient extent so they impede the misuse by the competition.[11]

THE FACTORS FOR SUCCESS IN BRANDING

Usually, the success of a branded product or service which is sold on the market is not dependable on what the company or the marketing team thinks about a particular product, but it depends on what the consumer or the beneficiaries think about it. Also, one of the most important factors that affect the successful branding is the positioning of the product or the service, respectively the branding, in the consciousness of the consumers target group in relation with the other products or services in the market.[12]

However, for a company is not sufficient to have a better or more qualitative product, with a better price, better distributive network and higher promotion, but it is also of a great importance what consumers know and think for the product which is promoted on the market.

Accordingly, it is very important that the basic strategy of marketing to be based on which position in the market has their product in relation with the direct competition in the eyes of their consumers as a target group, respectively their ideal buyers or users of the services.

In today's modern economy, the consumer and his perception about the product and the service have a bigger

[9] Chernatony, L., McDonald, M., "Creating Powerful Brands in Consumer, Service and Industrial Markets", Elsevier, Butterworth Heinemann, 2003
[10]David F. D ´Alessandro, Brand warfare, McGraw Hill, year 2001.
[11]Kotler P. Fech A.(2007), Brand Management, page 32-35.
[12]Hatch, M J. and Schultz, M. (2001), "Are the Strategic Stars Aligned for Your Corporate Brand?" page.72-78.

influence over the success or the fall of the sale of a certain product. Moreover, one of the most important classical theories of the marketing aka 4P (4P – product, price, place and promotion) also has an influence over the success of sale. But today, the position in the consciousness of the consumer is a much bigger factor of decision making of the sale success, and with it the branding of the certain product or a service.

However, it is not important to always be the first and the best in the market. The good positioning in the market in which the product is sold also is very important about the branding of the product that can achieve success. Therefore, in the new economy, a good position in the market with prior qualitative segmentation is very important in the process of branding of the product.

THE REASONS OF FORMING THE BRAND

The definition of the brand is usually presented from consumers point of view which indicates that the purpose of the forming of the brand before all is the increase of the business performance of a certain company or organization through increase of the good-will principle, which can be defined as if the brands can be easily recognized in the consumer's consciousness and naturally, if they create a much higher level of bonding with them.[13]

From the aspect itself, a successful management with the brand implies focus, primarily of the consumers as well as creation of consumers' values, while all the other rewards for the owners of the capital represent a consequence of the created values in continuity over a longer period of time.

However, if we look at it from the company's or organization's point of view, there are more reasons to build a successful brand which has a great significance, because:

- *It facilitates the forming of stable and long term relations with the consumers, based on which it creates long term demand;*
- *It facilitates differentiation and recognition in relation to the offers of the competition;*
- *It protects from an aggressive competition and represents a barrier at the entrance in the market to those that are not able to compete with powerful brands;*
- *Rises the company's activity and affirm it as a recognizable player in the market in relation to the other business partners;*
- *Reinforces the negotiating power of the company, especially the negotiations with the suppliers;*
- *Decreases the influence from the marketing crisis and it makes the competitions action more relative;*
- *Reaction of the consumers toward the increase of the prices is very inflexible, while is much more flexible on the reduction of the prices;*
- *There are additional possibilities for the expanding the brand*;[14]

The positioning of the brand is a key process for creation of a successful brand management. The brand has to be directed toward real consumers in a qualitative manner. Accordingly, the positioning is seen as a process of creation of the

[13]Blomback, A and Axelsson, B."The role of corporate brand image in the selection of new subcontractors", page.23-52.
[14] Smith, I. 1994; Lovreta S. 2004;Kotler, P., Keller, K. L., 2006, page. 277.

company's offer and the respective image, photo, which will take the appropriate and preferred place in the thoughts of the consumers from the targeted segment.

In order so the same can be presented in a real way, it is a necessity to be familiar with the attributes with which the consumers value the product, respectively the brands from the competition and to select the position for the respective brand.

Because the different segments value the brands in different ways, it is important to know and select the targeted segments, with which it will primarily be directed and adapted the offer of the company itself.[15]

CONCLUSIONS

The brand today has become one of the elementary and substantial experiences, and one of the most used concepts between the companies, especially between the organizations which are mostly focused in fulfillment of the requirements and desires not only to their clients but also to the employees. Accordingly, is not surprising that the majority of the companies invest a lot of effort and time in order to find a way where they can transfer the experience from the brand to the consumers so it remains truthful and loyal to the given promise, But to remain truthful and loyal to the promise through a number of campaigns of marketing oriented toward the clients is not an easy task.

Very often, a large number of companies in the world mainly have a good management team which brings qualitative strategy of the brand, but a complete implementation of the strategy up until the moment of full accomplishment of it, often ends with a lack of success, where the transfer of experience of modern brand to the consumer remains depleted or uncompleted. Therefore, with certainty can be verified that a large number of companies and organizations around the world face big obstacles when they need placing and realization of the remarkable brand strategy which is preliminary decided.

Precisely the internal branding within the functionality of the company completes and fulfills this emptiness which exists between the brand strategy and its realization.

It is very interesting to point out the fact that a large number of companies, especially within the organizations and corporations in Republic of Macedonia, are yet to clearly understand the exact definition, the meaning and explaining of the term internal branding. But, the moment when the same companies or organizations are asked which are the activities that enable the qualitative and authentic realization and implementation of the brand strategy, they would in fact count all the items and activities which actually extract the completion for evocation and realization of the corporative values and expansion of the corporative brand strategy. All of this with the single purpose, to strengthen the internal brand demands by achieving the possibilities and external sources in disposal to their successful realization, activities, processes and communication which will be devoted only to the purpose of motivation of the employees for the transfer of the valued image of the brand, as well as to create and demonstrate the consistent brand experience from all possible points of view of the functionality of the product or the service which is promoted on the market and between the consumers.

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