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BRAND MANAGEMENT

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This textbook has been prepared in strict accordance with the federal state educational standard and is a systematized theoretical and methodological material on the discipline «Brand Management», focused on the international business environment. It includes step-by-step instructions for developing branding strategies in international markets, reveals key aspects of brand positioning in the context of business globalization. Each chapter is accompanied by questions for in-depth study of the topic, practical case assignments. A final test for self-assessment of acquired knowledge is given at the end.

The textbook is designed specifically for master's students of the Management program.

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INTRODUCTION

Interest in pursuing a career in brand management surfaced only comparatively recently, evolving concurrently with the emergence of branding itself within our nation. At the dawn of the twenty-first century, amidst the dynamic growth of domestic brands, it became recognized as one of the key communication tools enabling us to outperform competitors. Following widespread rebranding efforts nationwide, interest intensified further, drawing students into specialized programs.

Subsequent expansion of Russian brands, coupled with mounting competition from international counterparts, shifting consumer preferences influenced by global players — all contributed to solidifying the indispensable role of brand management professionals across various organizations. Today, rapid ascendance of Chinese brands, cyclical changes in market dynamics, fluctuating customer tastes, and other variables continue shaping fresh challenges for brand managers, compelling them to innovate, adapt, revitalize, and transform continually.

Thus, each wave of progress in branding necessitates continuous updating of knowledge, skill enhancement, and ongoing refinement for practitioners in this domain.

This textbook aims to acquaint economics students with a distinctive instrument capable of augmenting a company's market worth. The notion of a brand not merely mirrors but embodies prosperous entrepreneurship. The need to establish, nurture, and manage brands stands prominently high on corporate agendas across diverse sectors. It's crucial to demonstrate just how deeply integrated brands and brand management have become in contemporary society, unlocking novel prospects for enterprises globally.

As national boundaries expand, entrepreneurial aspirations propel brand management onto the international arena, paralleled by advancements in academic scholarship. Building upon historical foundations laid by Procter & Gamble's pioneering approach, today's

globalized brands significantly contribute to expanding theoretical frameworks.

In this edition, we've concentrated on scrutinizing exemplary cases and experiences shared by both international firms and notably those homegrown Russian entities excelling internationally through effective brand management strategies. Additionally, timely chapters addressing critical areas like digitization and its impact on brand management, alongside insights into Asian brands' trajectory in global commerce, have been included.

CHAPTER 1

FUNDAMENTALS OF BRAND MANAGEMENT IN AN INTERNATIONAL CONTEXT

A brand that captures your mind gains behavior.
A brand that captures your heart gains commitment.

Scott Talgo, Brand Strategist

1.1. The role of the brand in international business

The dawn of the twenty-first century marks a period where numerous enterprises have adapted to conducting operations both domestically and internationally. As globalization intensifies, the scope of international commerce continues to expand significantly across diverse regions worldwide.

Globalization permeates every aspect of our lives, exerting profound influence over societies globally. Both small businesses and multinational corporations must strategize within complex local and global market environments while simultaneously developing robust strategies for effective business administration. Additionally, they face challenges associated with promoting products across varied cultural landscapes and maintaining competitiveness amid increasing competition.

As international trade escalated dramatically during the latter part of the twentieth century, major firms found it essential to adopt new methodologies and instruments capable of analyzing consumer behavior patterns specific to distinct markets abroad. These efforts gave rise to what we now recognize as international marketing — a discipline dedicated specifically towards understanding these dynamics better.

Brand management evolved naturally following advances made through international marketing practices since brands became critical components defining corporate identity globally. Today's academic literature offers multiple interpretations regarding brand definitions, each emphasizing unique aspects related either directly or indirectly back to core principles underlying successful branding initiatives.

Table 1 presents select perspectives drawn from leading authorities within the field alongside comparative analyses highlighting notable distinctions between traditional notions concerning branding versus contemporary approaches adopted today.

Table 1

Main approaches to defining the concept of brand

Author	Brand's Characteristic
Ph. Kotler	Brand — a name, term, symbol, or design (or a combination of all these concepts) that denotes a certain type of product or service from a particular manufacturer or group of manufacturers and distinguishes it from services or products from other manufacturers
R. Koch	Brand is the characteristic features or and / or name given to a product or service in order to distinguish it from competitors' products or services. It is a kind of guarantee that a product or service has a high and constant quality
M. Neumeayer	Brand is a person's intuitive feeling that arises in relation to any product, service or company as a whole
J. Jacobi, R. Chesnuta	A brand is a compelling promise of quality of service and value over a long period of time, which is confirmed by product testing, repeat purchases, and user satisfaction
L. Cernatoni	Brand — an identifiable product, service, person or place created in such a way that the consumer or buyer perceives a unique added value that meets their needs in the best possible way
D. Ogilvy	Brand — the intangible sum of product properties: its name, packaging and price, its history, reputation and advertising method. A brand is also a combination of the impression it makes on the consumer
S. M. Davis	A brand is an immaterial, but at the same time extremely important component of the «property» of a company, what it represents
G. L. Bagiyev	A brand is a means of forming and strengthening long — term relationships of the brand owner with consumers and business partners

The end of the Table 1

Author	Brand's Characteristic
E. P. Golubkov	A brand is the whole set of ideas, images, associations about a particular product that consumers have formed and that tells them «Yes, this is exactly what I need to buy». This is a prestigious, well-known brand
E. A. Tsivin	Brand is the most important value characteristic formed in the mentality of consumers and other members of society, reflecting the uniqueness of the properties and qualities of branded goods and orienting the target audience to long-term interaction with branded goods

Note. Compiled by: *Vachugov D. D., Kislyakova N. A.* Management: practical exercises and business games: A tutorial. Moscow: Elit-2000, 2000. 265 p. (In Russ.); *Kapustina L. M., Reshetilo T. L.* Marketing technologies of branding: Monograph. Ekaterinburg: USUE, 2009. 103 p. (In Russ.); *Kotler Ph., Keller K. L.* Marketing Management. 15th ed. Pearson, 2016. 692 p.; *Kotler Ph., Berger R., Bickhoff N.* The Quintessence of Strategic Management: What You Really Need to Know to Survive in Business. Springer Berlin Heidelberg, 2016. 113 p.; *Pantukova R. V., Olomskaya N. N.* On the issue of definitional analysis of the concept of «brand» // Scientific Bulletin of the Kuban State University. Media Communication. 2016. No. 2 (3). Pp. 43–46. (In Russ.).

The study of the origin of the term «brand» reveals its roots in the Old Norse word «brandr», which translates as «to burn». Initially, this concept was used with reference to the process of branding cattle, later acquiring the meaning of a means for differentiation and attribution of authorship in production activities. The modern scientific community offers various interpretations of brand depending on the specifics of target audiences:

1. Identification tool: A brand is a unique identification mark of an enterprise's products among similar competitive offerings. Successful brands create substantial competitive positions for their goods.

2. Cognitive perception structure: From a consumer perspective, a brand forms a complex set of perceptions arising from experience interacting with a product or service. This structure includes elements such as emotional engagement, social approval, and practical usage experience.

3. Source of added value: In addition to basic functional properties, a brand adds advantages that meet customers' needs and desires.

From a marketing standpoint, a brand represents a collection of characteristics, associative links, and visual images providing the

product with a unique market position¹. Brand creation begins with developing a name serving as the foundation for further brand promotion efforts.

Legally, a trademark is understood as an official symbol protected by law owned by a particular rights holder. It serves as a tool for protecting exclusive ownership rights.

Brand capitalization encompasses intangible assets exceeding physical product attributes. They enhance buyer interest and stimulate repeat purchases². Therefore, strengthening brand positioning implies creating trusting relationships with loyal clientele.

An established brand opens strategic opportunities for businesses, ensuring leadership within industry segments and influencing consumer preferences. Meanwhile, low brand recognition negatively affects key business indicators (such as sales volumes and profitability), threatening the company's overall market standing. Underestimating the importance of brand reinforcement can lead to reduced corporate reputation up to irreparable losses and withdrawal from the market.

Thus, maintaining high levels of brand significance should be a priority task for management. As for the concept of «brand awareness», Table 2 illustrates differences between approaches taken by foreign and Russian researchers.

The brand should only be remembered with positive emotions, not negative ones. The level of awareness can be determined from marketing research. On the other hand, recognition and awareness cannot be fully identified.

In foreign literature there is a term «Brand awareness». It consists of two concepts that differ in meaning: brand recognition and ease of memorization. Hence, the second perspective on conceptualizing this phenomenon interprets recognition as the capacity of consumers to recall a brand amidst competitors within a distinct product category³.

¹ *Marketing management: Textbook and workshop* / I. V. Lipsits, O. K. Oyner, S. P. Kazakov et al.; ed. by I. V. Lipsits, O. K. Oyner. Moscow: Yurait, 2019. 379 p. (In Russ.)

² *Gerasimenko V. V., Ochkovskaya M. S. Brand management: A tutorial*. Moscow: Lomonosov Moscow State University (Faculty of Economics), 2016. 99 p. (In Russ.)

³ *Yanenko M. B., Bikezina T. V. Peculiarities of brand identity // Science Prospects*. 2016. No. 12 (87). Pp. 92–94. (In Russ.)

Approaches to the concept of «brand awareness»

Author	The concept
Ph. Kotler	Brand awareness increases its value, as it increases the satisfaction from using the product
D. Aaker	Brand awareness affects perceptions, preferences, and even behavior
J. Beach, S. Chadwick	Brand awareness is the consumer's ability to recall a brand when referring to therelevant «competitive landscape»
A. A. Utanik	Recognition is an indicator of business success and efficiency
V.N. Domnin	Recognizability is one of the qualities of brand identity that influences brand identification, differentiation, and consumer behavior.
E. V. Zapotylok	Brand recognition is its popularization due to the masscoverage of the target audience

Note. Compiled by: *Kapustina L. M., Zhadko E. A.* Brand management based on the assessment of the perception of the university's position by consumers // *Upravlenets – The Manager*. 2019. Vol. 10, no. 4. Pp. 98–109 (In Russ.); *Kotler Ph., Keller K. L.* *Marketing Management*. 15th ed. Pearson, 2016. 692 p.; *Magomedova G. M.* The research methods of brand image // *Economics and Business: Theory and Practice*. 2016. No. 4. Pp. 109–112 (In Russ.); *Utanik A. A.* How to increase brand awareness online. Litres, 2018. URL: https://www.litres.ru/book/andrey-utanik/kak-povysit-uznavaemost-brenda-v-seti-39294576/?lfrom_processed=159114052 (In Russ.); *Yanenko M. B., Bikezina T. V.* Peculiarities of brand identity // *Science Prospects*. 2016. No. 12 (87). Pp. 92–94. (In Russ.)

In accordance with the third grouping of definitions provided by Russian scholars, recognition pertains specifically to the swiftness and ease with which a consumer identifies a product based on visual cues such as imagery and design features. Recognition assumes critical importance during spontaneous purchasing decisions made by the target audience directly within a store environment, particularly when confronted with alternative choices. Maintaining competitive advantage and ensuring sustained growth hinge significantly upon effective recognition mechanisms.

This viewpoint essentially mirrors the broader comprehension of what constitutes a brand, reflecting its core nature. The distinguishing attributes of a brand serve as essential identifiers separating it from competing entities within the marketplace. Consumers' capability to discern a given brand via these unique attributes stems either from direct usage experiences or secondary exposure through external

communication channels. An alternate formulation posits that brand awareness arises from widespread dissemination targeting the intended demographic segment.

The English expression «branding» admits diverse interpretations in Russian linguistic contexts. Let us commence with the designation «brand management», often considered interchangeable with «branding». These terminologies convey analogous meanings, representing divergent renditions resulting from their translation into Russian. Initially, branding denotes a systematic endeavor aimed at establishing robust associations linking a product/service, its brand identity, and attendant advantages aligned with strategic positioning objectives. Another deeper construct — «brand management» — encompasses proactive governance directed toward enhancing brand equity through deliberate actions. Additionally, brand management may entail responsibility for cultivating distinctive brand qualities, modifying them for optimal efficacy, ensuring consistency against transient gains, and formulating contingency measures in response to crises.

What merits emphasis here is less the precise linguistic correspondence between «brand management» and its Russian equivalent than adaptability of underlying principles tailored to Russia's economic landscape and marketing practices. Central to branding efforts lies securing a definitive mental presence among consumers while embedding desirable traits within the brand persona.

For companies unable to attain leadership positions due to resource constraints or late entry into established markets, prudent strategies suggest avoiding overt challenges against dominant incumbents. Instead, gaining prominence might involve assuming leadership roles in adjacent fields before penetrating the primary market. Alternatively, introducing pioneering innovations capable of disrupting extant paradigms represents another viable path towards ascension.

Companies enjoying substantial market share could enhance profitability further by organizing promotional campaigns or leveraging distribution networks. Such initiatives contribute to broadening reach across untapped geographies or diversifying sales channels.

Moreover, there are four Key Brand Management Strategies.

Effective brand management ensures consistent messaging, differentiation, and sustainable growth. Here are four common strategies utilized by organizations.

1. *Brand Extension*. This strategy expands a well-known brand into new product categories. By associating the existing brand with trustworthiness and reliability, companies leverage consumer loyalty to launch complementary items. For instance, Coca-Cola extended its soda brand into energy drinks, bottled water, and even alcoholic beverages. However, mismanaged extensions can damage brand integrity, as seen with Samsung's failed venture into appliances unrelated to electronics.

2. *Sub-Brand Creation*. Creating sub-brands allows businesses to tailor products for specialized audiences without compromising overall brand perception. Sub-brands typically inherit the credibility of the parent brand while addressing niche markets. Example: BMW created Mini Cooper, which appeals to younger buyers seeking compact cars with high performance. Sub-branding helps protect the original brand image while testing new markets.

3. *Multi-Brand Portfolio*. Operating multiple independent brands enables diversification and reduced dependence on singular success stories. Companies adopt multi-brand portfolios to capture different demographics and needs. Procter & Gamble exemplifies this approach with diverse brands like Tide detergent, Gillette razors, and Olay skincare. Managing disparate brands requires careful coordination but provides greater resilience in volatile markets.

4. *Co-Branding Partnerships*. Collaborations between non-competing brands generate synergistic effects by combining strengths. Co-branding enhances perceived value, widens market reach, and reduces risks compared to solo endeavors. For example, Starbucks partnered with Spotify to offer exclusive playlists in cafes, blending music streaming services with coffee consumption experiences. Such partnerships provide mutual benefits for both partners involved.

Each strategy offers unique opportunities and challenges. Successful implementation depends on thorough research, alignment with corporate goals, and adaptive responses to evolving consumer behaviors.

Information for reflection

Brand management in the fashion segment. Did you know that the brands ZARA, MassimoDutti, Pull & Bear, Stradivarius, Bershka, Oysho belong to one person?

In 2008, the book «The ZARA Phenomenon» was published, the layout of the book cover is shown in Figure 1.



Figure 1. Cover of the book
«Zara Phenomenon»

Founded in 1975 by Amancio Ortega, Zara has emerged as a global fashion powerhouse known for its rapid response to trends. Its parent company Inditex owns multiple brands including Massimo Dutti, Pull & Bear, Stradivarius, Oysho, Uterqüe, and Bershka, forming a dynamic fashion ecosystem.

Key Insights:

— **Fast-Fashion Model:** Zara updates stores twice weekly, delivering trendy clothing faster than traditional retailers;

— **Vertical Integration:** Controlled supply chain minimizes costs and maximizes efficiency;

— **Minimal Inventory Risk:** Low stock levels reduce markdowns and waste;

— **Localized Strategy:** Each region receives customized collections catering to local preferences.

Interesting Facts:

— Zara operates over 2,000 stores worldwide;

— Over 80 % of its collection changes every season;

— Stores receive deliveries daily, keeping shelves constantly refreshed;

— Zara does not invest heavily in advertising, relying instead on word-of-mouth and social media buzz.

These insights highlight Zara's unparalleled agility and innovation in shaping modern fast-fashion culture.

The company's founder is Amancio Ortega, a Spanish billionaire who is on the Forbes list and owns 6,750 stores in 88 countries. The book «The ZARA Phenomenon» describes the work of Inditex. Inditex includes 8 of the most popular brands of clothing and household goods. The flagship brand is Zara — it brings about 70 % of total revenue.

Questions for discussion

1. How can brand awareness be evaluated? Provide methods used to measure brand recognition.
2. Select actual brands from recent data sources that align with the definitions outlined in Table 1. Illustrate with contemporary examples. Explain your reasoning behind each choice.
3. Distinguish between 'brand' and 'trademark'. Clarify the differences between these two key marketing terms.
4. Define 'brand awareness'. Outline the significance and components of brand awareness.
5. Identify the pioneer company. Which firm introduced the role of brand manager first? Why was this initiative successful? Consider any environmental factors contributing to its success.

Tasks

1. Choose three definitions from Table 1 and elaborate on them to create a comprehensive definition of a brand. What additional details would strengthen this explanation? Prepare a preliminary set of questions designed to gauge brand awareness.
2. Reflect on what aspects relate to brand attributes. List three plausible responses.
3. Record the variety of connections consumers establish when referring to the Volvo brand.
4. Identify the metric that quantifies the extent of brand visibility in the marketplace. State its corresponding English terminology.
5. Envision yourself working as a brand manager. From available metrics, select those suitable for evaluating your job performance. Specify two feasible choices.

1.2. Brand management in a global context

Historical Milestones in International Brand Development.

Early Beginnings (Pre-industrial Era). Before the Industrial Revolution, brands existed primarily as simple marks or logos indicating ownership or origin. Local merchants and manufacturers relied on guild seals and town markings to distinguish their wares. During this

era, brands held little formal structure or legal protection, functioning more as rudimentary identifiers.

Industrial Revolution (Late 18th Century). With the advent of large-scale mechanized production, brands began emerging as a tool for building consumer trust. Companies started focusing on differentiating their products from competitors through brand-building efforts. The patenting of Singer sewing machines and Cadbury chocolates marked early successes in brand recognition.

Mass Production and Advertising (Late 19th–Early 20th Centuries). Following the Civil War in America and subsequent European wars, massive factories facilitated economies of scale. Firms began investing heavily in advertisements, leveraging print media to spread brand messages nationwide. Ford Motor Company's assembly-line innovation cemented the concept of efficient production and brand reputation.

Post-War Economic Boom (Mid-20th Century). After WWII, Europe and Japan rebuilt their economies, giving rise to iconic brands like Mercedes-Benz, Sony, and Volkswagen. Multinational corporations capitalized on rising disposable incomes and growing middle-class aspirations. Television revolutionized advertising, elevating brands like Coca-Cola and Nike to global icons.

Digital Age and Globalization (Late 20th–Early 21st Centuries). Technological advancements like the internet and mobile phones redefined brand management. Online shopping platforms and social media propelled brands into virtual spaces, transforming consumer behavior patterns. Companies embraced omnichannel strategies, striving to harmonize online and offline brand experiences.

Sustainability and Ethical Practices (Present Day). Modern consumers prioritize eco-friendly and socially conscious brands. Corporations now integrate sustainability into their core values, adopting green initiatives to build trust and loyalty. Transparency and accountability have become cornerstones of successful international branding strategies.

Interesting Facts:

— Nike's Evolution: Originally named Blue Ribbon Sports, Nike rebranded in 1971, inspired by Greek mythology. Its swoosh logo, designed by Carolyn Davidson for merely \$35, later became one of the most recognizable symbols globally;

— Coca-Cola's Global Reach: Initially launched in Atlanta in 1886, Coca-Cola achieved international fame by aggressively expanding into global markets post-WWI. Today, it's consumed in over 200 countries, symbolizing American soft drink culture;

— Gucci's Rebirth: Guccio Gucci founded his leather goods shop in Florence in 1921. Decades later, Tom Ford revitalized the brand in the 1990s, catapulting it back into fashion relevance with bold designs and celebrity collaborations;

— IKEA's Cultural Impact: Established in Sweden in 1943, IKEA gained international renown for flat-pack furniture and user-friendly instructions. Its Scandinavian minimalist style influenced home décor globally, attracting millions annually to its signature blue-and-yellow warehouses;

— Apple's Innovation Legacy: Apple Inc., founded in Steve Jobs' garage in 1976, revolutionized personal computing and later smartphones. Its sleek design ethos and attention to detail earned loyal followers worldwide, epitomizing cutting-edge technology and simplicity.

These milestones illustrate how brands evolve dynamically, shaped by historical events, technological breakthroughs, and cultural transformations. Understanding these developments equips students with insights into international business strategies and the complexities of global branding.

Globalization has profoundly transformed international relations across economic, industrial, and cultural domains, laying the foundation for international business. International business refers to interactions between organizations situated in different nations for the purpose of trading goods or services. Engaging in international commerce enables companies to extend their operational scope, boost revenues by tapping foreign markets, and reinforce their domestic market presence. However, sustained success necessitates an understanding of international business nuances and consideration of influential macro-level factors, such as geography, politics, economics, sociocultural influences, international trade regulations, and technological advancements.

As brand management evolved, the multifaceted nature of brands became evident. On one side, brands empowered companies to connect effectively with consumers. Conversely, the complexity inherent in managing brands within an international framework posed challenges.

Initially, brands exerted considerable influence on the economic realm, serving as identifiable markers assuring a specified quality threshold. Gradual maturation elevated brands into intangible assets crucial for augmenting brand equity.

Simultaneously, brands assumed pivotal roles in socio-political dimensions. They facilitate communal bonds among consumers, stimulating shared dialogue and experiences. Moreover, brands inspire organizational progress for societal welfare, encapsulated in their missions. Values propagated by brands shape lifestyles and hierarchies, thereby performing integrative, communicative, and regulative functions. Furthermore, brands assume a cohesive role in globalized societies, acting as universal symbols comprehensible worldwide.

From a spiritual standpoint, brands exhibit pedagogical utility, educating users beyond mere product usage. Beyond practical applications, brands fulfill therapeutic, recreational, and aesthetic purposes, becoming vehicles for cultural identification and personal expression. They drive continuous innovation, prompting firms to refine products and devise unique propositions, thus embodying creativity¹. Value-laden and norm-defining attributes characterize modern brands, underscoring their moral and ethical dimensions.

Global brand management orchestrates a brand's operations across diverse geographic zones to bolster its strength and recognition. Planning how a brand desires to be perceived globally and positioning it appropriately in each locale defines this strategy. Through integrated marketing tactics, brand managers convert abstract visions into concrete steps impacting consumer touchpoints — price, product, place, and promotion².

While local brand management prioritizes consumer recognition and retention, global contexts demand scalability. Recognizability and memorability require adjustments to accommodate varying cultural, national, economic, and social settings. Since the 1980s, globalization enabled brands to traverse borders, allowing multinational corporations to amass global clout. Reduced transportation expenses and advanced communication tools (notably internet penetration) accelerated international integration, enlarging brand horizons.

¹ *Aaker D. A., Joachimsthaler E.* Brand leadership. New York: Free Press, 2000. 351 p.

² *Aaker D. A.* Building strong brands. New York: Free Press, 2011. 400 p.

Though globalization influenced localized cultures, uniformity was neither complete nor desirable¹. Authenticity retained significance, compelling brands to adapt intelligently when penetrating regional markets. Simply exporting products proved insufficient; enhancing brand awareness and articulating value propositions became imperative.

Therefore, global branding entails identifying elements requiring preservation globally versus localization-specific adaptations.

Questions for discussion

1. Define global branding.
2. Trace the developmental phases of international enterprise.
3. Highlight preconditions for global branding's emergence.
4. Why does authenticity matter for brands?
5. Importance of sustaining local culture for global brands.
6. Advantages derived from overseas expansion.

Tasks

1. Pick a global entity promoting its brand worldwide; compile 10 intriguing facts concerning its evolutionary journey.
2. Deliver a biographical report on a founder of a renowned international brand accompanied by a PowerPoint presentation (7–10 slides).
3. Analyze how a chosen brand's financial outcomes fluctuated chronologically using global rankings and annual company reports.
4. Review a global brand's annual report and submit an analytical summary.

1.3. Advantages and benefits of the global branding strategy

Adopting a global brand development strategy offers numerous benefits such as increased market reach, economies of scale, enhanced brand recognition, risk diversification, and access to resources. How-

¹ *Latypova E. R., Kichigin I. A., Shugaepov I. R. et al. Intercultural communication as an integral part of culture // International research journal. 2022. No. 3-3 (117). Pp. 45–47. (In Russ.)*

ever, it also presents several drawbacks including cultural barriers, regulatory challenges, logistical complexities, currency fluctuations, and intellectual property risks. Companies must weigh these factors carefully before deciding whether to pursue globalization.

Below is an overview of some top-ranked global brands according to reputable sources like Interbrand's Best Global Brands report. These rankings reflect not only brand value but also consumer perception, innovation, and overall corporate strength (Table 3).

Table 3

Best Global Brands — 2024 (Top-10)

Rank	Brand	Industry
1	Apple	Technology
2	Microsoft	Software & Hardware
3	Amazon	E-commerce & Cloud
4	Google	Internet Services
5	Samsung	Electronics
6	Toyota	Automotive
7	Coca-Cola	Beverages
8	Mercedes	Automotive
9	McDonald's	Fast Food
10	BMW	Automotive

Source: Adapted from Interbrand's annual Best Global Brands ranking reports.

These rankings highlight the dominance of technology giants alongside established names in automotive, fast food, luxury goods, and social media sectors. They illustrate how consistent innovation, customer satisfaction, and strategic business practices contribute significantly towards achieving high brand valuation.

The formation of brand ratings is a complex multifactorial process influenced by numerous variables, each of which significantly affects the assessment of their economic value and consumer appeal. The key determinants of building brand capital can be systematized as follows.

1. *Brand Financial Stability:*

- Dynamics of company revenues and profitability indicators;
- Capitalization in securities markets and stock quotes;
- Intensity of investments into strategic development.

2. *Product Innovation and Technological Advancement:*

- Degree of uniqueness of manufactured products/services and implementation of innovative solutions;
- Rates of adaptation to advanced production and management technologies;
- Levels of end-user satisfaction regarding product quality.

3. *Prestige and Trust from Target Consumer Segments:*

- Loyalty index of customer groups and positive consumer feedback rating;
- Transparency of corporate structure and business processes;
- Formation of a positive perception of the brand image within target audiences.

4. *Scale of International Presence and Global Integration Level:*

- Territorial expansion of trademarks and coverage of global markets;
- Efficiency of export operations and market positions on an international level;
- Participation in leading international forums and exhibition events.

5. *Corporate Social Responsibility and Environmental Initiatives:*

- Implementation of socially significant activities and support for public initiatives;
- Development and introduction of environmentally-oriented manufacturing processes;
- Minimization of negative impact of industrial activity on planetary ecosystems.

These above-mentioned indicators allow for comprehensive diagnostics of brand strength and accurate positioning in relevant global competitiveness indices. Modern corporations actively work towards enhancing reputational potential through adoption of cutting-edge technological solutions, improving service levels, and establishing effective communications with consumers.

A global brand strategy opens up a wide range of opportunities for companies seeking to expand beyond national borders. Below are the advantages and disadvantages of implementing a global brand, complemented by noteworthy facts.

Advantages of Global Branding Strategy.

Market Penetration Increase. Entering international markets increases brand awareness, attracts larger audiences, and improves sales performance. Leading market players such as Amazon (\$298,1 billion valuation) and Google (\$291,3 billion) demonstrate how global recognition translates into significant market capitalization.

Brand Capital Growth. Brands recognized internationally enjoy greater respect and higher estimated market value. Table 8 illustrates how companies like Apple (\$488,9 billion) and Microsoft (\$352,5 billion) gain substantial added value due to their international presence.

Opening New Markets. Exploring new territories helps identify untapped niches. For example, Uber successfully penetrated countries with underdeveloped public transportation systems, quickly establishing itself as a leading player in taxi services worldwide.

Optimization of Investments. Scaling operations globally allows companies to run unified marketing campaigns simultaneously across different regions, reducing costs associated with fragmented efforts. Standardized product packaging and consolidated advertising budgets ensure more efficient investment utilization.

Strengthening Consumer Perception. Global brands are associated with authority and quality products, overshadowing local competitors. Adaptation to regional specificities combined with maintaining key elements of brand identity strengthens consumer trust.

Enhanced Negotiation Power. Increased reputation enables leading brands to secure favorable agreements with suppliers, distributors, and partners. Companies with strong brands possess unique «soft competencies» that facilitate advantageous deals.

Competitive Edge. Globally recognized brands gain competitive advantage over local players because of increased consumer awareness, which forms preferences towards well-known brands.

Interesting Fact: Coca-Cola is one of the most recognized brands globally, available in over 200 countries and territories.

Disadvantages of Global Branding Strategy.

Cultural Barriers. Misunderstanding local customs and traditions can lead to serious positioning errors. The case of Pepsi's slogan translation mistake — «Come alive with the Pepsi generation», misinterpreted in China as «Pepsi brings your ancestors back from the dead» — is widely known.

Regulatory Complexities. Different countries have varying requirements regarding intellectual property rights, taxation, and regulatory compliance. Ignoring these regulations risks heavy fines and legal disputes.

High Initial Costs. Entry into new markets requires significant investments in market research, product localization, logistics, and legal support. Smaller brands struggle to justify these expenses at early stages of international expansion.

Reputation Risks. Negative information arising in one region can instantly spread worldwide, irreversibly damaging brand reputation. For instance, BP's environmental disaster («Deepwater Horizon») negatively impacted its image globally despite being geographically limited.

Dependence on Specific Markets. Over-reliance on large regional markets makes businesses vulnerable to economic downturns. Geopolitical conflicts, currency fluctuations, or sudden tariff impositions may significantly reduce profitability.

Intense Competition. Foreign markets are saturated with strong rivals forcing newcomers to fight hard for market share. Poorly executed promotion strategies result in rapid exit from the market.

Logistical Challenges. Delivery delays, inefficient supply chains, and inconsistent quality control pose threats to timely delivery and customer satisfaction.

Embarking on a global branding journey presents attractive rewards but carries commensurate risks. Success hinges on thoughtful preparation, cultural sensitivity, and strategic execution. By navigating these complexities adeptly, companies can transform into globally revered brands, leaving lasting legacies.

What are the main obstacles to creating a global brand?

Global branding brings a number of benefits, but only for those who can overcome the obstacles associated with its implementation. This is not an easy process, and not every brand succeeds.

The main obstacles are.

1. *Local culture.* The first obstacle that a brand faces when trying to expand around the world is the local culture. Habits, expectations, requirements, and problems vary. In this new scenario, how can you earn the receptivity of the population? This is exactly the problem faced by major fast food chains in Vietnam. McDonald's and Burger

King restaurants are available in almost every country, but they failed to do well in Vietnam. Video from the link in the QR code (Figure 2).



Figure 2. Brands of fast food restaurants in Vietnam.

Management history, QR-video case on brands entering the Asian market¹

From the video stories, we can draw conclusions about the reasons that have become obstacles to the development of brands. And they are directly related to the local culture: first, Vietnamese people were already used to fast food services; second, brands could not compare with local options—much cheaper and with good service; third, brands did not adapt to the local culture of food sharing; fourth, conflicts. There was political resistance between the United States and Vietnam.

2. *Local legislation.* Local legislation is also one of the biggest challenges in new markets. Like the culture, internal rules also change depending on the country. Can your company arrive in a particular region and operate in the same way as in its own country? Airbnb is facing this hurdle in the German market. The global growth of the platform has been so significant that it has even changed the dynamics of local housing construction — in some places, this has triggered a process of gentrification.

The map below (Figure 3), shows the concentration of Airbnb-listed housing in central and affluent Berlin neighborhoods, forcing local residents to move to the outskirts.

¹ *Source.* Video case study of fast food brands entering the Asian market. — URL: <https://cnbc.com/video/2018/08/28/mcdonalds-burger-king-vietnam-fast-food.html> (accessed: 04.02.2025).

In response, Berlin eventually banned short-term rental housing through platforms such as Airbnb. Paris and Amsterdam have set limits of 120 days and 30 days, respectively. Barcelona requires landlords to have a license to advertise their properties on the platform. Government agencies and Airbnb are still in contention in several places. But it is clear that in some cases, local legislation can become an obstacle to global expansion.

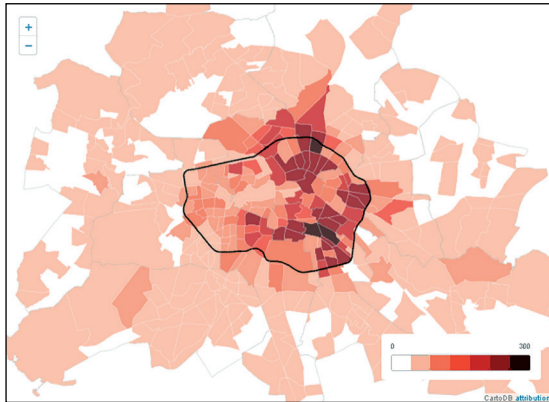


Figure 3. The degree of concentration of residential properties on the Airbnb rental service on the map of Berlin

3. *Local economy.* In recent years, one of the most influential economic and behavioral tendencies emerging globally is the resurgence of local economies alongside a growing wave of anti-globalization sentiments. An increasing number of individuals recognize the intrinsic worth of patronizing neighborhood markets and purchasing from hometown-based artisans. The imperative to localize business endeavors and nurture local brands takes center stage on policy agendas.

These developments reflect broader societal shifts, emphasizing support for community-driven initiatives. By prioritizing locally-produced goods, consumers contribute to sustaining employment opportunities within cities, enhancing regional productivity, and boosting the socio-economic fabric of their immediate surroundings. Conversely, the dominance once enjoyed by multinational brands appears eroded as shoppers gravitate toward niche labels rooted in authenticity and ecological responsibility.

Today, global conglomerates face mounting pressure to revise their conventional approaches. To thrive under changing circumstances, global brands must adopt nuanced strategies tailored specifically to individual markets. Such adjustments require genuine appreciation for regional diversity, eschewing uniformity in favor of customization aligned with local sensibilities. Rather than imposing external norms or lifestyle choices, brands succeed best when they respectfully engage with — and integrate into — their host environments.

4. *Team Integration.* Another obstacle to global branding is the internal structure of companies. Imagine the challenge of getting teams from all over the world to come together and share their knowledge. There are differences in language, time zones, and working methodologies that make it difficult to communicate and plan global strategies.

In addition, there is always some skepticism: «it worked there, but it may not work here...». Thus, each team acts in its own way, creating inconsistencies for the brand image.

5. *Big risks.* Finally, an obstacle that companies can face is the fear of taking risks. Working in other countries is a big leap for brand growth, which involves large-scale, bold strategies that can scare stakeholders.

Questions for discussion

1. Why might expanding into foreign markets benefit brands despite evident difficulties?
2. On what grounds should consumers place trust in global brands?
3. Explain the significance of establishing a strong global brand position.
4. Provide examples of brands failing upon entering the international marketplace.
5. Outline methods minimizing risks involved in overseas expansion.
6. Discuss factors driving consumer preference for iconic global brands like Nestlé, Coca-Cola, IKEA, etc.

Tasks

1. Research and prepare a comprehensive report detailing «The History of Legendary Brands». Focus on a single global entity operating continuously since before 1970.

Structure:

- Product Creation Background (1–2 slides);
- Development Milestones & Overcome Crises (2 slides);
- Current Market Position (1 slide);
- Insights Into Success Factors (1 slide);
- Noteworthy Advertising Campaigns (Details, Year Created, Target Audience — 1–2 slides);
- Modern Brand Positioning (Logo/Slogan Evolution Analysis — 1–2 slides).

2. Investigate instances where prominent brands engaged in fierce marketing battles characterized by unconventional promotional tactics. Create a multimedia presentation capturing key moments from these rivalries spanning 7–10 slides. Analyze outcomes and implications.

3. Select a notable global enterprise. Compile a chronology listing ten pivotal historical events shaping its trajectory in international commerce.

4. Choose a recognized global brand. Compose a catalog documenting consecutive taglines adopted throughout its lifecycle, specifying corresponding usage timelines.

CHAPTER 2

BRAND MANAGEMENT STRATEGY IN INTERNATIONAL BUSINESS

When brands are considered assets, the role of brand management radically changes, from tactical and reactive to strategic and visionary.

David Aaker

2.1. Algorithm for developing a strategy for an international brand

Developing a strategy for global brand expansion is a complex endeavor requiring meticulous planning, deep understanding of target markets, and alignment with the company's core values. It encompasses elements such as cultural adaptation, legal compliance, economic feasibility, team cohesion, and willingness to take calculated risks. Successful execution ensures sustained growth and increased market share, making it an indispensable component of modern business management.

Relevance and Importance. Entering foreign markets offers numerous benefits including access to larger consumer bases, diversified revenue streams, reduced dependence on domestic markets, and enhanced brand recognition. However, these advantages come with significant challenges. Cultural differences, varying consumer behaviors, different legal systems, competition from local players, and operational complexity pose serious threats if not adequately addressed.

Failure to account for these factors leads to costly mistakes exemplified by ill-fated attempts at international expansion, such as KFC's initial failure in China or Wal-Mart's retreat from Germany. A well-

designed global brand strategy minimizes these risks and maximizes returns.

Key Components of a Global Brand Strategy.

Market Selection. Selecting appropriate markets based on demographic data, infrastructure readiness, economic stability, and compatibility with existing brand attributes is vital. Properly conducted SWOT analyses and PESTLE studies help assess potential risks and rewards.

Localization vs Standardization. Deciding whether to standardize products/services globally or customize them for specific markets affects cost efficiency and consumer reception. While McDonald's successfully applies a hybrid model blending local flavors with universal menu staples, Unilever adopts complete localization catering uniquely to Indian spice preferences.

Legal Framework. Understanding and complying with local laws and regulations prevents legal disputes and enhances credibility. Failure to adhere to tax policies, labor laws, intellectual property rights, or environmental regulations could lead to severe penalties and reputational damage.

Marketing Communication. Effective marketing messages resonate differently across cultures. Adjusting tone, imagery, packaging design, pricing, distribution channels, and promotional techniques to align with local norms builds stronger relationships with consumers. Heineken's campaign celebrating African heritage in Nigeria demonstrates this principle.

Risk Management. Establishing flexible supply chains, monitoring currency fluctuations, mitigating geopolitical instabilities, ensuring cybersecurity, and preparing contingency plans mitigate uncertainties inherent in international trade.

Interesting Strategies:

— IKEA: Adopted a localized strategy in India, introducing affordable furniture sets suited to smaller apartments and lower income groups, contrasting with Western luxury-focused designs;

— Starbucks: Successfully penetrated Chinese markets by incorporating tea drinks, traditional snacks, and store layouts inspired by local architecture;

— Apple: Utilized premium-pricing combined with exclusive partnerships with telecom providers to create aspirational appeal in emerging markets;

— Netflix: Implemented content licensing agreements with local studios to offer culturally relevant programming alongside global blockbusters.

Formulating a global brand strategy is essential for sustained competitiveness in today's interconnected world. Combining rigorous research, adaptive execution, and ongoing evaluation allows organizations to navigate diverse environments efficiently, thus capitalizing fully on international opportunities.

The global brand management strategy consists of several stages. If the brand is already successful in the local market and already has a developed and consolidated consumer market, then the evolution of development may include development in global markets. We review strategic directions for the development of a global brand management strategy.

Step 1. Combine consistency and flexibility in your strategies.

The essence of a global branding strategy is to strike a balance between consistency and flexibility. This seems counterintuitive, but it isn't. You need to have a holistic and consistent brand image in all regions of your presence in order to strengthen your position in the minds of consumers. At the same time, you must have the flexibility to adapt your strategies to the local culture without losing your essence¹. Finding this balance is vital to the success of a global brand.

Step 2. Maintain a strong and consistent brand identity.

In this quest for consistency, it's important to reinforce your brand's values, mission, and vision. These are the fundamental elements and pillars of branding that support the brand's identity. The fundamental elements of the brand are non-negotiable: they must be very strong and strengthened in each local team, so as not to be subject to changes in various areas of activity. In Spain, Japan, or the United States, the brand must be the same.

However, having a single brand does not mean that identity and marketing strategies cannot change according to the culture of each region. For example, if you try Coca-Cola in other countries, you may experience different flavors — this is because some ingredients (such

¹ Bruhn M., Schnebelen S. Integrated marketing communication — from an instrumental to a customer-centric perspective // European Journal of Marketing. 2017. Vol. 51, issue 3. Pp. 464–489.

as sugar or water) vary depending on the regional ingredients and local taste.

Step 3. Create a Global Brand Creation Plan.

Strategic planning is a process that defines identity (mission, vision, and values), but it doesn't end there.

Analysis of the company's economic, marketing, and management activities also determines goals and key performance indicators, action plans, and ways to monitor and analyze results. When thinking about global branding, it is important that strategic planning remains consistent across the entire brand. Companies should implement a system that links global brand strategies to specific country strategies.

Global brand management combines country strategies based on similarities such as market maturity (emerging, developed, underdeveloped) and competitive context (whether the brand is leading or challenging), while maintaining common elements across all regions.

Step 4. Understand different markets.

One of the main strategic planning resources is market research. In the case of global branding, this research should be conducted in each region to identify its features and determine how to position the brand in different regions.

Each area functions in its own way. In the same sector, competition in South Africa differs from that in Italy. For example, Ford, a sales leader in several countries, is forced to position itself as an alternative in Germany, where Volkswagen dominates. To better understand this, you can do research on Porter's strengths. This framework analyzes the competitive scenario and relationships between players-customers, competitors, suppliers, substitutes, and potential new entrants-that differ in each region.

Step 5. Learn about local consumers.

When you conduct market research, you also analyze the public. How big is your market? How many consumers can you reach? What are their needs, behaviors, requirements, beliefs, and expectations?

Global branding requires that you do this research locally. Each local culture influences the tastes, habits, and behaviors of consumers. Companies need to have quantitative data to assess the market, and qualitative data to understand the local public and identify market niches. Based on this knowledge, the brand understands what is im-

portant to these people and how to convey value to them. Every new market requires you to understand a new audience and tell a new story.

Step 6. Determine your local brand's positioning.

By conducting an in-depth market research, you can determine the brand's positioning in each region. It is worth remembering that the essence of the brand does not change, because it is based on the same values, mission and vision anywhere in the world. However, the local strategy should include adequate brand positioning, taking into account the specifics of each region.

An example of brand positioning in a global business environment. The attributes associated with the Honda brand in the United States are *quality and reliability*. In Japan, where quality is inherent in any car, Honda represents speed, youth and energy. Pay attention to how the brand image created for global positioning changes depending on the characteristics of the market.

Step 7. Find Local Partners.

Among the obstacles associated with global branding, we discussed the recent strengthening of the local economy. Instead of working together to grow companies that are already global, people are turning to small markets, shops, and artisans in their own city. So, how can brands overcome this scenario? The answer may lie in understanding the local economy as an ally, not an obstacle. You can collaborate with local businesses such as suppliers, distributors, small



Figure 4. Johnson&Johnson and Pantys Brand Partnership Program

partner brands, regional events, advertising agencies, and others. This allows you to build mutually beneficial relationships: small businesses become stronger, and your brand gains the trust of the local community.

Johnson & Johnson, for example, has found a good opportunity in Brazil. In partnership with the Brazilian brand Pantys, the company has released affordable underwear, the layout of the design for the joint promotion is shown in Figure 4. While Johnson & Johnson associates

its brand with environmental issues and women's empowerment, Pantys has reached a new audience that doesn't have access to its products.

Step 8. Integrate communication between teams.

The success of a global branding strategy also depends on the internal organization of the company. For example, it is useless for managers to define a global strategy if they are unable to communicate their recommendations to local teams. Therefore, it is necessary to define an internal communication strategy between teams from different regions. They need to understand the global planning guidelines and internalize the elements of corporate identity that need to be preserved in any local strategy. They also need to communicate with each other, share ideas, and learn from other teams.

We should not forget that a brand is a single entity, and teams must work together to create a stronger brand anywhere in the world.

Thus, the company should provide communication channels, promote events and hold periodic meetings to exchange views between teams, creating a culture of cooperation between them.

Important! The global brand development strategy is not just copying the management decisions of the local market, but the need to analyze the culture, consumer behavior, and economic potential of a new foreign market remains at a high level.

Five best practices for global brand management.

Let's look at some recommendations on how to effectively manage a brand in international business. Successful global brand management involves balancing local aspirations with an international strategic vision.

In a world of globalization, multinational companies, and expanding online commercial and social interactions, global brand management has become a complex and ever-changing discipline.

Organizations that have international brands in their portfolio use different approaches and systems for managing a global brand, but the fundamental principle is always to instill, build and maintain consistency in this process.

Managing brands in today's interconnected and complex business environment is not easy. Brands are affected by increased competition, regulations, supply chain and distribution issues, and production costs that require constant promotion and reputation management. In order for companies to manage this multitude of internal and external

factors across different geographies, global brand management practices must be sustainable, responsive, growth-oriented, and forward-looking.

To achieve the expected effect of driving growth and long-term profitability, global brand management practices must have the following defining characteristics:

1. *Be adaptive and flexible.* Brand management is not about strict adherence to frameworks, rules, and practices. Successful global brands are managed by combining «persistent brand barriers» with ‘freedom to adapt to take advantage of local growth opportunities’ Without the freedom to adapt to local needs and take advantage of emerging opportunities, brands risk becoming outdated and irrelevant. Any form of brand adaptability, such as extensions, variants, and diversification, should not undermine the brand’s core values and lead to a loss of equity. Continuously evaluating a brand’s strategy against its principles, vision, and core mission ensures that the global brand’s promises are consistent across countries and regions. Philips, for example, has had great success in China, where its local business has developed a soy milk production line to the delight of consumers concerned about food safety.

2. *Digital opportunities of new technologies.* The emergence of technological solutions has fundamentally changed the practice of brand management. Visionary organizations identified the benefits and scalability of technology in brand management and quickly implemented solutions. Unilever, for example, used the company’s marketing software, Percolate, to support its global brand management practices. Customer relationship management (CRM), identification, licensing, and activation systems are rapidly evolving in terms of technological innovation and global scalability.

3. *Use the brand’s previous experience.* Ensuring consistency in corporate identity, strategy, marketing, and activations should be the primary role and responsibility of at least one employee in the organization. These people are the «guardians» of the brand, and their job is not to act as a strict rule enforcer, but to be a strategic guide and mentor who can advise local marketing teams on strategic issues, such as managing brand guidelines, ensuring consistency in brand positioning, and adapting or localizing content. brand communications, integrating local marketing strategies into the global brand strategy,

and facilitating the exchange of knowledge and best practices between local and global brand teams.

4. *Coordination of organizational structures.* People can only work to their fullest potential when the organizational structures are designed and coordinated to ensure this. Global, regional, and local brand management functions should be seamlessly integrated into the organization. The relationship between global and local, when strategic issues are resolved at the local level, is well documented and observed in management practice. The same strain can completely undermine the effectiveness of brand management. Roles and responsibilities in brand management structures should be clearly defined, and duplication should be reduced. The problem that most global organizations face is an excessive number of responsible and engaged individuals without a clear delineation of their roles and responsibilities. Lean brand management features are essential for improving the efficiency, accountability, and effectiveness of management and implementation. Serious global brand marketers should ask themselves: «Brand management itself is complex, should my organizational structure increase or decrease this complexity?» The answer should be obvious.

5. *Be active.* Global brand management should be a proactive discipline, not a reactive one. The development of technology, social media, next-generation customer relationship management tools, social media listening platforms, culture and trend analysis, collaborative creativity, crowdfunding, and disruptive innovation has enabled brand marketers to stay closer to the consumer and more accurately identify, predict, and use trends. Brand management practices must be aligned with these new tools and techniques and must be able to integrate them at key operational stages.

The benefits and strategic advantages that new technologies bring can only be realized if they are an integral part of the process, and do not act as one-time external factors. For example, if an organization's medium — and long-term strategy is focused on creating a brand based on innovation, then methods such as collaborative creation should be an integral part of the brand management process from the very beginning.

Brands are becoming global through excellence in brand creation and implementation. Brand internationalization is an extremely com-

plex process that requires constant adaptability and the ability to scale effectively. Managing global brands should promote greater adaptability, growth, and innovation. Organizations that are capable of doing this have been able to perfectly combine local aspirations with the global vision and strategy of their brand.

Questions for discussion

1. What is the main point of a global branding strategy?
2. How do new technologies contribute to brand development in an international environment?
3. Why are brand keepers an important element of a company's management system?
4. What additional recommendations can you give to brand managers of modern companies intending to enter new markets?
5. Why is global branding considered for the company's development potential?
6. What are the main steps to implement in a global branding strategy?

Tasks

1. Name successful brands that have been actively developing in the international business environment over the past 10 years.
2. Prepare background information about Russian brands that are successfully developing in foreign markets. Identify key milestones in the development of your international presence and list foreign markets.
3. Analyze the economic performance of any international brand over the past 10 years. Name the key management changes that were implemented by the brand during the selected period.

2.2. Stages of brand development in a global context

In practice, companies frequently encounter situations where their brand lacks competitiveness in foreign markets despite performing well locally. This phenomenon occurs for various reasons, including excessive competition, market saturation, and confusion among con-

sumers struggling to distinguish between brands. Often, the brunt of this challenge affects budget-tier brands, forcing companies to adopt cost-cutting measures or endure shrinking market shares. Yet, astute brand management strategies in lower-priced segments can yield substantial returns.

When establishing new brand variants, minimizing risk involves cultivating distinct identities for each product category. Essentially, consumers categorize brands by product class, and assistance in this classification is beneficial. Risks diminish when disparate product types coexist under a unified brand umbrella. For instance, pairing unrelated categories like food and clothing reduces the likelihood of negative transfer effects. Conversely, overly divergent products might dilute synergistic benefits, eliciting consumer unease.

Reducing prices represents a straightforward brand strategy. Some prominent brands, such as Marlboro, Budweiser, and Pampers, adhere to the belief that minimal premiums suffice. Consequently, the notion of 'value-pricing' emerged, signifying optimal balance between price and quality. Although buyers increasingly scrutinize pricey brands, pricing remains integral to positioning. Significant markdowns signal doubts about whether the product differs meaningfully from alternatives.

Loss of consumer faith in a brand's association with superior product traits renders price reduction benign. Companies entrenched in low-cost niches and perceived as mediocre face negligible repercussions. Alternatively, sub-brands can safeguard the primary brand's integrity while exploring lower-market segments. Sub-brands, however, confront two challenges: cannibalization of loyal consumers switching to cheaper versions and downward pull on the parent brand's perception.

Sub-brands must deliberately disassociate from their parent brands. Negative connotations of inferior quality may contaminate the main brand unless clearly communicated distinctions prevail. Additionally, sub-brands function as competitive weapons when consumer shifts extend beyond intra-company products. Market-share losses attributed to one's own premium lines sometimes obscure underlying battles with rival firms.

Minimizing risk intensifies when sub-brands exhibit qualitative divergence from the parent brand. Highlighting contrasts between the main brand and sub-brand supports this objective. For example,

expanding a product range under a distinct moniker («professional») concurrently introduces an economical sub-line («home»). Alternatively, a tri-level structure emerges: a premium tier («Professional»), mid-range option («Standard»), and the unchanged core brand. This arrangement mitigates reputational damage caused by inexpensive lines while capitalizing on a prestigious counterpart.

Complications arise in managing brands stemming from misaligned perceptions internally and externally. Distinguishing between transient impressions (brand image) and enduring essences (brand identity) proves vital. Perceptions hinge on immediate market circumstances, whereas positioning adapts dynamically, leaving the brand's core intact. Missteps occur when companies slavishly mirror consumer fads, jeopardizing fundamental objectives.

Constructing a unique brand entails more than gauging consumer desires. It must encapsulate the brand's ethos and foresee future aspirations. Unchanging core attributes foster resilient brands. Beyond mere product specifications, brands embody intangible dimensions — associations and symbols. Luxury cars, for instance, connote not just safety and speed but societal standing.

Brand strength correlates with consistent reinforcement of brand significance within organizational ranks. Absent clear comprehension, employees struggle to appreciate the broader significance of brand identity. Robust brands require perpetual cultivation of brand relevance, transcending superficial product attributes.

The trajectory of brand development encompasses eight sequential phases:

1. Vision formulation: envisaging the ideal company profile within a given market segment.
2. Iterative refinement of positioning concepts.
3. Hierarchical dissemination of positioning frameworks.
4. Finalization of positioning constructs.
5. Visual identity construction.
6. Development of corporate identity components.
7. Detailed specification of corporate identity.
8. Documentation finalization.

During phase five, brand attribute articulation begins. Initial steps include selecting a fitting product name, involving competitor analyses and linguistic assessments. Comprehensive guidelines, collectively

termed a brand book, consolidate brand-related directives. Internal adherence to these protocols ensures uniform representation and sustained brand recognition.

To conclude succinctly, brand management proceeds sequentially through preparatory and projective stages. Analytical rigor characterizes the former, encompassing environmental scans and macro/microeconomic evaluations. The latter incorporates strategic planning, identifier design, and QMS deployment, culminating in market introduction followed by evaluation of economic and communicative outcomes.

Brand consistency refers to maintaining a coherent and unified identity across all touchpoints, including visual aesthetics, tone of voice, messaging, and customer experience. It's crucial for several compelling reasons.

1. **Trust Building:** consistency breeds trust. When consumers recognize and associate a brand with reliable expectations, they are more likely to remain loyal. Inconsistent branding confuses customers, diminishing trust and eroding brand equity.

2. **Recognition:** uniformity across marketing channels facilitates quicker identification. Repetition of logos, taglines, and visual styles ingrains the brand in people's memories, increasing recall rates and brand awareness.

3. **Competitive Edge:** differentiation from competitors hinges on clarity. A consistent brand presentation avoids dilution of the brand's unique selling propositions (USPs), helping it stand out in saturated markets.

4. **Internal Alignment:** employees must understand and embody the brand's purpose and values. Clear brand guidelines ensure everyone works towards shared goals, preventing fragmentation and mixed messages.

5. **Long-Term Sustainability:** a well-defined and consistently executed brand strategy positions the organization for longevity. It attracts investors, partners, and talent by demonstrating professionalism and stability.

Examples: Apple maintains strict control over its sleek aesthetic and minimalist design language, while Nike communicates unwavering athletic inspiration across all mediums. Both achieve enormous success by upholding brand consistency.

Questions for discussion

1. What is the sequence of stages for brand development in an international context that allows achieving the best results?
2. Which stages are the most expensive, in your opinion, and why?
3. What are the elements of the preparatory stage of brand development?
4. What is the meaning of the concept of trademark uniqueness?
5. Why is following the sequence of brand development stages important? Why can't it be changed? What can this lead to?

Task

Assignment «Assessment of brand development costs».

It is necessary to choose a product, service, market as desired. Estimate contractor costs from available data, company websites, price lists for corporate identity development services, design layouts.

We evaluate the following types of services:

- Brand book development;
- Logo development;
- Slogan development;
- Development of a corporate ring tone;
- Development of a corporate font;
- Development of branded stationery (business card, envelope, letterhead, door sign, opening hours sign);
- Development of layouts for a set of souvenir products (you can choose three options for bad products);
- Development of a layout for a branded package, product packaging, branded commercial equipment (shelving, display);
- Development of layouts for advertising materials (for the website, for printed publications);
- Development of a corporate identity for a social network account (one to choose from);
- Development of a branded film brand (turnkey: idea, script, shooting, editing, production, animation, voice acting);
- Production of an advertising video clip (30 sec.), a radio clip (30 sec.).

Make an Excel spreadsheet.

Columns of the table: Name of the service; Cost in rubles at the moment; Name of the contractor, indicating the city and country.

It is necessary to clarify the cost of development for creative materials.

Find different contractors, find out their cost, and justify why you choose them. You're the customer, but the brand itself is yours. For example, you want to market a brand of a new cosmetic product, a shower gel with confectionery flavors, and you need to calculate the cost of creative services.

2.3. Brand positioning in an international context

The presence of a brand in the international market requires a clear understanding of what position it will occupy relative to competitors in the minds of consumers. In other words, a clear formulation of the brand's position is necessary.

Modern companies that ignore the need for positioning run the risk of falling into the «generality trap» (a term coined by Trout and Rice). In their quest to become the best for everyone, they forget about the need to form a unique brand position. Most authors consider a position as a place in the minds of consumers, their perception of the meaning of the product, offer, brand or brand that the organization transmits. D. Aaker pays serious attention to the concept of strategic position. Calling it the «face of business strategy», he emphasizes that it is the strategic position that reflects how, in the company's opinion, it should be perceived by consumers¹. And this indicates the ability of the company to shape the perception it needs in the minds of consumers. A position is defined as «a part of the brand's identity and value proposition that should be conveyed to the target audience through communication tools and demonstrate an advantage over competitors' brands». K. L. Keller defines it as «the desired brand value for the company, which needs to be formed among consumers». D. V. Solovyova and S. V. Afanasieva talk about It is about «the position of a brand in the market that has developed as a result of the formation, maintenance, and change in the perception of the brand among market entities under the influence of the brand's offer to the market from the

¹ *Aaker D. A. Building Strong Brands. New York: Free Press, 2011. 400 p.*

company, the market's reaction to the brand from microenvironment entities, and the impact on the brand and its market environment exerted by macroenvironment factors» F. Kotler emphasizes the need for active actions of the organization by defining and shaping its position, it focuses on its significance in differentiating itself from competitors.

Knowledge of the positions broadcast by competitors and how they are perceived by consumers is the basis for forming the desired brand position, without understanding which it is impossible to correctly choose a positioning strategy and develop an effective set of marketing communications¹. A clearly formulated position that is understandable to consumers makes it easier for them to choose goods and services in the face of a diverse offer in highly competitive markets. The position is formed based on the following principles:

- relevance (significance) — the feature offered by the enterprise should be significant for consumers and meet their needs;
- uniqueness (relativity) — the position of the enterprise should differ significantly and significantly for consumers from the position of competitors;
- simplicity (clarity) — the company's position should be easy for consumers to understand and remember;
- consistency — the position chosen by the company should be unchanged in the foreseeable future;
- complexity — the entire policy of the company, first of all communication, should support the chosen position of the enterprise.

The first three of the presented principles reflect the focus of positioning on consumers, the last two indicate that building a position is a complex management process that requires a strategic approach and, with proper planning and implementation, will achieve a synergistic effect.

Thus, the position of a brand (product, service, organization) is formed in the minds of its consumers — this is what they think about the company and (or) its products. At the same time, the position (its perception by consumers) should differ significantly from the positions of competitors, only in this case consumers will distinguish the company and its products on the market from a large number of simi-

¹ *Zhadko E. A. Improving the strategy of positioning and brand management in the marketing activities of an educational organization in the vocational education market: dissertation for the degree of Cand. Sc. (Econ.). Ekaterinburg, 2018. 192 p. (In Russ.)*

lar products. The search for an unoccupied position, its development, formation and retention — this is, in fact, the positioning process. We propose to understand the position as a place in the minds of consumers, which the organization seeks to form, maintain or change by offering a set of product or service characteristics that are adequate for a certain period of time, creating brand elements, transmitted using marketing communications and differentiating it from competitors' brands¹.

Key features of the position include:

- position — a dynamic category that changes over time: the list of characteristics that underlie the position of the organization and its competitors in the market is not static, but can change under the influence of various factors, which determines the need to clarify the brand's position in the minds of consumers on a regular basis and the iterative process of evaluating it;

- the position is transmitted by the organization to consumers through marketing communications under the influence of various market factors, which allows the situation to arise when the desired brand position does not coincide with the position perceived by consumers;

- the characteristics that make up a position can be measured, which determines the need for market research to assess the position that has developed in the perception of consumers.

The specifics of a brand's position are reflected in the unique set of characteristics that make it up. According to K. L. Keller's concept of positioning, these characteristics are considered through the points of parity and differentiation:

- parity points — brand characteristics that most consumers generally associate with this activity. They are divided into: categorical points — the main, most necessary characteristics of the organization's activity, which serve as a sign of the reliability of choice for the consumer, and competitive points — characteristics that are necessary to neutralize the points of differentiation of competitors;

- differentiation points — unique characteristics that are attractive to consumers, which they associate with a particular brand and believe that these characteristics are not available to competitors.

¹ *Zhadko E. A.* University brand management in the professional education market // *Practical Marketing*. 2018. No. 1 (251). P. 12–18.

The organization translates its position through a set of marketing communications and personnel. In the minds of consumers who are also affected by other factors (interpersonal communication, macro-factors, personal characteristics), a set of characteristics that make up a position is transformed into associations that reflect the perception of this position. It can be concluded that at any given moment of time, there may be a correspondence or discrepancy between the position and the position that has developed in the perception of consumers.

Brand positioning defines a company's unique place in the global market relative to competitors. Effective positioning helps build competitive advantage and drive growth. Core elements include target audience, unique value proposition, and brand identity.

Global brands often adjust their positioning to fit local cultures and consumer preferences. Multinational corporations like Coca-Cola emphasize universality while adapting to regional nuances. Philip Kotler: «Positioning is the act of designing the company's offering and image so that it occupies a meaningful and distinct competitive position in the target customers' minds.» David Ogilvy: «A brand is the sum of all impressions someone gets about something.»

Successful international brand positioning balances global consistency with local responsiveness, maximizing appeal across diverse markets.

Questions for discussion

1. How can you explain the term «brand position»?
2. What principles of brand positioning formation do you know?
3. Here is a quote from Steve Jobs (1955–2011): «You can't just ask customers, what they need, because by the time you do, they will want something new.» How do you think this statement is true, if you do not agree with the author's position, give a minimum three arguments.

Tasks

1. Choose any intangible object (service, idea, experience, place). If you were on a brand development team, what would be important to you from a customer perspective? What critical parameters should be included in the brand launch process?

2. Social initiatives of global brands.

Using information on specialized websites sostav.ru.ru, adIndex.ru.ru describe examples of brands using social initiatives that you can evaluate as: a successful example and an example that needs to be improved.

Please answer the following questions in detail:

- a) Why do you consider this example of a social initiative successful (unsuccessful)?
- b) What is the reason for the success (failure) of the chosen company?
- c) What can I do to improve the campaign results?
- d) Why are social projects important for your chosen brands?
- e) What values do the selected social projects and brands have in common?

3. Read the article «Features of building communications by Russian clothing brands in the context of import substitution» at the link in the QR code¹.

— Prepare an analytical note on the material you read.

— What did you learn from this publication in terms of brand development?

— Why is this topic important in today's business environment?



¹ *Davydenko E. A., Grigoryan A. V. Features of building communications by Russian clothing brands in the context of import substitution // Marketing Communications. 2023. No. 1. Pp. 2–9. (In Russ.)*

CHAPTER 3

BRAND COMMUNICATION STRATEGY IN INTERNATIONAL BUSINESS

Your brand needs to have a brand vision: a structured, memorable description of your aspirational image of the brand in the eyes of customers, employees, and other relevant groups.

David Aaker

3.1. Marketing communications in international business based on the IMC concept

The development of a communication strategy is carried out based on current market needs, taking into account the preferences of the target audience, and other factors. The brand's communication campaign is based on positioning.

The main goal of developing a communication strategy is to manage the interaction between the consumer and the brand, form an effective and predictable communication between the consumer and the brand, and improve the brand according to the consumer's opinion, time and market demands.

In the process of developing a communication strategy, tasks are analyzed, a communication message (message) and a communication goal are formed, and the main elements that will effectively transmit messages to representatives of target audiences are determined. The communication strategy is always based on the main

idea, the positioning concept, which the company must convey to key audiences¹.

Positioning — finding a place in the minds of the target audience and creating such images and attributes of the brand that would most favorably differ from the brands of competitors, are significant for the target consumer and meet their needs or consumer expectations in the best way.

The main goal of positioning is to achieve a stable image in the minds of customers about the brand as the best product for specific conditions.

As a rule, strategy development is based on three components: marketing base (study of the project situation, market research, competitors, customers, etc.), creative concept (hypothesis on how to most effectively and vividly convey the image to consumers or implement the goals of the communication strategy), media planning (creation of a long-term communication plan or «road map and short-term tactical plan). The communication strategy always includes the concept of building external and internal communications, since the former always complement and strengthen the latter and vice versa.

Developing brand positioning is a complex, multi-stage process that includes several very extensive stages:

- analysis of the competitive environment with the construction of a field of competitors and evaluation of their communication platforms, quantitative and qualitative market research, perception of competitors by the target audience, identification of consumer insiders;

- formation of positioning hypotheses, selection of key brand attributes, development of variants of possible brand platforms, describing key properties, graphic design of the ideology in the form of a pyramid or brand wheel, as well as appropriate visualizations (at the level of the brand manifesto/ mood-board) that reflect the key message of the brand;

- testing options for compliance with the target audience's value preferences, uniqueness in the competitive environment, and adequacy of the product category platform.

¹ *Muzyant V.L.* Features of building effective integrated marketing communications (IMC) as a reliable reputation tool // Bulletin of the Moscow State University of Culture and Arts. 2012. No. 1 (51). Pp. 206–210. (In Russ.)

Any organization, regardless of the market and scale, is in a situation of constant changes and is forced to respond to the challenges of time and the surrounding external environment¹. Competition in the markets is not decreasing, political instability is increasing, consumers are becoming more demanding and demanding, increasing their share of influence on brand development. Technological progress has opened up new horizons for innovation in communications. Digital channels and social media are actively replacing traditional media. The news feed is synchronized to broadcast in real time around the world. Companies have lost the ability to be invisible. What happens in the local market is instantly distributed over the Internet all over the world. The reality of the time is widespread access to information and the inability to hide information. The current business need is for communication to have a global context. A local entrepreneur, having his own website and social media communications, is involved in the process of a global context, a user from any region of the world can find information about his business². In this way, every business becomes global with no choice in terms of communication. Communications allow managing this process, and they can be part of the concept of IMC (integrated marketing communications) related to the organization itself or an individual brand.

The concept of IMC became the main communication model in the 1990s. The publication «New Paradigm of Marketing. Integrated marketing communications» has made a significant contribution to the development of the concept of IMC. The authors suggest considering IMC as a process of developing and implementing various forms of persuasive communication programs aimed at current and potential consumers in order to influence, including directly, the behavior of the target audience³.

¹ *Vachugov D. D., Kislyakova N. A.* Management: practical exercises and business games: A tutorial. Moscow: Elit-2000, 2000. 265 p. (In Russ.)

² *Batra R., Keller K. L.* Integrating marketing communications: New findings, new lessons, and new ideas // *Journal of Marketing*. 2016. Vol. 80, issue 6. Pp. 122–145.

³ *Schultz D. E., Tannenbaum S. I., Lauterborn R. F.* The New Marketing Paradigm: Integrated Marketing Communications. McGraw Hill Professional, 1994. 218 p.

Consider the essence of BMI in three approaches that have evolved over time:

— The first approach is the «inside-out approach», which focuses on matching the messages of various communication tools so that they reflect a common idea. At the same time, communications remain at a low level of customer-orientation; this approach is reflected in the definition of a group of scientists from Northwestern Research University in the USA¹;

— The second «outside-in approach» focuses on consumers, what they want to see and hear, when, where and how, as well as on the duration of the organization's relationships with consumers and other stakeholders, while IMC performance indicators are important²;

— The third approach, «the cross-functional approach», adds the idea of cross-functionality to the idea of customer orientation, that is, the involvement of all departments of the organization and contractor agencies³. This approach also emphasizes the need for interactivity between the organization and consumers for the development of client databases.

The latter approach, due to the idea of cross-functionality, is considered as relevant, it is based on the creation of a flexible organizational and managerial structure, in which departments interact more with each other to more effectively achieve the company's marketing goals.

As a result of the development of the theoretical foundations of the concept, the following fundamental *principles of BMI management in a global context are highlighted*:

— «one voice» — achieving and maintaining a unified image through clear and consistent messages from all involved means of communication;

— optimization of promotion costs through careful selection of communication tools and their combination;

¹ Sharkov F. I. Evolutionary mechanisms of transformation of integrated marketing communications // *Communicology*. 2021. Vol. 6, no. 1. Pp. 8–23. (In Russ.)

² Schultz D. E., Barnes B. E. Strategic brand communication campaigns. 5th ed. NTC Business Books, 1999. 378 p.

³ Pickton D., Broderick A. Integrated marketing communications. 2nd ed. Financial Times Prentice Hall, 2005. 761 p.

— synergy or management of communications in such a way that they reinforce each other (when «the effect of interaction of various means of communication significantly exceeds their sum», for example, dissemination of information about promotions through advertising tools, etc.;

— interactivity through establishing a dialogue with consumers and other stakeholders, involving consumers in communication management;

— profitable long-term relationships with consumers and other stakeholders;

— cross-functional planning as a strategic integration of organizational departments.

Thus, following the principles of the IMC concept makes it possible to increase the economic and communicative efficiency of communication media management in a global context.

W.F. van Raaji outlined the differences in characteristics between the traditional approach to marketing communications and BMI. Thus, the integrated approach seems to be more personalized and less aggressive than the traditional one¹. In addition, it should take into account the fact that consumers can find the information they need about the product themselves and they need relevant information. The author emphasizes the importance of interactivity and building long-term relationships with the client. In addition, the increasing role of digital technologies in promotion is taken into account.

L. Percy and R. Elliott identified the reasons for the synergistic effect of integrated management of long-term marketing communications tools aimed primarily at building long-term relationships with consumers, and short-term ones, at rapid sales growth². These include:

— a stable positive attitude towards the product among consumers, formed through long-term means of communication, which makes them less or insensitive to competitors' promotions;

¹ *Sedjai A., Maliki S. B. D., Berbar W., Ainous R.* The effect of perception quality/price of service on satisfaction and loyalty Algerians customers evidence study Turkish Airlines // *International Journal of Economics & Management Sciences*. 2018. Vol. 7, issue 1. DOI: 10.4172/2162-6359.1000503.

² *Percy L., Elliott R. R.* Developing a comprehensive marketing communications program (Part 2) // *Advertising: Theory and Practice*. 2007. No. 5. Pp. 304–315. (In Russ.)

— short-term funds are an additional value for consumers who have a positive attitude to the brand, formed by long-term communication tools.

Summing up, we note that in the course of its development, under the influence of external factors, changing technologies, and the decline in the effectiveness of traditional advertising, the number of communication tools has increased significantly. This situation led to the problem of effective management of the marketing communications complex, which resulted in the concept of BMI, which itself continues to evolve.

BMI management techniques. Let's consider the BMI management algorithms presented by modern scientists, which are based on various approaches. D. Picton offers a fairly general sequence for developing an IMC called «*RABOSTIC*», where the first letters correspond to the names of the stages: research and analysis (R), target audience assessment (A), budget definition (B), goal setting (objectives — O), strategy development (S), tactical implementation (T), implementation (I), and control functions (C). The sequence of steps represents a logical sequence of actions for developing communications.

C. Hackley and R. A. Hackley focus on compliance with the principle of consistency in two dimensions in the development of communication policy: in the content of messages from different promotion campaigns and between communication tools¹. In their algorithm, the authors consider nine stages: brand and competitor research; selection of target consumer groups; determination of communication goals; development of a promotion strategy; development of a creative concept; preparation of a media plan; implementation stage; budget preparation and performance assessment.

In addition, Ph. Kotler and K. L. Keller in the management of IMC focus on the coordination of the means of communication themselves. According to them, many companies still use one or two communication tools on a regular basis, ignoring the rest. For example, advertising is used in combination with sales promotion, which expands the number of points of contact between consumers and the brand, allowing them to more effectively achieve the goals of some communication tools with the help of others, presenting a synergistic effect.

¹ Hackley C., Hackley R. A. Advertising and promotion. 4th ed. SAGE Publications Ltd., 2018. 384 p.

L. Percy and R. Elliott note that central strategic planning is the foundation, the core of the IMC and the main task of the communications specialist is to coordinate all the tools that are appropriate to use so that they reflect a single brand image. For example, if one communication tool deviates from a given positioning, brand values, or product characteristics, then it is no longer integrated. All communications used must complement or continue each other. In determining the combination of communications that will be used in a promotion campaign, scientists recommend relying on the stage of the product's life cycle.

K.L. Keller and R. Batra propose a *Communications Matching Model*, the purpose of which is to help a specialist create a combination of communication tools and tools based on the goals set¹. The model takes into account the number of tools expanded by digital marketing. Scientists also use the extended consumer decision-making process as a basis.

The model based on determining the effective contact frequency of G. Krugman suggests that three repetitions of advertising communication are enough for the consumer to move from the stage of interest to the stage of recognition and correlation with their needs «to the last stage of making a purchase decision. The disadvantage of this theory is that it is not suitable for consumers who are not involved in the purchase, who do not feel the need or desire to make it.

Thus, an overview of IMC management algorithms and techniques allows companies to plan communication activities based on the requirements of a global context, where both the client's values and the organization's business strategy matter.

Global communication environment. It is not possible to present all global marketing communications. The concept of economic globalization has been actively developing since the mid-1980s. The development of marketing communications in a global context for businesses will mean an even greater focus on the exceptional value of their customers in all the variety of communication strategies. This thesis can be demonstrated by a case from the history of the popular brand Nike, when a successful international brand was accused by the public of using child labor and unbearable working conditions

¹ Batra R., Keller K.L. Integrating marketing communications: New findings, new lessons, and new ideas // Journal of Marketing. 2016. Vol. 80, issue 6. Pp. 122–145.

in Southeast Asian enterprises. At the same time, reasonable arguments about not being directly involved in this activity did not lead to a result. The story was replicated by the media, received the negative name «Nike sweatshop», while there is a feeling that this case will haunt the brand's reputation for a long time¹. Therefore, companies entering global markets should pay particular attention to the value of communication.

Customer value becomes relevant in the organization's communication policy. The airline's experience in the low-cost segment of easyJet, founded by British businessmen in 1995, showed the results of overcoming the crisis by implementing a set of measures focused on consumer value. In 2010, the company recorded a record drop in revenue and an increase in complaints from passengers. The new Marketing Director introduced a set of measures based on IT solutions and innovative technologies. Fundamental changes were inevitable, and the use of new digital solutions, data exchange platforms, and advanced CRM (Customer Relationship Management) systems allowed the company to update its business processes in a high-quality manner. The feedback from consumers was positive, and by 2013 the company had switched to a paperless ticket purchase process, introduced a new booking and purchasing app, and launched an online scoreboard with real-time flight information in several languages. Thus, in 2012, the company's annual profit increased by 28 % compared to the previous period, and its share price increased by 150 %, against the general backdrop of a decline in the passenger air transportation industry.

Another company in the air transportation market, Turkish Airlines, represents its interests all over the world and implements a flight program to more than 120 countries around the world. This is a record figure in the airline industry. At the same time, despite the global trend in minimizing the cost of passenger service in air transportation, the company consistently maintains elements of high-class service for its customers. For example, for communication, the term «standard» is used in the fare category, in which most companies actually offer a minimum set of services, and Turkish Airlines translates the same word «standard» as a characteristic of «business class». Thus, declaring to potential clients about their philosophy of customer value and

¹ Bullert B.J. Progressive public relations, sweatshops, and the net // Political Communication. 2000. Vol. 17, issue 4. Pp. 403–407.

high level of service. Another example of this business strategy is the practice of inviting specialized chefs to serve business class passengers on a given airline's long-haul flights.

Despite the fact that global communications are available and can get out of hand, each brand chooses the tools to influence and communicate with its target groups. As a rule, key communications are distinguished from the promotion complex, this can be advertising in the print press, direct marketing in the form of targeted mailings of booklets, catalogs, the use of PR tools, including press tours, press conferences.

Development prospects. Against the background of the development of global communications, the issues of effective promotion and development of communications remain relevant both for the local market and in the international aspect. The main goal of communications in a global context remains to increase competitiveness, strengthen the level of brand awareness in the market. At the same time, communication in the global context of the brand will be focused on creating two-way mutually beneficial relationships with target audience groups. Suppliers, contractors, stakeholders, employees, government officials, and others play a special role in this process. There are new requirements in social and ethical communication, focusing on the emotional and spiritual needs of a person. These elements belong to the marketing 3.0 and marketing 4.0 concepts, where F. Kotler, H. Kartajaya, A. Setiawan confirm the idea of the significance of the customer's value and the orientation in communications to form positive emotions with the effects of surprise, the so-called WOW.

Noteworthy is the experience of the largest global corporation Procter & Gamble, which has made a huge contribution to the development of marketing and branding, but also has a negative experience in terms of communication policy. Between 1995 and 1997, the company changed the price for consumers of its 110 brands more than 55 times, offering about 400 different promotional campaigns annually, as well as offering updated product packaging design. All this led to the fact that not only consumers experienced ambivalent feelings towards the brand, confusion, bewilderment, but also shareholders. The realization that communication requires a more consistent approach allowed the corporate giant to change the situation.

Consumers are no longer seen as a passive communication target, they become part of the process, exert their influence on companies,

and can change management decisions through expressing their opinions, including in social networks. An example of how the Swedish brand IKEA made adjustments to plans to change the design of labels after massive appeals from its subscribers on one of the social networks demonstrates a new reality.

If previously companies dealt with objections and complaints individually, then the current reality offers new challenges to business, where moderation or censorship of content is not something that will inspire confidence. Organizations are increasingly involved in creating two-way communication. At the same time, the need to be prepared for any outcome of public reaction to the company's actions increases. Creating consumer communities as a new communication model is common in the practice of brands. A retail chain of perfume and cosmetics stores under the Sephora brand has initiated a platform called BeautyTalks, where participants have the opportunity to communicate confidentially on the company's topics. After all, buyers, when making purchase decisions, are increasingly focused on recommendations, reviews, and tips both online and offline.

Questions for discussion

1. What is the main meaning of the BMI concept?
2. Can we say that modern brand marketing communications are always the result of the BMI concept?
3. What successful examples of implementing brand communications based on the BMI concept can you give?
4. Why do brands make changes to their communication policies and link them to the implementation of the BMI concept?
5. Why do PR tools play an important role in brand promotion?
6. What do brands mean by customer value? How this can manifest itself.

Tasks

1. Analysis and audit of brand contact points with the external environment.

Choose a brand that you like and are loyal to. This may be a company whose products or services you regularly use. Remember how

often you see and hear his advertising messages in the external environment, what they are, and what attitude they arouse in you.

Analyze all the contact points that you encounter in the process of interacting with the brand's product or services.

Part 1. Brand contact points:

1. Describe which contact points you regularly interact with. List — minimum of 30 contact points.

2. What brand contact points can you identify as successful, which are convenient for you as a consumer?

3. What are the «bottlenecks», which contact points require special or additional attention on the part of the company's management. Offer at least 5 new options for the customer's contact point and brand.

Part 2. Customer Journey Map. The client's path.

Represent brand contact points in Customer Journey Map schemes. Based on the example of the CJM (Client Path) scheme, build your own scheme.

— Describe the stages and their content.

— Make a conclusion about the effectiveness of this scheme.

— Where is the lack of information for the client, where do customer losses occur?

— How can you improve the customer's path in your chosen business?

2. Develop a brand communication program.

Step 1. Select a company.

Step 2. Set a communication goal (awareness, new knowledge, important information, changing perceptions)

Step 3. Formulate an advertising message (for example, a new product launch, price reduction, promotion, 6 drinks as a gift, drawing valuable prizes, changing the packaging design)

Step 4. Make a list of 10 channels of communication promotion (describe in detail, not just advertising on TV, specify the format, type, the channel itself, the program. For example, advertising integration in the TV show «Battle of Choirs» on the channel «Sun», sponsorship for participants, provision of promotional products, a sponsor's commercial before the broadcast, sponsorship of a weather forecast on the NTV channel). Specify the time interval. Select a specific month. Don't forget to link thematically to calendar holidays.

3.2. Cross-cultural communication in brand promotion experience

The growing popularity of the concept of anti-globalization makes a clear trend towards preserving the authenticity and uniqueness of participants in the modern business environment. At the level of the organization, the request for the formation of a unique trade offer (USP) remains relevant due to the high competitive environment¹. The need to preserve cultural customs and traditions is developing, but the interest of representatives of different cultures in each other does not stop. Representatives of different business cultures still need to study the features of cross-cultural communications. At the same time, national features serve as a kind of guide and allow you to conduct business more efficiently.

Features of the national culture largely determine the mission and vision that are laid down in the strategic management of the company. So, in Western companies, employee motivation plays an important role in management. In the Japanese management system, motivation is not a priority, as it is largely inherent in representatives of this culture due to historical reasons. Ignoring the cultural and historical component in the company's management can lead to internal corporate conflicts and destabilization of the management system as a whole.

Studying the peculiarities of national culture is of practical importance for marketing and management. It should also be noted that the media with their offline and online resources have the maximum impact on a wide audience. However, knowledge about culture allows you to understand, develop, predict management approaches, improve corporate culture, and increase the efficiency of the team at the enterprise level. With the development of remote ways of doing business and negotiating, such knowledge works to increase efficiency and reduce costs. From the perspective of marketing, cross-cultural communications perform the task of promoting a brand in a new environment. Knowledge of the specifics of business culture and communication builds a scenario for brands, where consumers in a foreign

¹ *Marketing communications: A European perspective* / P. de Pelsmacker, M. Geuens, S. Robbins, J. Van den Bergh. 7th ed. Harlow: Pearson, 2021. 584 p.

country learn about a new product through various communication channels.

The development of communication channels in marketing is characterized by their integration, so traditional marketing technologies for brand promotion are combined with digital ones¹. Internet users have access to an unlimited amount of content on various platforms, sites, and marketplaces, all of which makes the consumer experience more diverse. This means that marketers adapt their promotion tools to new realities, including taking into account their knowledge of the country's culture.

Multichannel marketing can be understood as the seamless access of customers to various promotion channels, where the brand creates a unique user experience for the consumer. At the same time, the use of traditional channels and digital ones leads the client to purchase². Practice shows that multi-channel marketing allows companies to earn more. Data from the International Data Corporation survey shows that the customer Lifetime Value indicator (CLTV — Customer Lifetime Value) is 30 % higher for companies that use multi-channel marketing. This means that customers have a greater commitment, and they make their purchases more frequently when they visit. Initially, retail giants such as Walmart and Macy's considered the introduction of multi-channel marketing for promotion as a response to the growth of online commerce. While Amazon, which specializes in online tools, on the contrary, offers its customers to make an experience in an offline environment, the company introduced a «Dash-button». As you can see, the integration of online and offline channels is becoming an opportunity for growth and increased competitiveness. The goal of growing the multi-channel experience is to ensure that customers get a better experience that leads them to make a purchase.

¹ Sysoeva T. L., Timokhina G. S., Izakova N. B. The role of «new media» in the formation of brand communication policy for the millennial generation // *Azimuth of scientific research: Economics and management*. 2017. Vol. 6, no. 4 (21). Pp. 223–226. (In Russ.)

² Storozheva E. V., Berezina O. S. Application of the effective frequency model — Herbert Krugman's «three strikes» theory in online advertising // *Information technologies in science, management, social sphere and medicine: collection of scientific papers of the III International scientific conference (Tomsk, May 23–26, 2016)*. Tomsk: National Research Tomsk Polytechnic University, 2016. Part 2. Pp. 423–425. (In Russ.)

From the point of view of the speed and accessibility of promotion using a mobile phone, no other channel can demonstrate similar characteristics. Mobile phone users can easily perform a variety of actions. Personal, convenient, timely — this is how you can describe communication via a mobile phone.

The experience of the British representative office of the BMW brand demonstrated the practice of conducting sales using mobile phones. QR codes for scanning were placed on all offline advertising communications: outdoor advertising, advertising in magazines, newspapers, so when users clicked on the link, they were directed not just to the section of the site about the car, but to the section where all the parameters are presented and you can make a purchase. The entire purchase process for the selected characteristics takes about ten minutes.

Mobile phones become channels for both attracting and engaging users. The legendary example of Tesco's promotion in South Korea demonstrates the success of using a smartphone. Market research data showed statistics that South Koreans with long working hours view grocery shopping as stressful and a waste of time. As a result, the company offered its potential customers an innovative solution. By printing copies of real storefronts with QR codes leading to the online store and placing them at metro stations, the company was able to attract attention. Consumers no longer need to spend their time going to the traditional supermarket, the shopping process is combined with waiting for transport. This experience has brought the company success in the South Korean market.

Thus, knowledge of cross-cultural features allows you to correctly form a promotion policy, get a higher result and increase the brand's competitiveness in the local market. With the development of multi-channel marketing, knowledge of cross-cultural communications enables companies to engage customers and increase brand commitment.

Multicultural design: approaches. There are 4 main approaches that you should be aware of if you want to create or adapt a design for a new cultural market.

1. Translation: precise translation of words from one language to another.

2. Localization: similar to cultural translation — you change not just the language, but the message itself, so that it resonates with a particular culture.

3. Internationalization: take something designed for the domestic market and expand its application to international markets after the fact.

4. Cross-cultural design (the term was coined by Senongo Akpem and came from product design) is a holistic process in which cultural considerations become a priority in the development of each aspect of the design. You allow your multicultural knowledge to influence your approach to design, even when creating its native, original version.

These approaches are not mutually exclusive — cross-cultural design, for example, often combines the other 3. At the same time, localization is usually preferable to direct translation, since its result is more thoughtful and adapted to the needs of the audience. As for internationalization — although in many cases it is unavoidable, it is preferable to develop a logo from the very beginning, taking into account international markets.

How culture affects every aspect of a logo. Any logo can be divided into components, each of which has its own meaning. These values should be in harmony with each other, creating a single overall impression. However, they can change dramatically depending on the cultural context, affecting what the logo says to its audience.

These aspects of a logo can be literal (such as lines, shapes, and colors) or intuitive (such as the concept behind the logo). You need to make sure that all aspects remain relevant across cultures.

1. Brand. The brand is the part of the logo that you don't see, but it represents the very essence of the design. After all, a brand is what a logo design should express.

Brands often have to adapt to the audience they serve. For example, when Starbucks tried to enter European markets, it found that local residents considered its coffee to be of poor quality and the prices were too high. With this in mind, Starbucks has designed a sophisticated «coffee lab» in Amsterdam (Figure 5), to stand out from the local coffee shops. In other European cities, it focuses on the mass consumer, offering cheap street coffee.

So, it's important to decide how your brand will perform in the new culture. This will be the starting point for visual adaptation of the logo. For example, when the American fast food chain Burger King

entered the Australian market, it discovered that there was already a local brand with that name, and so changed its name to Hungryjack's. In 1999, the design of the BurgerKing logo changed to a more modern one, but hungryjack's retained the classic design, as it continued to work perfectly in the local market.



Figure 5. Starbucks «Coffee Lab» in Amsterdam

Note. Interestingly, now Burger King has actually returned to the logo of 20 years ago with some minor improvements (Figure 6).



Figure 6. On the left — the BurgerKing logo (1999–2020), on the right — the Hungry Jack's logo

2. Brand name. Your brand name is likely to be pre-defined, and you don't want to change it from market to market (although this is

NotUnheardOf). In many cases, it is perfectly normal to have a unique brand name, the meaning of which is not obvious to the audience. For example, the Swedish furniture brand Ikea, which is popular in America. Most English-speaking buyers are unlikely to understand what the name means, but they don't need to like any other name, it simply performs the function of a unique designation.

At the same time, you should be aware of possible translations of your brand name, such as words that sound rude in another language or otherwise confuse people. What should I do in this situation? One solution is to change the name in this country or use an abbreviation.

Another approach is to use multiple languages in a single logo (Figure 7).



Figure 7. Using multiple languages in the brand logo, design by Robert V

Another important point is pronunciation: will the audience you're targeting experience difficulties with it, or even avoid mentioning the brand altogether? When translating the name, you will need to decide which pronunciation is correct. Build on the way native speakers pronounce the word, rather than impose a pronunciation that is completely unintuitive.

3. Tagline. A tagline or tagline is an auxiliary phrase that provides additional information about the brand and its activities, usually in a convincing and memorable form. Since the tagline is much less important than the brand name, you can change it freely for different audiences. And since it must be memorable, it is important that the phrase matches the cultural characteristics of the market (Figure 8).

Another reason for changing the slogan is the width of the label. Usually, the tagline is longer than the brand name, and when translating directly, the text length can increase exponentially.



Figure 8. Logo design for the label in French and Arabic. Kenan design

4. Colors. Colors evoke a number of psychological associations. In some cases, they are biologically determined (for example, colors that we can identify as dangerous and toxic if they are associated with food), but more often they are still based on history and tradition (Figure 9).

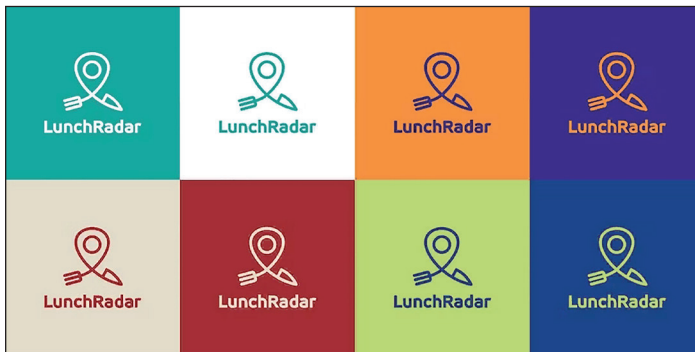


Figure 9. Brand logo in different colors. Author Chris Kay

Colors that work perfectly for one audience may cause the opposite reaction in another. For example, red in many Western cultures is associated with passion and excitement, and in South Africa-with funerals.

5. Symbols. When we talk about symbolism, we are referring to the specific images that are used in the logo. This is where conceptual design comes into play, as iconography expresses a key metaphor for brand identity.



Figure 10. Using symbols in the logo. Henry Lim Design

Since symbols are closely related to history, literature, and religion, their meaning inevitably follows from internal cultural representations. This applies both to specific symbols (for example, the cross for first aid, a reference to Christian salvation) and to general symbols (for example, character traits that we associate with various animals). In China, animal associations are usually associated with the Chinese zodiac (Figure 10).

Abstract logos are a good way to avoid irrelevant symbols, as well as logos without a graphic part (for example, word signs). It is even more important to make sure that the symbol or image does not convey anything offensive. The symbol, like the name, must correspond to the underlying idea, even if its meaning is not immediately obvious.

6. Orientation. Different cultures have different ways of perceiving information. English-speaking users read from left to right, while Arabic — speaking users read from right to left. In addition, many East Asian fonts are placed vertically rather than horizontally on paper, as shown in Figure 11. These templates go beyond text and relate to the processing of any visual information. Given this, it is important not just to flip the logo—you need to rework all its elements so that it looks natural in the new orientation.



Figure 11. Logo for a Japanese brand with a vertical orientation. Stephen

Eventually, in cultural research, there must be a shift from online communication to face-to-face communication. Finally, working with designers who represent the right culture may be the most effective option, since they know firsthand which solutions will resonate and which won't. Fortunately, the global market for design services allows clients to communicate and consult with designers from all over the world.

Individualization vs unification in cross-cultural logo design.

Since the brand will ultimately only have one logo, it should be fairly simple and attractive to the mass consumer. But does this mean that a cross-cultural approach to design requires unification? In other words, should we exclude everything that makes a logo unique in order to gain maximum understanding?

A logo is an expression of the brand's identity, which means that it simply *can't help but be unique*. What we try to avoid in a cross-cultural environment is misunderstandings and confusion, and individualization is one of the best tools to achieve this.

Although this brand (Figure 12) is aimed at European consumers, the logo traces its Chinese roots.

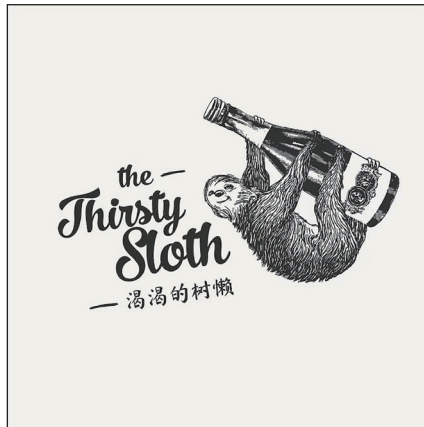


Figure 12. Logo using borrowings from Chinese culture, designed by Katerina Karadima

Individualization starts with the cultural markets you target. Instead of making your logo international, think about where exactly you

are going to expand your business. Your research should be limited to specific regions, as views, values, and dialects may differ even within the same country. This is where localization comes in handy, which allows you to change the design so that it finds more response from a specific audience. Localization in the logo design is implemented by creating several versions of the logo. Logo design using alternative colors, orientations, and abbreviations is becoming increasingly common.

In general, individualization helps the audience feel part of the company, while a unified design can give the impression that the brand is keeping the audience at arm's length and trying to hide from them behind a neutral, emotionless facade.

Cross-cultural design benefits logos. Cultural differences are an unavoidable factor in logo design. When we talk about a cross-cultural approach, we are not talking about stripping your design of its uniqueness or identifying its shortcomings. Our goal is to learn from other cultures, expand our aesthetic horizons, and create more effective logos. This is not only an inclusive approach, but also the foundation of a successful business.

Questions for discussion

1. Why is it important for global brands to preserve elements of the national culture when entering new markets?
2. What changes in brand identity are acceptable when entering foreign markets?
3. What examples of successful brand transformation for a new market do you know?
4. Why do brands choose to use multiple languages in their identity? What is the reason for this choice?
5. Identify practical solutions of global brands that can be considered effective in using the cross-cultural environment.
6. What influences brand management decisions in the foreign market?

Tasks

1. Follow the link to read the interview. About the new identity and communication language of the automobile brand, strong feel-

ings, integration into the show «What happened next?» and a difficult simplification¹.

Prepare your own answers to the following questions based on the material you read:

— What did you find important in this article?

— What new phrases did you reflect and remember their meaning?

— What are the main conclusions you can draw?

For reference: BBDO Group is the Russian division of the American communications holding OmnicomGroup, the local representative office of two of its divisions: BBDO Worldwide and OmnicomMunიაGroup.

2. Situational task «Brand promotion in the foreign market».

Situation: You have received a position in the advertising marketing department of a major travel operator In Russia as a brand manager. Your employer has many competitors In Russia, but foreign markets have not yet been developed. He hired you to change his strategy of promotion in foreign markets, which is currently very similar to the competition.

Task. To develop a program of events to promote the brand of a travel operator that offers unique tours In Russia for foreign tourists. The choice of a foreign market is optional. Identify the stages of developing a brand promotion program in relation to the calendar plan, and calculate an approximate cost estimate.

3. Situational task «Promotion of the organization in the B2B segment in the foreign market».

Situation: You have been invited to head the brand management department of a large metallurgical enterprise In Russia. It has a large turnover of products that it supplies, including abroad. However, this company is noticed in the regular release of harmful substances into the atmosphere.

Objective: To develop three-month plan for brand promotion in the foreign market in order to maintain the company's competitive



¹ *Lada*: How we surprise our clients, and BBDO surprises us // Sostav. 2021. December 7. URL: <https://www.sostav.ru/publication/lada-novejshaya-istoriya-kakmy-udivlyaem-klientov-a-dlya-bbdo-nas-51622.html> (accessed February 12, 2025). (In Russ.)

position and reduce the likelihood of reputational risks related to environmental pollution. Present the data as a table. Calculate an approximate cost estimate.

3.3. Digitalization in brand communications in international management

Digitalization is becoming the most important tool in management and marketing. Based on the development of digital technologies, companies gain more popularity, increase awareness, involve consumers in brand promotion, and improve their financial performance. Mass adoption of digital technologies creates a new lifestyle for consumers, their use opens up new opportunities for marketers to transform the promotion complex. Digital technologies such as online shopping, food delivery, medicine delivery, digital banking, online training, online meetings, media consumption, telemedicine, online games, online fitness, and virtual tourism have accelerated in recent years. Marketers are no longer able to slow down the formation of digitalization needs, and consumers have already gained experience in interacting with digital technologies. So, during the coronavirus epidemic, influencing the audience more than ever implies greater responsibility. At the same time, digital marketing technologies are diverse and have their own characteristics.

Involving consumers in digitalization is becoming an urgent task, where the analysis of consumer preferences makes it possible to form management decisions. Despite the fact that users are less willing to participate in online surveys and online research, marketers can implement digital analytics methods based on data from Yandex services. Wordstat and Google Analytics, you can track results for search queries. So, the understanding of the need to develop markets where brands operate is formed at a sufficient level to implement digitalization policies and maximize economic results. Testing readiness for the transition to new digital technologies is based on auditing the following parameters:

- the brand interacts with customers in the digital space;
- the brand provides a well-coordinated customer experience;
- the company has services for processing and analyzing customer data in real time;

- employees interact with each other and with customers in the online space;
- the company has a digital corporate culture of the company.

Thus, the digitalization readiness check reflects the actual situation for the transition to digital business channels. The presence of most of the tools allows the company to actively implement digitalization. As for consumers' readiness for digitalization, the following factors will be favorable: representatives of generations Y and Z as the core of the target audience; sales structure is dominated by operations performed through digital platforms, and interaction occurs through digital interfaces.

Involvement in the digitalization of brand promotion can be achieved through sales promotion. Separate promotions on digital platforms («exclusively online»), discounts, cashback. Consumers value time savings, home delivery, comfort, payment security, and the ability to make a purchase via a direct link from their social network account¹. When developing brand promotion, marketers need to offer simple and convenient solutions in an online environment, minimize the risks of poor quality of service delivery, standardize responses, and increase the level of goodwill. Examples of such interaction are services in the field of telemedicine, video banking, where highly specialized consultations are carried out in remote access. Another example is the use of virtual assistants, assistants that are controlled by voice commands.

The basic needs of brand promotion in the digital environment remain high-quality content in social networks and improving the trading system, both online and offline². The use of BigData and artificial intelligence technologies allows you to analyze the market in more detail, quickly track changes in the market and respond to them with lightning speed. For example, the British brand Tesco uses sensors with image recognition technologies in its practice to improve merchandising in the retail space. This technology allows you to learn how

¹ *Tabyshova A.K.* Marketplace (online e-commerce platform) as an effective business model for trade in the context of a pandemic // *News of Universities of Kyrgyzstan*. 2020. No. 5. Pp. 113–117. (In Russ.)

² *Khalilov D.* Social media marketing: The first guide to social media marketing from a Russian practitioner. Moscow: Mann, Ivanov and Ferber, 2013. 240 p. (In Russ.)

to place products on the shelves more efficiently. Robots take photos and analyze images to detect product shortages or incorrect layouts. The proposed system allows you to increase the effectiveness of the customer experience. Similar technologies are also useful for consumers who can use product scanning on the shelf and get detailed information about the product, which is generated by artificial intelligence algorithms.

Companies need to improve digital interaction with mobile applications, which act as a means for content (photos, videos, games), channels for making purchases, managing their data, performing financial transactions, and also as a basis for managing the product itself (the «My BMW Remote» application can be used to lock, unlock, and enable it car's headlights or signal). With mobile apps, customers can interact seamlessly with brands.

Thus, brand promotion based on digital technologies allows companies to increase their competitiveness and create additional unique value for consumers. Introducing social media, mobile apps, and gaming platforms to the customer experience is an attractive investment in the future development of the brand.

Information for reflection

The Disney World brand and digitalization. Disney World Entertainment «Disney World» Center has experienced a decline in customer satisfaction from visiting parks. After that, the company decided to develop the MyMagic+ program, which combined the website, mobile application and bracelet into a single system for analyzing customer impressions.

Now users can book an entertainment program and hotel accommodation several months in advance of their trip. After booking, the user receives by mail their wristband with a radio sensor — this is both a pass to attractions, a wallet and a GPS navigator. With its help, animators learn about the child's birthday and individually congratulate everyone. Employees can use the GPS navigator to find out about the queues that have formed. A long queue is a reason to make a discount and advise other attractions for those who do not want to waste time waiting, or send an animator to entertain visitors in the queue. In addition, customers can easily navigate inside the park using the mobile app.

MyMagic + involves training more than 70,000 employees in new technologies, installing radio frequency readers in 28,000 hotel

rooms, and adding scanners to hotels, stores, and other facilities in the park. The amusement park introduced an omni-channel service and increased customer loyalty. As a result, after a billion dollars of investment, the program was successful — more than 90 % of visitors rate it as «very good» or «excellent».

Financial Times. The Financial Times can also be congratulated on its successful transition to the information age. Sales of paper newspapers are declining every year. This problem was also encountered in the Financial Times, after which the company began its digital transformation. The publication wanted to be everywhere where their potential readers could be. People often use multiple information channels based on the time of day: they read the newspaper in the morning, use their smartphone on the go during the day, browse websites in the workplace, and use tablets after work. The print version is just one of the channels of interaction with customers that the company has decided to no longer limit itself to. The Financial Times has started developing digital communication channels and working on a website. The new website loads in 1.5 seconds on your computer and 2.1 seconds on your smartphone. Fast loading is extremely important for media that can be viewed at any free moment. On the new site, interaction with the reader increased by 30 %, while guests began to spend more time reading and return more often. Digital subscriptions increased by 14 %.

This example shows that even newspapers can use digital transformation in an era of high demand and the need to meet customer needs at a new level!

Questions for discussion

1. What is digitalization and how does it manifest itself in brand management?
2. What digital tools do global brands use?
3. Why is digitalization important for consumers and their brand experience?
4. How can digitalization affect the level of customer satisfaction?
5. Learn about the experience of well-known brands in digitalization. Give your assessment of the changes made in brand management.

Tasks

1. Analysis of materials of the Russian Advertising Yearbook¹. Follow the link in the QR code to study the materials of the publication of the Association of Communication Agencies of Russia (ACAR).



Prepare answers to the following questions:

- What are the leading trends in brand communication policy?
- What trends are on the decline?
- Choose examples of several brands that use cutting-edge trends in communication policy.

2. Analysis of digitalization tools. Choose a global brand. Conduct an audit of the digitalization tools that are offered to customers. What additional services does the company implement through digitalization?

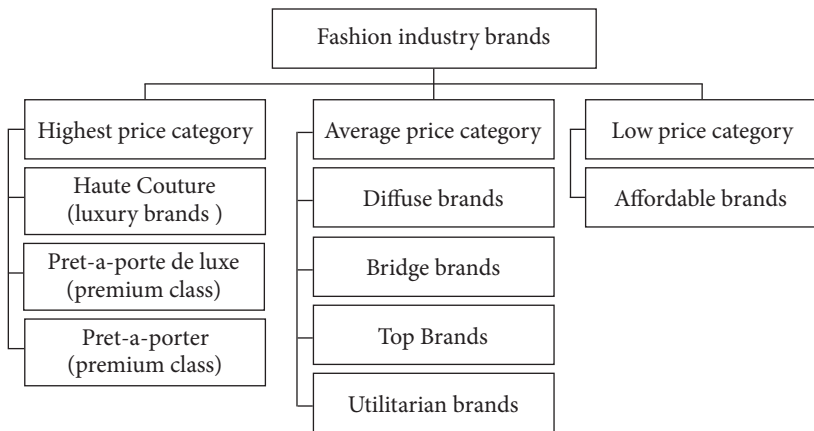
3. Unique solutions in digitalization. Check out the Best Global Brands list by the international consulting agency InterBrand. Select a brand. Consider how the brand uses the tools of digitalization, which of them differ in their uniqueness. Describe these solutions.

¹ *Russian Advertising Yearbook – 2021* / scientific editor S. V. Veselov, author of the idea D. S. Badalov. Moscow, 2022. 379 p. (In Russ.)

CASE STUDIES

Case study 1. Classification and the importance of brand development in the haute couture segment

Consider the classification of brands in the fashion industry. Note that brands themselves have different values for different categories of customers, and this criterion is the basis for classifying brands in the fashion industry (see Figure).



Classification of fashion industry brands¹

Price Categories in Fashion Industry. At the apex of the fashion hierarchy resides the most prestigious and costly segment encompass-

¹ Compiled by: *Konyukhova E. E., Kuznetsova E. A.* Features of brand positioning in fashion industry // Bulletin of the Peoples' Friendship University of Russia. Series: Economics. 2016. No. 4. Pp. 110–119. (In Russ.); *Pantyukova R. V., Olomskaya N. N.* On the issue of definitional analysis of the concept of «brand» // Scientific Bulletin of the Kuban State University. Media Communication. 2016. No.2 (3). Pp. 43–46. (In Russ.)

ing Haute Couture, Prêt-à-Porter Premium, and Prêt-à-Porter Luxury brands.

Haute Couture. Haute Couture stands out as the pinnacle of fashion, distinguished by exorbitant prices and exceptional craftsmanship. Crafted exclusively to fit individual clients, Haute Couture pieces are produced by teams led personally by celebrated designers, setting global trends and influencing consumer tastes. While accessible primarily to elite clientele, simplified derivatives occasionally trickle down into mainstream fashion through Prêt-à-Porter collections.

Prêt-à-Porter De Luxe. A step below Haute Couture yet equally impressive, Prêt-à-Porter De Luxe consists of limited-edition garments manufactured from superior fabrics and featuring meticulous detailing. Despite being slightly more affordable than custom creations, these designs remain exclusive, frequently showcased in flagship boutiques globally.

Prêt-à-Porter. Accessible to wider audiences, Prêt-à-Porter represents ready-to-wear fashion, retaining stylistic echoes of Haute Couture while employing cost-effective materials. Its affordability contributes to its commercial appeal, enabling accessibility beyond affluent circles.

Defining Luxury Brands. Luxury brands dominate the upper echelons of fashion, recognized universally for their extraordinary craftsmanship, historical heritage, and rarity. Defined by Kristen Nyman, head of creativity at Kate Spade New York, luxury embodies a personalized item expressing the wearer's individuality — a seamless fusion of product and consumer.

Roni Zeidan, Creative Director at RO New York, emphasizes luxury as an aesthetic achievement combined with absolute uniqueness throughout the production cycle. Consumer perceptions of luxury stem largely from extensive marketing efforts, closely tied to socio-economic standing. Essentially, luxury transcends mere functionality, promising immersive sensory experiences alongside exceptional quality.

Prices for luxury goods escalated dramatically over the past decade, reaching nearly double their previous rates. While some attribute this rise to exotic raw materials, others believe higher prices amplify desirability, reinforcing exclusivity and prestige. This duality underscores the intricate interplay between quality and aspirational desire.

Despite being relatively obscure outside elite circles — for instance, Westvision televisions or Krug Champagnes — their rareness and high cost solidify their association with wealth and privilege. Ironically, many luxury brands enjoy wide recognition even among individuals who lack access to their products, fostering an aspirational aura.

Contrary to popular misconceptions regarding excessive pricing, the trajectory of prominent luxury labels continues upwards, both domestically and abroad. Annually, the World Luxury Association publishes rankings highlighting top-tier luxury brands across industries such as fashion, watches, jewellery, and cosmetics (see Table). Criteria for selection include market dominance and consumer admiration.

Most luxury brands engage in vertical brand stretching, extending their presence into lower price segments. This entails designing and producing a new branded product that deviates from the standard offering, typically characterized by simpler design, altered manufacturing techniques, and notably lower quality and price points. As shown in Table, numerous luxury brands operate across various product categories.

Prestigious and successful luxury brands

Product Category	Brands
Fashion Industry	Hermes, Chanel, Louis Vuitton, Christian Dior, Ferragamo, Versace, Prada, Fendi, Giorgio Armani, Ermenegildo Zegna
Jewelry Products	Cartier, Van Cleef & Arpels, Boucheron, Harry Winston, Chaumet, Kloybateri, Bulgari, Montblanc, Tiffany & Co., Mikimoto
Watch	Patek Philippe, Vacheron Constantin, Piaget, Jaeger-LeCoultre, Audemars Piguet, Blancpain, Rolex, Breguet, IWC, Franck Muller

Note. Compiled by: *Karpykbaeva A. B.* Branding of luxury goods: the phenomenon of popularity among consumers // *Innovations and investments.* 2019. No. 8. Pp. 180–182. (In Russ.); *Hines T., Bruce M.* Fashion Marketing: Contemporary Issues. Routledge, 2007. 324 p.

An illustrative case study comes from Rolex, which offers watches equipped with fabric straps priced lower than models adorned with precious metals like platinum or gold. Such brand-stretching strategies are inherently strategic, driven by intensified competition, shifts in retail landscapes, advances in technology, and other micro-market dynamics.

Additionally, luxury brands commonly pursue horizontal expansion, branching into new categories such as fragrance and makeup, providing more affordable entry points for a broader consumer base. While some luxury brands maintain a cult-like following within narrow circles, others transcend typical market segmentation, achieving universal recognition.

Recognition of luxury brands extends beyond mere consumer identification — it encompasses global acclaim and enduring cultural relevance. Establishing this recognition demands significant time investment and consistent effort.

Furthermore, luxury brands increasingly rely on digital platforms and experiential marketing to foster engagement and authenticity. Their longevity relies on balancing tradition with innovation, preserving heritage while staying attuned to shifting consumer preferences. Effective brand recognition hinges on a company's ability to consistently deliver superior quality, design excellence, and emotionally resonant narratives.

Case questions

1. How do high-end brands differentiate themselves?
2. What values do premium brands communicate?
3. What factors determine a brand's ranking?

Case study 2. Trucks and special equipment dealership doing business with Chinese brands

First Kilometer LLC is a modern dealership specializing in the sale of trucks and special equipment, as well as providing comprehensive service to its customers. The company focuses on meeting the needs of both large corporate clients and individual entrepreneurs, offering a wide range of products and services.

In the assortment of LLC «First Kilometer» you can find a variety of models of trucks of various brands, including both domestic and foreign brands (Figure).

The dealership offers both new and used cars, which allows customers to choose the most appropriate option depending on their budget and business specifics. In addition, the company provides

special equipment, including excavators, loaders, cranes and other specialized equipment needed for various industries.



The example of truck variant

One of the key features of First Kilometer LLC is an integrated approach to customer service. In addition to selling equipment, the company offers maintenance and repair services. There is our own service center with highly qualified specialists who provide professional diagnostics and repair of cars and special equipment. Maintenance services are also provided, which allows customers to minimize the downtime of equipment and keep it in working order.

First Kilometer LLC is attentive to customer service issues, striving to establish long-term relationships with each client. The company's specialists are ready to provide full advice on the choice of equipment, as well as help with the registration of all necessary documents. In addition, the company offers flexible credit and leasing terms, which makes the process of purchasing equipment more accessible to customers.

The team of First Kilometer LLC consists of experienced specialists, including sales managers, technical experts and service engineers. The entire team receives regular training and improves their skills, which allows us to provide a high level of service and professionalism.

The dealership is conveniently located in a strategically important region, providing convenient access for customers from all over the country. The convenient transport interchange and proximity to the main automobile arteries contribute to the ease of logistics and fast delivery of equipment.

Over the years, First Kilometer LLC has established itself as a reliable and responsible partner, earning positive customer reviews. Transparent terms of cooperation, high quality products and services, as well as customer focus — these are the main components of a successful reputation of the company.

First Kilometer LLC is a reliable player in the market of trucks and special equipment. Offering a wide range of products and high-quality services, the company provides its customers with confidence in choosing reliable equipment for their business. Commitment to quality, professionalism and a high level of service make First Kilometer LLC an excellent choice for those who are looking for high-quality equipment and reliable support.

Let's analyze the services of LLC «First kilometer» using the marketing mix 4P/7P complex in the Table 1.

Table 1

Analysis of the company's product

Characteristics	LLC «First kilometer»	LLC «Trak-Market»	M-TRUCKS LLC
Expected product / service	Sales of trucks and special equipment that meet the stated requirements and quality	Delivery and service of commercial vehicles, including trucks, trailers, semi-trailers and special equipment	Delivery and service of commercial vehicles, including trucks, and specialized equipment
Extended product / service	Tracking capability real-time tracking of cargo, various types of packaging, warehousing services, a wide range of transport types (small and large cargo)	Special offers for regular customers, various special offers and promotions	Spare parts supply: sale of original spare parts Advice and assistance in choosing equipment: Financial services: cooperation with banks and leasing companies to provide favorable conditions for buying equipment on credit or leasing
Potential product / service	Providing advice on choosing a vehicle	Discounts on service maintenance	Loyalty program with cumulative bonuses, additional truck insurance, individual conditions for corporate clients

The end of the Table 1

Characteristics	LLC «First kilometer»	LLC «Trak-Market»	M-TRUCKS LLC
Product / service life cycle	Services are at the stage of growth, with an active expansion of the customer base and services, new areas of work	Services at the stage of maturity with a stable order volume, without significant changes in offers	Services are at the stage of growth, active introduction of new technologies and optimization of processes
Motivation	Positive motivation: high level of service, easy cargo tracking, flexibility in working with clients	Positive motivation: popularity in the market, reliability, old customers	Positive motivation: a comprehensive approach to solving customer problems and individual working conditions
Engagement	High engagement: constant contact with customers, personalized offers, influence on customer choice	High engagement: constant contact with customers, personalized offers, and influence on customer choice	High engagement: constant contact with customers, personalized offers, and influence on customer choice

This table allows you to visually compare the services of LLC «First Kilometer» with the main competitors, identifying its advantages and differences based on the concept of marketing mix.

So, in the process of choosing cargo and special equipment services, the consumer first of all focuses on the reliability and speed of fulfilling the terms of the contract. The consumer hires the services of First Kilometer LLC in order to optimize their processes, reduce delivery time and minimize the risks associated with damage or loss of cargo. Thus, the main motivation is the desire to receive high-quality and timely services that will help in running a business.

In advertising materials, it is necessary to focus on the unique characteristics that distinguish LLC «First Kilometer» from competitors. These characteristics include the ability to track cargo in real time, the variety of services offered, including a high level of service provided by a team of professionals. These aspects will contribute to the formation of a positive image of the company and increase its visibility in the market.

The main difference between the services of LLC «First Kilometer» and competitors is a comprehensive approach to each client and the

adaptation of services to individual needs. Unlike Trak-Market LLC, which offers more standard solutions, and M-TRUCKS LLC, which actively use an integrated approach, First Kilometer LLC is focused on building long-term relationships with customers through providing personalized solutions and flexibility in its work. This creates additional competitive advantages and contributes to the formation of customer loyalty.

In accordance with the life cycle of the First Kilometer LLC services, advertising should be diverse and include both informative and stimulating content. At the stage of growth, it is important to apply supportive advertising, creating the company's image and confidence in its reliability. You should also use incentive promotions and offers to attract new customers. The volume of advertising should be sufficient to reach the target audience, but not excessive, so as not to overload potential customers with information.

Customer motivation and engagement have a significant impact on the choice of advertising strategy. High engagement of potential customers requires developing a personalized approach, focusing on specific needs and expectations. In this context, advertising should be aimed at forming long-term relationships and constant dialogue with customers.

In turn, positive motivation for cooperation should be supported by high-quality content that not only informs, but also answers customer questions, helping them make informed decisions. Thus, the cost, quality and level of service should be clearly reflected in advertising materials, which will allow us to distinguish LLC «First Kilometer» from competitors in the saturated market of cargo transportation services.

Let's analyze the price of the First Kilometer LLC service using the marketing mix 4P/7P package (Table 2).

Analysis of the non-monetary price shows that the level of LLC «First Kilometer» is high compared to competitors. The company creates comfortable conditions for customers, minimizing physical and psychological costs. The high level of service and trust from customers allows «First Kilometer» to stand out among other companies. While Trak-Market may have risks associated with a lack of understanding of the terms and quality of services, Transport Services has strong support from consultants, but still the non-monetary price

can be reduced in case of insufficient personalization. Thus, First Kilometer LLC offers a higher value for customers in non-monetary aspects.

Table 2

Analysis of the price level (Price) of LLC «First kilometer»

Characteristics	LLC «First kilometer»	LLC «Trak-Market»	M-TRUCKS LLC
Cash price for goods / services	Competitive prices, based on the analysis of the cost and prices of competitors, vary depending on the distance and type of cargo	Prices below the market average	Prices above the average, due to a high level of service
Non-monetary price for the service	Minimizing stress for customers through a high level of service and professionalism of employees, offered guarantees	There can be a high level of stress due to uncertainty in delivery times and service quality	Professional consultants who minimize anxiety and simplify all processes for the client
Time for service	Delivery of bulk shipments is clearly defined and observed. Possibility of urgent delivery with additional payment	Terms of delivery of wholesale lots are clearly defined and observed	Terms of delivery of wholesale lots are clearly defined and observed

In terms of time to receive the service, LLC «First Kilometer» demonstrates effective deadlines for completing orders, which is an important aspect for customers. Delivery times are clearly defined and adhered to, and there is the possibility of urgent delivery for an additional fee. This allows customers to adapt their expectations based on the urgency of the need. Unlike «Trak-Market», where the time may vary and sometimes delays occur, «First Kilometer» provides greater predictability. LLC «M-TRUCKS» also offers flexible terms and the possibility of urgent delivery, however, the high level of service of LLC «First Kilometer» can make its offer more attractive to customers who compromise on time for the sake of quality.

Price control. First Kilometer LLC maintains a competitive price level, which attracts a wide range of customers who are willing to pay for a high level of quality.

Non-monetary price. The level of non-monetary prices for services is quite high, which makes the company attractive for customers who avoid stress and risks when interacting with cargo carriers.

Time frame. Effective order processing time management provides an additional competitive advantage that allows the company to stand out from other carriers.

Thus, First Kilometer LLC focused on improving the quality of services and minimizing non-monetary costs, which can lead to an increase in the customer base and increase the loyalty of existing customers.

Let's analyze the places of sales of goods/services of LLC «First kilometer» using the marketing mix 4P/7P complex (Table 3).

Table 3

**Analysis of sales channels
and location of LLC «First Kilometer»**

Characteristics	LLC «First kilometer»	LLC «Trak-Market»	M-TRUCKS LLC
Places of sale of goods, work schedule	Main office in the city, work from 9:00 to 18:00. Customer support 24/7 via a hotline	Office in the city and several branches. Work schedule-working days from 9: 00 to 17:00	Wide network of offices in different cities, work from 8:00 to 20:00
Places of sale of services Real	Office of the company, place of loading and unloading	Offices throughout the city	Offices throughout the country
Places of sale of services Virtual	Official website with online function-order processing, a smart-phone app, and social networks for interacting with customers	Official site, but without the online order function, presence only in some social networks	Developed site with order status control, mobile application, active interaction in social networks

Places of sale of goods, working hours:

— First Kilometer LLC has a central office that operates at a convenient time for customers, as well as provides 24/7 support. This creates a positive environment for clients who can receive information and assistance at any time;

— Trak-Market LLC operates on a regular schedule with limited service time, which may be inconvenient for customers with non-standard requests;

— M-TRUCKS LLC offers a wide network of offices and the ability to interact with clients in a longer time range, which can attract customers who prefer an offline form of communication.

Places where the service is sold. Real ones:

— First Kilometer LLC provides the service through its offices, and also actively uses partner warehouses, which allows you to optimize processes and provide flexible solutions to customers;

— Trak-Market LLC is developing its own network of offices, but instability in the use of temporary warehouses can reduce the efficiency of services;

— M-TRUCKS LLC has a large reach with many specialized terminals and offices, which allows you to respond to customer requests as quickly as possible.

Places where the service is sold. Virtual ones:

— First Kilometer LLC actively uses online platforms for online orders and communicates with customers through social networks, which greatly simplifies the interaction process;

— Trak-Market LLC has only an information site without the possibility of online ordering, which restricts customers and makes the process less convenient;

— M-TRUCKS LLC offers rich functionality on its website and mobile application, which makes their services more accessible to customers.

Virtual channels and the possibility of online ordering at First Kilometer LLC provide a significant advantage, allowing customers to quickly receive information and place orders without having to visit the office.

Flexibility in using real service locations, including partner warehouses, allows the company to be more adaptive to customer needs and ensures high quality of service.

Since competitors do not fully use all the advantages of virtual technologies, LLC «First Kilometer» has the opportunity to stand out from others, increasing its competitiveness and attracting new customers.

Thus, the distribution and location strategies of the First Kilometer LLC service represent a comfortable and efficient solution for

customers, which creates an opportunity for further growth and improvement of the service quality.

Let's analyze the communication impact using the marketing mix 4P/7P package (Table 4).

Table 4

Analysis of communication impact

Characteristics	LLC «First kilometer»	LLC «Trak-Market»	M-TRUCKS LLC
Advertising LLC	Actively uses digital platforms, SEO, contextual advertising, social networks and participation in industry exhibitions	The main focus is on traditional forms of advertising, including outdoor advertising and flyers	Combining digital and traditional advertising, focusing on brand advertising and PR events
Shaping public opinion	Proactive PR strategy, working with customer reviews and public relations	Limited PR efforts, reviews are often ignored	Active interaction with the public and media, high ratings and reputation in the market
Personal sales	A well-developed network of sales managers working with clients on the ground	A limited number of sales managers, usually in offices	A wide network of managers and highly qualified personnel working with clients
Sales promotion to the end user	Regular promotions special rates and seasonal offers	Rare promotions, emphasis on low prices as the main advantage	Frequent promotions and loyalty programs for regular customers
Sales promotion for wholesale customers	Individual conditions for wholesalers and flexible discount system	Limited work with wholesale customers, low flexibility in terms	of cooperation programs developed, discounts for regular wholesalers
Sales promotion for own staff	Bonus programs and rewards for exceeding sales plans	Limited incentives for staff	A system of employee motivation and bonuses has been developed
Additional channels (for the B2C and service markets)	Online platforms, a mobile app, and collaboration with service aggregators.	Inactive additional channels, main focus on traditional methods	Developed online channels and customer opportunities, including mobile apps and platforms

Advertisement: First Kilometer LLC effectively uses digital platforms and modern technologies to attract customers. While Trak-Market relies on traditional forms of advertising, which may limit their reach. M-TRUCKS LLC uses a mixed approach, which gives them wider access to different customer segments.

Forming public opinion: First Kilometer LLC and M-TRUCKS LLC have an active PR strategy and work with customer reviews, which contributes to creating a positive image. Trak-Market pays less attention to this aspect, which may affect their reputation.

Personal sales: First Kilometer and M-TRUCKS LLC have a well-developed network of sales managers, while Trak-Market has limited opportunities in this area, which can make it difficult for them to interact with customers.

End-user sales promotion: First Kilometer LLC offers regular promotions and special offers, which makes their services more attractive to customers. At the same time, Trak-Market focuses on low prices, but this does not always encourage repeat purchases.

Sales promotion for wholesale customers: First Kilometer has a flexible system of discounts for wholesalers, which helps attract large customers. Unlike them, Trak-Market does not have an effective strategy for wholesale customers.

Sales promotion of own personnel: Bonus programs and rewards in the» First kilometer «increase employee motivation, while at» Trak-Market «such incentives are not sufficiently developed.

Additional channels: First Kilometer LLC actively uses online channels and mobile applications to improve the customer experience, while Trak-Market does not pay enough attention to these aspects, which limits their availability for customers. M-TRUCKS LLC also develops its online channels well.

In general, First Kilometer LLC demonstrates a comprehensive and modern approach to marketing strategies, which allows them to remain competitive in the market.

Case questions

1. What brand management opportunities exist in local markets?
2. Which objects of management activity remain in the area of responsibility of the brand holder?

3. Present an analysis of the advertising messages of the auto brand and its main competitor from the position of key promises to consumers. What are their main differences?

4. Explore company's advertising messages in the two countries you choose. Are the brand's promises different for consumers in these countries? If so, please explain why.

Case study 3. Rebranding in 2022: analysis of popular global brands for the Russian market

Let's turn to the assessment of experts of the Moscow Academy of Design Professions «Pentaschool» and the founders of the branding agency Commersart, about current changes in the branding of popular brands in the Russian Federation market.

In 2022, many foreign brands transferred their assets to Russian companies. Instead of the usual shops and restaurants, new ones have opened — with the same assortment, but under different names. Some of them were criticized, while others were perceived rather positively. About the reasons for such a different attitude to rebranding, we suggest studying the comments of graphicx designers, founders of the Commersart branding agency, experts of the Moscow Academy of Design Professions «Pentaschool» Alevtina Kolegova and David Hovhannisyan¹.

1. «Vkusno i tochka» vs McDonald's.

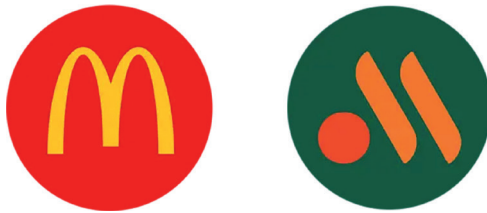


Figure 1. Changing the fast food brand logo

«Vkusno i tochka» is the brand that replaced the McDonald's chain. His appearance on the site of his favorite public catering caused

¹ *Rebranding in 2022: Analysis of High-Profile Cases. «Dobryi Kola» vs. Coca-Cola // VC.ru. 2023. March 14. URL: <https://vc.ru/id1104736/633725-rebranding-v-2022-godu-razbor-gromkih-keisov-dobryi-kola-vs-coca-cola> (In Russ.)*

a wide response. Visitors did not like the new logo (see Figure 1), nor the naming, and some even complained about the deterioration of the quality of products. At the same time, the suppliers at «Vkusno i tochka» remain the same, and the menu under the new names hides the well-known McDonald's burgers.

Question: Why do you think the audience didn't like the Russian brand «Vkusno i tochka»?

David: McDonald's isn't just a burger joint. These are aesthetics, these are associations with the yellow letter M on a red background, these are emotions from children's gifts in the «Happy Meal». No matter what the designers do now, they won't be able to evoke the feelings that McDonald's was associated with. The audience compares two brands, and the comparison is not in favor of «Vkusno i tochka».

Alevtina: We've all already embraced McDonald's as a brand. Its formation took 70–80 years, and the audience has long been accustomed to it. Everyone likes or dislikes something about it, and it evokes certain emotions in everyone. Therefore, changes would inevitably provoke a negative reaction. People are afraid of anything new.

Question: How do you assess the visual solution of the new brand?

Alevtina: The visual component raises a lot of questions. For some reason, a retro style with a complex symbolism was chosen for the design. Not everyone was able to recognize the logo sign as two potatoes and a burger. But it should be taken into account that the agency had to meet an extremely tight deadline.

David: Not the most striking colors were chosen, outdated. It is not entirely clear why they left the letter «M» in the logo — this is no longer McDonald's, the naming is different. The design strongly loses to the old one.

Question: Does this mean that the position of the brand «Vkusno i tochka» is not the best?

David: The most important thing for the brand right now is to maintain the quality of its products. People will still come, they will still call this place «McDonald's». The perception may change over time, but it won't be for a long time.

Question: How did the audience's attitude to the product change after the rebranding?

Alevtina: In this case, we can clearly see how the brand works. There are negative reviews in the network, people think that the

burgers are different, have become worse. In fact, almost nothing has changed — the same buns, the same sauces. The product is the same, but the audience sees it differently. This is because the brand gives the product additional value.

2. StarsCoffee vs Starbucks.



Figure 2. Changes in the coffee shop brand logo

The new Stars Coffee brand replaces the Starbucks coffee chain (see Figure 2). Unlike «Vkusno i tochka», the rebranding of the restaurant appealed to both ordinary visitors and experts in the field of branding. The changes are not immediately noticeable — we still see a fairy-tale character on the logo, but this time not a mermaid, but a Russian girl in a kokoshnik. The coffee range remains the same, and so does the audience.

Question: Why did the audience perceive Stars Coffee better than «Vkusno i tochka»?

Alevtina: Stars Coffee took the path of less resistance. They made the brand as close as possible to what Starbucks was originally. In their coffee shops, you can see the familiar symbols and smell the same coffee. Here we managed to preserve the emotions associated with the brand. But they had more time, there was no such fuss and the risk of losing huge amounts due to downtime.

David: I see the change in design as a rebranding of Starbucks, not a global brand change. They remained in the same category, with the same visual aesthetic. Because of this, the attitude of people has not changed.

Question: What do you think about the visual component?

Alevtina: As a logo, we chose the silhouette of a girl in a kokoshnik. This image retains a connection with both Russia and the Starbucks brand.

A competition was held for the best logo among designers, and as a result, it was won by a freelance girl. I think it's great when a single designer can compete with cool agencies. This is a great incentive for development.

Question: Why did Stars Coffee manage to reach the goal, but «Vkusno i tochka» didn't?

Alevtina: Starbucks has a narrower target audience than McDonald's. Everyone went to the latter's institutions: schoolchildren, top managers, and pensioners who brought their grandchildren. And the majority of Starbucks customers are young people. They adapt quickly and perceive changes more easily. Here, the brand change did not cause such a strong response.

3. «Good Cola» vs Coca-Cola.



Figure 3. Changes in the soft drink brand logo

The well-known Coca-Cola brand has also left the Russian market. But the drink can still be bought in stores—however, already under the name «Coca-Cola». In addition, dozens of other manufacturers — from Chernogolovka to local brands—began to produce cola-flavored lemonades.

Question: What do you think is remarkable about the Coca-Cola branding?

Alevtina: When Coca-Cola left Russia, we experienced the same emotions as when McDonald's left. To fill the market, many manufacturers decided to engage in import substitution and make their own cola. Even some very small local brands have added cola-flavored lemonades to their product line.

Each of these brands is trying to find its own approach. Dobry followed the same path as StarsCoffee. The visual component of the product is almost unchanged—we left the same design as the original

Coca-Cola, took the same colors. The logo is applied in white letters, although the lettering is different (Figure 3). All this helped to maintain the association with the brand. When you want to buy a coke, you intuitively look for a red can with white letters on the shelf and reach for the package of «Good».

David: Brands can put the same lemonade in bottles, but so far only «Good» is trusted. It is as close as possible to the usual cola. This is a good move to save your audience. Chernogolovka, for example, has a different approach. They did not move away from their brand — there is an illustration with the inscription «Coca-Cola» on the label. I think it will be more difficult for them with sales.

Question: If the tastes of these lemonades are almost identical, why do people prefer to choose «Good»?

Alevtina: There are people who say they like Coca-Cola, not Pepsi. In the past, tests were conducted in which participants were asked to choose a drink. Without seeing the brand name, most preferred Pepsi. And as soon as the lemonade was put in the package, they started choosing a coke.



Figure 4. Changes in the logos of fashion brands

There is another interesting example. Some people prefer to drink Cola from VkusVill, believing that it is healthier. This is also the brand's job. It is widely believed that all products that are sold in the VkusVill network are healthy and correct.

4. Reserved, Sinsay, House, Cropp, Mohito vs RE, Syn, XC, CR and MO.

LPP Holding owned the Reserved, Sinsay, House, Cropp, and Mohito clothing brands. In the spring, the company announced its withdrawal from Russia, but soon the stores opened again. Only the names have changed — now they are RE, Syn, XC, CR, and MO. The logo changes are shown in Figure 4.

Question: There is an assumption that the new owners of the holding's

assets wanted to continue working as quickly as possible, and therefore did not start a global rebranding. Do you agree with this opinion?

David: I think yes, the new owners didn't want to rebrand, but they needed to open stores as soon as possible. Downtime on the Russian market can be very expensive. Therefore, brands have taken the path of least resistance — for example, simply shortened the letters in the name. These are purely legal issues, not a design decision. Distributors have not changed, and the design of the premises has not changed either. Even the labels on the clothes are the same. There was no rebranding, just steps to save the business.

Alevtina: Yes, they don't have any major changes. The competition in this niche is not the same as for food products. We evaluate clothing by its fabric, by the way it fits on us. The quality is important here, not the brand (except, of course, when we buy premium clothing and pay specifically for the label).

5. JNS vs Levi's.

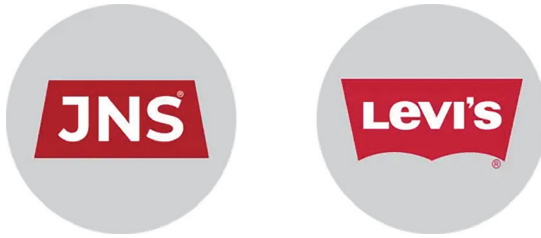


Figure 5. Changes to the jeans brand logo

Levi's denim stores were also bought out by a Russian company and changed their name to JNS. It is reported that the range will remain the same, and in the future a multi-brand network may develop under this name.

Question: What can you say about the new Levi's logo?

David: It's the same story as with LPP. I recently visited their store and noticed the branding. I didn't immediately notice that the brand name had changed. All the same — the same colors, the same clothes. Levi's had a shortened version of the logo before. People are used to it, and therefore the new logo does not cause rejection (see Figure 5). There is a feeling that the brand just released a new line. This is a good and fast solution.

Personal experience: O!Well.

Not everyone had the opportunity to stay on the Russian market — the products of many Western manufacturers finally disappeared from stores. Against this background, a wave of import substitution began, and Russian manufacturers were faced with the task of replacing the departed brands.



Figure 6. Branding for a Russian company in the healthy food segment

Alevtina and David were contacted by O!Well, which produces dietary supplements and healthy food products. It was necessary to create packaging that was reminiscent of American brands — open, positive, and credible to the audience.

Question: Can you tell us what your goal was?

Alevtina: Russian manufacturers wanted to make a product that would be similar to the European or American ones. Continuity had to be conveyed through visual design. We were faced with the task of developing packaging that would remind us of America, since American dietary supplements are very good, they are trusted.

Question: What solution did you choose for the design O!Well?

Alevtina: To achieve the desired effect, we decided to make the packaging as open as possible to the audience. We chose a large typography (see Figure 6). We didn't copy Western brands, but we tried to create something new. It gives the same connotation as brands that left Russia without the opportunity to remain under a different name.

David: Our packaging has some common features with the American design. We made a package that looked big. That's what they do in America. The composition is written in large letters, everything is

very clear, easy to understand. We tried to build trust. And it seems that we have achieved our goal — sales are growing, and the idea we put forward is working.

In 2022, several international brands withdrew from the Russian market and underwent significant rebranding efforts. Companies like Starbucks, McDonald's, IKEA, Renault-Nissan Alliance, and others announced exits and sold their assets. Many opted to rename themselves completely to distance their identities from previous associations. These transformations highlight the complex interplay between corporate strategy, national politics, and consumer perceptions in times of crisis. Rebranding represents a crucial step towards adaptation and survival in volatile markets.

Case questions

1. Evaluate whether the suggested measures for rebranding international companies in Russia proved effective. Do you agree with expert views? Please provide arguments to substantiate your stance.
2. Among the highlighted brands, identify which one implemented the most successful approach to rebranding, according to your perspective.
3. Explore the extended economic ramifications of these brands' actions within the Russian market.

Case study 4. Amazon is a new-generation global marketplace

Amazon is a global brand in the world, ahead of the growth rate of its value such giants as Google and Apple. This is the first brand to exceed \$200 billion in value. Amazon is able to create the most incredible impressions among managers and branding specialists. Jeff Bezos was a visionary when he created the online store in 1994, when the Internet was taking its first steps. Over the years, the store that sold only books has grown into an e-commerce giant in the United States.

In its home market, the company has strengthened its brand image, which is associated with *value, convenience and choice*. Having become a leader in its country of origin, the brand has adopted an aggressive strategy to conquer international markets. The brand's value

proposition was maintained in all markets. But Amazon is looking through a magnifying glass at every market it operates in, intending to take a leading position through competitive pricing strategies, fast deliveries, and an extensive product range. Amazon is also expanding beyond retail, including cloud services, artificial intelligence, digital streaming, and logistics. Thus, the brand is also associated with technology and innovation.

Amazon invests heavily in the countries where it wants to operate. In Brazil, Amazon Web Services announced a \$ 1 billion investment to expand its cloud computing infrastructure in the state of Sao Paulo.

In retail, investments are focused on logistics: in India, the company has built more than 60 distribution centers and 150 delivery stations to ensure efficiency and quality of service. Amazon is gradually gaining ground in all the countries and sectors it enters, investing heavily in technologies and infrastructure that local competitors can't afford to surpass. Thus, Amazon's global branding is based on competitiveness.

Amazon achieved remarkable success primarily through continuous innovation, scalability, and relentless focus on customer satisfaction. Founded in 1994 as an online bookstore, Amazon quickly expanded into retailing a wide variety of products, revolutionizing e-commerce. Jeff Bezos' vision of building «the everything store» drove aggressive investment in logistics, technology, and user experience.

Amazon introduced game-changing innovations such as Prime membership, which offered free shipping and later added streaming media and cloud storage. AWS (Amazon Web Services), launched in 2006, disrupted the IT industry by providing reliable cloud computing solutions. Alexa voice assistant integrated smart devices into daily life, reinforcing Amazon's ecosystem.

Strategic acquisitions like Whole Foods strengthened Amazon's physical presence and provided insights into brick-and-mortar retail. Continuous improvement of algorithms and AI tools ensured personalized recommendations, enhancing conversion rates. Scalable fulfillment centers enabled rapid delivery, cementing Amazon's reputation for speed and reliability.

Despite controversies around worker treatment and antitrust investigations, Amazon continues dominating global e-commerce and tech sectors thanks to forward-thinking leadership, innovative

technologies, and commitment to meeting customer needs faster and better than anyone else (Figure).



Amazon ecosystem

The uniqueness of the Amazon ecosystem lies in its comprehensive approach to creating a closed-loop interaction between various business areas, services, and users. Here are the key aspects of its unique structure:

1. Scalability and Universality of Services. Starting as an online bookstore, Amazon quickly expanded its product range across almost all categories, becoming the world's largest marketplace. In addition to selling goods from third-party sellers and its own products, the company offers subscription services (Prime), cloud technologies (AWS), digital media content (Kindle, Music, Video), smart devices (Alexa, Echo), logistics, and even offline retail stores (Whole Foods).

2. Synergy of Services and Platforms. Different Amazon services are interconnected and reinforce each other. For example:

- Customers receive discounts and faster delivery through their Prime subscriptions;
- Sellers use marketplace tools and payment systems like Amazon Pay;
- Users store photos and files on Amazon Drive and purchase content for Kindle devices;
- App development is carried out using AWS infrastructure, ensuring reliability and security.

Thus, the ecosystem encourages users to stay within it, minimizing the need to turn to other providers of similar services.

3. Focus on Long-Term Perspective. Founder Jeff Bezos has always emphasized the company's focus on growth and development over the long term, sacrificing short-term profits for innovation and investment in infrastructure. This strategy enabled the creation of unique technological solutions such as AWS cloud computing and voice assistant Alexa, which have become independent sources of revenue.

4. Process Automation and Efficiency. Leveraging advanced technologies such as warehouse automation with robotic systems, machine learning for personalized recommendations to customers and demand forecasting allows reducing costs and improving customer service quality.

5. Innovative Business Approaches.

Continuous work on new technologies and business models has become Amazon's hallmark. Examples include the launch of the first mass-market e-reader Kindle, pioneering drone deliveries with Prime Air, successful introduction of virtual assistant Alexa, and integration of digital solutions into physical cashier-free Amazon Go stores.

These elements form a unique Amazon ecosystem that contributes to sustainable company growth, maintaining market leadership, and creating an attractive space for consumers and partners.

Case questions

1. What values does the Amazon brand use in a global context?
2. Why are local market initiatives important to the brand?
3. What was the key to brand success in a global context?

Case study 5. Heinz. How to strengthen your brand's position in emerging markets

Heinz, founded in 1869 by Henry John Heinz, is an iconic American food company known for its ketchup, baby foods, soups, and other condiments. Its famous slogan «57 Varieties» actually refers to the number of products they offered when it was coined but now represents much more — over 600 varieties worldwide!

Interesting facts about Heinz include:

- The first product ever sold by Heinz was horseradish sauce;

- Their tomato ketchup recipe remains unchanged since 1876;
- They were one of the pioneers in glass bottle packaging, allowing consumers to see what they buy;
- In Russia alone, over 1 billion bottles of Heinz Ketchup are consumed annually!

With a rich history spanning over 150 years, Heinz continues to be recognized globally as a leader in quality food production.

Heinz is known all over the world. But before entering new emerging markets, the brand builds its work on four principles.

Principle 1. Cultural Applicability. To ensure success in international markets, brands need to adapt their products according to local cultural preferences. For instance, when entering the Indonesian market, Heinz observed that locals preferred ketchups made from bananas rather than traditional tomatoes. Therefore, they introduced a banana-based ketchup variant specifically tailored to meet consumer demands in Indonesia. This approach highlights how essential it is for companies like Heinz to align their offerings with regional tastes and traditions if they want to gain traction among diverse audiences worldwide.

Principle 2. Distribution Channel Optimization. A critical factor influencing market penetration lies within accessible distribution networks. While large retail chains dominate developed countries such as the US where Heinz predominantly sells through major supermarket outlets, developing nations present unique challenges due to underdeveloped infrastructure or lower purchasing power levels. As an illustration, consider India's case, wherein just about 15 percent of total sales occur via conventional grocery stores compared to informal retailers comprising street vendors and mom-and-pop shops accounting for most transactions. Thus, effective strategies involve leveraging both formalized supply chain systems alongside alternative channels suited towards particular socio-economic contexts.

Principle 3. Pricing Strategy Alignment. For any brand looking to penetrate new territories successfully, pricing plays a pivotal role since affordability directly impacts customer adoption rates. One notable strategy employed by Heinz includes offering flexible pack sizing options catering to varying income brackets across different regions globally. An excellent demonstration comes from their experience selling smaller packets of soy sauce priced at merely three cents each — making these items highly economical even for low-income

households found commonly throughout Southeast Asia including Indonesia itself.

Principle 4. Localization Through Local Leadership. Finally, integrating localized leadership teams ensures better alignment between corporate goals set forth internationally versus ground realities faced locally during expansion efforts. By empowering regional executives equipped with firsthand knowledge regarding customs, habits, demographics etc., organizations benefit significantly in terms of strategic decision-making processes concerning product development, marketing campaigns, promotional activities, et al. At Heinz, this philosophy translates practically through appointing native leaders responsible for guiding operations within specific geographies thereby enabling smoother transitions while simultaneously fostering deeper connections with indigenous populations along the way.

By adhering closely to these four core principles outlined above, Heinz managed not only to expand beyond American borders but also establish themselves firmly within several promising yet untapped emerging economies around the globe. These lessons serve valuable insights applicable equally well irrespective of industry verticals provided businesses remain committed toward embracing change wholeheartedly whenever venturing outside established comfort zones.

Recently, the brand underwent a global rebranding, aiming to be recognizable anywhere in the world (see Figure).



Changing the packaging design for the Heinz brand

Case questions

1. Why does the company rely heavily on these four key principles when expanding into emerging markets? Explain how each principle contributes to successful entry and long-term growth.
2. Discuss why ensuring «affordability» is crucial for gaining traction in unfamiliar regions. Consider factors such as price sensitivity, disposable incomes, and competitive dynamics in new markets.
3. Do you believe there might be limitations affecting the company's ability to apply these principles effectively in your own domestic market? Outline potential methods for promoting a brand domestically and propose metrics to assess their efficacy.

Case study 6. Havaianas. Brazilian motifs in global brand management

Founded in Brazil in 1962 by Alpargatas SA, Havaianas quickly became synonymous with Brazilian lifestyle and identity. Originally inspired by Japanese zōri sandals, which were popular among workers seeking comfortable footwear, Havaianas transformed the simple flip-flop design into a fashion statement (Figure 1).



Figure 1. Advertising layout of a Brazilian shoe brand «Havaianas: A Global Icon»

Product Range: Initially focused solely on rubber flip-flops; later expanded into other footwear categories and accessories.

Global Reach: Present in over 80 countries worldwide.

Brand Identity: Emphasizes vibrant colors, tropical designs, and Brazilian heritage.

Marketing Campaigns: Known for playful advertisements featuring celebrities, athletes, and models showcasing their fun-loving spirit.

History & Evolution.

1. Early Years (1962–1970):

- Introduced as affordable, durable shoes suitable for everyday use;
- Quickly gained popularity among Brazilians for being practical and stylish.

2. Expansion Phase (1980s–1990s):

- Started exporting to neighboring Latin American countries;
- Developed partnerships with designers to create limited-edition collections.

3. International Breakthrough (Late 1990s — Present):

- Began targeting European and North American markets;
- Collaborated with luxury brands like Louis Vuitton and Versace.
- Established itself as a premium casual wear brand recognized globally.

Success Factors:

- Quality Materials: Use of high-quality rubber compounds ensures durability and comfort;

- Distinctive Design: Bold prints and color combinations reflect Brazilian culture and festivity;

- Strategic Partnerships: Collaboration with renowned artists and designers enhances exclusivity and desirability;

- Effective Marketing: Engaging ad campaigns capture the essence of carefree living associated with Brazil's beaches and carnivals.

Lessons Learned. Havaianas demonstrates how a humble product can evolve into a powerful global brand by focusing on innovation, authenticity, and emotional connection with customers. Their journey illustrates the importance of staying true to one's roots while continuously evolving to meet changing consumer preferences.

Despite growing globally, Havaianas never abandoned its original mission: providing comfortable, stylish, and affordable footwear.

Its classic thong-style sandal remains iconic and easily recognizable worldwide. From vibrant colors reminiscent of Rio de Janeiro's Carnival to images of palm trees and beach life, every aspect of Havaianas' branding evokes the energy and warmth of Brazil. They celebrate their national pride openly, making the brand feel genuinely connected to its homeland. Through engaging storytelling, relatable advertising campaigns, and social media engagement, Havaianas built strong emotional bonds with consumers. Each campaign resonates deeply because it taps into universal themes like freedom, joy, relaxation — things everyone craves.

These measures helped solidify Havaianas' reputation as more than just another shoe manufacturer; instead, it's seen as an ambassador representing Brazil's soul.

Havaianas is a Brazilian brand that has crossed the borders of the South American country and achieved success in various regions around the world. Established in 1962, the brand successfully dominated the local market in its early years. In the beginning, it was a simple shoe for the working class, which became famous for its durability, comfort and affordable price. In 1980, local governments distributed the brand's shoes to people in need for free.

In the 1990s, thanks to changes in design (Figure 2) and the introduction of new models, the brand moved forward in the fashion world and reached a new audience. Everyone wears it» (Todo Mundo Usa, in Portuguese) has become part of the corporate identity.

This was a turning point that created a platform for Havaianas to explore the international market. But what made it successful in other countries?

One possible explanation lies in the very identity that the brand has retained: Havaianas embodies the fun, lively and spontaneous spirit of Brazilians that fascinates so many tourists (see Figure 1). In addition, in the 2000s, the brand adopted a global branding strategy, opening offices in different countries — the



Figure 2. Advertising photo of a Brazilian shoe brand

USA, Spain, China, France, England and others. This makes it possible to understand local needs and take more relevant actions in each country, without losing its Brazilian identity.

By the way, *creative and bold marketing communications* are one of the main forms of spreading this identity around the world and gaining notoriety. The brand presented a collection of sandals with Swarovski crystals and presented its products to Oscar winners. This advertises an annual event in Australia with an endless number of inflatable slippers, thanks to which the brand got into the Guinness Book of Records.

From the basic product to the fashion world: Today, Havaianas is probably the most famous Brazilian fashion brand in the world. A cheerful and festive Brazilian spirit combined with a vision of global branding is the way to success.

Case questions

1. What are some examples of creative and non-standard marketing communications that have allowed your brand to increase awareness in a global context?
2. What was the basis of this brand's development strategy?

Case study 7. Digital transformation of drinking café «DrinkIT»

This case study examines the digital transformation process undertaken by Russian coffeehouse chain «DrinkIT», founded by entrepreneur Fyodor Ovchinnikov. It explores how the implementation of technology-driven solutions has reshaped the coffee business model, enhancing efficiency, convenience, and customer satisfaction. Specifically, it delves into the integration of mobile applications for pre-ordering drinks, automated payment systems, and data analytics tools aimed at optimizing inventory management and personalization of services (Figure 1).

Introduction. Digitalization is rapidly transforming industries worldwide, including hospitality and food service sectors. Traditional brick-and-mortar cafes face increasing competition from online platforms and delivery services. To survive and thrive in this dynamic

environment, many businesses have turned to innovative technologies. «DrinkIT» exemplifies this trend by pioneering a fully digitized coffee-house concept in Moscow, blending advanced software solutions with physical storefronts.



Figure 1. Interior Café «DrinkIT» (look 1)

Marketing Strategies.

1. Application-Based Ordering System:
 - Enabling users to place orders remotely using smartphones reduces wait times and eliminates queues. This feature particularly appeals to busy professionals and commuters.
2. Personalized Offers:
 - Data collected through the app allows targeted promotions based on individual preferences, encouraging repeat visits and loyalty.
3. Efficiency Enhancements:
 - Baristas receive electronic notifications, minimizing errors and speeding up preparation cycles.
4. Environmental Consciousness:
 - Despite criticisms regarding increased waste generation from single-use containers, the brand emphasizes sustainability initiatives, though challenges persist.
 - Fyodor Ovchinnikov, Founder of «Dodo Pizza»: «We aim to reach 100 % of orders processed through our application. Our goal is seamless integration between technology and human interaction.

— Anastasia Nikitina, Co-founder of «DrinkIT»: Technology complements rather than replaces the charm of coffeehouses. Our baristas still engage personally with guests, ensuring a warm welcome despite automation.

Quantitative Data Analysis

Metric	Value
Average Preparation Time	2 minutes
Orders Processed Daily	Up to 500
Online Payment Share	~96 % initially
Subscription Growth Rate	Monthly Increase

Initial test results showed remarkable improvements in operational efficiency:

— Decreased waiting periods led to higher customer retention rates;

— Customization features boosted average check size;

— Reduced staff workload enabled focus on product quality.

However, challenges included:

— Technical glitches requiring frequent updates;

— Ensuring sufficient stock variety to accommodate custom requests;

— Addressing concerns related to environmental impact.

Sales Performance Indicators.

Since launching the digital platform, «DrinkIT» experienced steady revenue growth:

— Total monthly sales doubled after implementing pre-order functionality;

— Recurring subscribers contributed significantly to stable cash flow;

— Promotional discounts attracted new clientele segments.

Future projections anticipate further expansion, potentially reaching franchise agreements nationwide.

Building a Strong Brand Image.

Coffee lovers around the world now enjoy their favorite caffeine fix thanks to technology, as illustrated by the story of DrinkIT — a trail-blazing digital café that revolutionized the coffee industry. Here's an

insightful breakdown of how DrinkIT crafted its digital-first identity and thrived in today's fast-paced marketplace.

Algorithm for Establishing a Successful Digital Brand.

1. Identify Unique Value Proposition (UVP):

— DrinkIT differentiated itself by combining a traditional coffee-house atmosphere with cutting-edge technology. Instead of competing head-on with larger chains, they offered an entirely new experience — convenience paired with exceptional taste.

2. Leverage Technology for Efficiency:

— Developing a robust mobile application for ordering and payments minimized wait times and reduced staff stress. This move aligned perfectly with modern urban lifestyles, appealing especially to young professionals.

3. Create Seamless User Experience (UX):

— The UX was carefully designed to guide users effortlessly through placing orders, viewing menus, tracking deliveries, and managing accounts. Personalization played a key role here, allowing customers to save favorites and customize future purchases.

4. Engage Through Social Media Platforms:

— Consistent presence on Instagram, TikTok, Twitter, and YouTube ensured widespread visibility. Content creation involved sharing behind-the-scenes videos, recipe ideas, and customer testimonials.

5. Expand Globally Through Franchising:

— Once proven successful in initial locations, franchises began popping up elsewhere. Partnering with local entrepreneurs helped accelerate growth while maintaining brand integrity.

6. Continuously Innovate and Adapt:

— Monitoring market trends and incorporating AI-powered recommendations kept DrinkIT ahead of competitors. Regular updates to the app improved performance and added new functionalities.

Founder's Vision: Fyodor Ovchinnikov saw an opportunity to merge his passion for coffee with tech expertise acquired through Dodo Pizza.

— App Adoption Rates: Within six months of launch, nearly 90 % of orders came exclusively through the mobile app.

— Community Engagement: Active involvement in sustainability projects raised brand awareness among eco-conscious consumers.

- Revenue Growth: Year-over-year profits surged by almost 300 % following aggressive digital marketing campaigns.

- Partnerships: Strategic collaborations with third-party logistics providers streamlined last-mile delivery operations.

DrinkIT's unique value proposition revolved around merging the traditional coffeehouse experience with state-of-the-art technology. Rather than simply competing against existing players in the crowded coffee market, DrinkIT positioned itself as a disruptor by introducing a completely novel concept — these are key aspects of its unique value proposition.

1. Seamless Digital Integration.

Unlike traditional coffee shops reliant on counter service, DrinkIT embraced digital-first ordering through its proprietary mobile app. Users could conveniently browse the menu, customize their drink choices, pay securely, and track their orders, eliminating lengthy lines and hassle.

2. Enhanced Customer Experience.

The combination of personalized recommendations and simplified interactions made customers feel valued. This fostered stronger loyalty and encouraged repeat visits.

3. Efficient Operations:

Automating tasks like order placement, payment collection, and inventory management freed up staff members to focus on perfecting beverage recipes and creating memorable moments for patrons.

4. Global Scalability.

Built upon a scalable framework, DrinkIT swiftly expanded its footprint through franchising arrangements, spreading its signature blend of flavor and convenience far beyond its initial location.

Overall, DrinkIT delivered an unparalleled mix of speed, ease, and personalization that appealed strongly to time-strapped city dwellers eager for quick access to great-tasting coffee.

Creating a digital brand requires careful planning, execution, and continuous iteration. DrinkIT serves as a shining example of how innovation coupled with customer-centricity leads to lasting success. From identifying pain points to delivering delightful solutions, their journey offers valuable lessons for aspiring entrepreneurs aiming to build influential brands in today's interconnected economy (Figure 2).



Figure 2. Interior Café «DrinkIT» (look 2)

«DrinkIT» distinguishes itself through:

- Commitment to sustainable sourcing practices.
- Transparent communication channels via social media.
- Regular feedback loops improving service delivery.

These elements reinforce trustworthiness and credibility among target audiences.

Digital-first brands offer numerous advantages that differentiate them from traditional offline counterparts. Here are some key benefits they bring.

1. Improved Customer Experience: digital-first brands prioritize convenience and accessibility. Features like easy-to-use apps, instant checkout, and personalized recommendations enhance the overall shopping experience, leading to greater customer satisfaction and loyalty.

2. Cost-Efficiency: operating primarily online reduces overhead costs associated with physical stores. Lower rent, utilities, and labor expenses translate into higher profit margins and flexibility to invest in other areas like product development or marketing.

3. Data-Driven Decision Making: advanced analytics enable digital-first brands to gather detailed insights about consumer behav-

iors, preferences, and buying patterns. This information helps refine strategies, optimize inventories, and improve forecast accuracy.

4. Scalability: technology enables rapid expansion across geographical boundaries. Whether through direct sales websites or partnering with third-party platforms, digital-first brands can scale faster than those dependent on brick-and-mortar expansion alone.

5. Agile Innovation: being nimble allows digital-first brands to respond quickly to changes in consumer demand or market conditions. Iteration cycles become shorter, enabling constant refinement of products and services.

6. Direct Communication Channels: brands can communicate directly with customers via email, SMS, push notifications, and social media. Direct messaging builds stronger relationships and increases engagement.

7. Sustainability Efforts: many digital-first brands embrace environmentally friendly practices, reducing paper usage and carbon emissions tied to physical store maintenance.

Ultimately, these advantages equip digital-first brands to outperform legacy competitors, attracting younger generations accustomed to online shopping while positioning themselves competitively in the ever-evolving commercial landscape.

Challenges Encountered During Implementation.

1. Technological Limitations: Early iterations suffered from bugs causing delays in order processing.

2. Staff Training Requirements: Transitioning employees required extensive training programs.

3. Regulatory Compliance Issues: Adherence to health regulations posed additional administrative burdens.

Addressing these obstacles necessitated substantial investments but ultimately yielded positive outcomes.

Conclusion. «DrinkIT»'s journey underscores the transformative power of digital innovations in shaping contemporary consumer experiences. By leveraging cutting-edge technologies, the company achieved significant efficiencies, enhanced profitability, and strengthened its position within the competitive landscape. However, ongoing adaptation will be necessary to sustain momentum amidst rapid technological advancements and shifting market trends. By innovative

technology with impeccable hospitality, DrinkIT carved a niche for itself in the coffee sector, setting benchmarks others strive to emulate.

Case questions

1. What advantages does digitalization offer coffeehouses like «DrinkIT»?
2. How could traditional coffeehouses integrate similar strategies effectively?
3. Discuss potential risks associated with relying heavily on technology.
4. Evaluate the implications of scaling this model globally.
5. Identify areas where further research would enhance understanding of digital transformations in hospitality settings.

Case study 8. The phenomenon of Asian brands

In today's world, marketing communications play a crucial role in the success of brands. Asian brands attract attention for their innovative and emotional marketing approaches, which reflect their cultural characteristics and desire for global competitiveness. Let's look at two examples of successful Asian brands to better understand what factors contribute to their results.

Features of marketing communications of Asian brands are the result of the influence of cultural, social and technological factors. Asian countries such as Japan, South Korea, and China have unique traditions, values, and specific consumer preferences. Brands based in these regions successfully use these features to create highly effective marketing strategies and communication approaches.

Studying the marketing communications of Asian brands will help us understand how these brands achieve success and what lessons can be learned for developing international marketing strategies. In this guide, we will focus on two examples of Asian brands that are great representatives of international marketing. Next, we look at the examples of Samsung and Xiaomi to analyze their approaches to marketing communications in more detail and find out how they attract and retain the attention of consumers.

Feature 1: Strong use of symbols and cultural values.

Example: Samsung (South Korea).

Samsung, the South Korean tech giant, is a prime example of the strong use of symbolism and cultural values in its marketing communications. The brand actively highlights its products with exclusivity and innovation, which allows Samsung to stand out from the competition and attract the attention of consumers.

One of Samsung's notable features is its use of the symbolic value of its logo. The Samsung logo is an image of the word «Samsung» in English written in gray. This logo represents reliability, innovation and high quality of products, which are the main values inherent in the brand. In addition, the use of English in the logo makes the brand more international and provides recognition on a global level.

Cultural values also play an important role in Samsung's marketing communications. The brand actively emphasizes its Korean roots to create an emotional connection with Asian and international consumers. Samsung focuses on traditional values such as family, respect for elders, harmony and success, which allows it to establish a deeper connection with consumers who share these values.

An example of Samsung's strong use of cultural values is their «The Human Nature» campaign, which highlights the importance of harmony between people, nature, and technology. As part of this campaign, Samsung actively addresses the emotional side of consumers, conveying the idea of bringing people together through innovative technologies. This allows the brand to stand out and create a strong emotional attachment to its products.

Feature 2: Use of digital technologies and social media.

Example: Xiaomi (China).

Xiaomi, a Chinese electronics manufacturer, is an excellent example of the successful use of digital technology and social media in its marketing communications. The brand actively implements innovative approaches to its marketing strategy, based on the development of digital platforms and powerful social media.

Xiaomi adheres to the concept of «smart marketing», which is based on data analysis and personalization of messages. The brand actively collects and analyzes data about consumers, examining their preferences, behaviors, and needs. Xiaomi then uses this data to create personalized marketing communications, offering consumers relevant

information and products that match their individual interests. This approach helps the brand build stronger connections with consumers and increase their level of satisfaction.

One of the key elements of Xiaomi's marketing strategy is the active use of social media. The brand is actively present on popular social media platforms such as WeChat (a communication and messaging app), Weibo (a microblogging service), and Douyin (a TikTok analog). Xiaomi uses these platforms to interact with consumers, provide information about new products, conduct contests and promotions, and get feedback from its audience. This allows the brand to maintain constant interaction with consumers, establish an emotional attachment to the brand, and build a community of fans.

It is noteworthy that Xiaomi also actively uses video content in its marketing communications. The brand creates a variety of video campaigns, including commercials, product reviews, participation in popular video challenges, and collaboration with popular video bloggers. This allows Xiaomi to create engaging and heartfelt content that effectively conveys its brand values and captures the attention of its target audience.

Marketing communications of Asian brands have their own unique features. Strong use of symbolism and cultural values helps brands establish an emotional connection with consumers and stand out in the marketplace. In addition, the active use of digital technologies and social media helps Asian brands to build direct communication with consumers and achieve greater personalization. The Samsung and Xiaomi examples are good illustrations of these features. All this allows Asian brands to successfully compete on the international stage and create strong connections with consumers around the world.

Case questions

1. Formulate the key principles of Asian brands that led to success.
2. What restrictions do Asian brands face in expanding to other foreign markets?
3. How are digital technologies used by Asian brands?
4. Describe the essence of the communication policy of Asian brands.
5. What other Asian brands can you cite as successful?

Case study 9. Coca-Cola's «Thanks for Coke-Creating» Campaign

Challenge. Coca-Cola sought to refresh its global brand identity while celebrating cultural diversity and inclusivity. Recognizing that local communities worldwide reinterpreted the iconic Coca-Cola logo, the company needed a strategy to harness this organic expression of affection for the brand.

Idea. Rather than standardizing logo representations, Coca-Cola chose to embrace the variations created by local bodega owners, shopkeepers, and artists. The campaign highlighted these grassroots interpretations, turning them into a source of pride and connection (Figure 1).

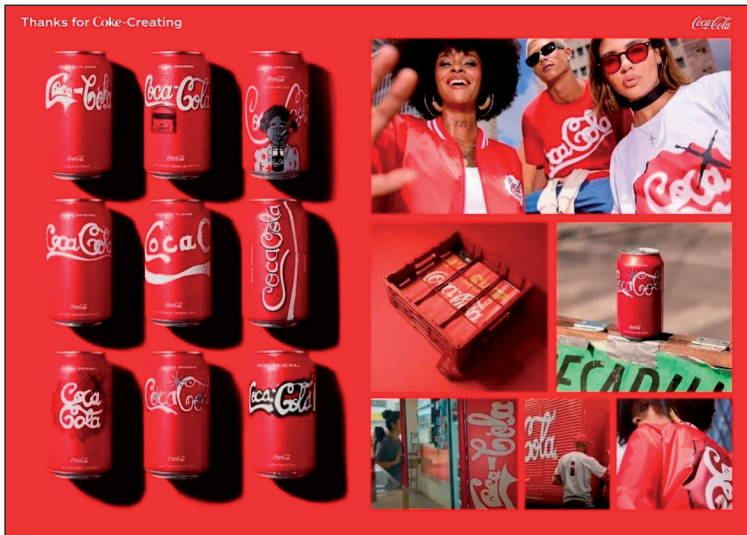


Figure 1. Coca-Cola creating

Execution. WPP Open X, led by VML, launched the «Thanks for Coke-Creating» campaign. Across Brazil, Mexico, Indonesia, Australia, and the USA, diverse logo interpretations were celebrated through UNO ads, print placements, films, and interviews with local creators. High-profile installations in places like Times Square emphasized the beauty of cultural diversity (Figure 2).



Figure 2. Coca Cola logo in street art

WPP is one of the world's leading advertising and marketing services companies. It was founded in 1985 by Sir Martin Sorrell through the acquisition of Wire and Plastic Products, which gave rise to its name («Wire & Plastic Products»). Over time, it has grown into a global conglomerate with numerous subsidiaries including well-known agencies such as Ogilvy, JWT, Grey Group, Y & R, Hill+Knowlton Strategies, Kantar, and many others.

Key Points.

Headquarters: London, UK.

Founder: Sir Martin Sorrell

CEO: Mark Read (since August 2018).

Revenue: Around £13 billion annually (as of recent years).

Employees: Approximately 100,000 people worldwide.

Market Reach: Present in over 110 countries.

Services Offered: WPP provides comprehensive marketing solutions across various disciplines including brand strategy, creative work, media planning and buying, public relations, digital marketing, data analytics, and more. Its extensive network allows clients access to integrated services tailored for different industries and regions globally.

Results. The campaign received accolades at prestigious award shows, winning multiple gold, silver, and bronze awards at Clio, El Ojo, London International Awards, and Cannes Lions. Positive public

reception reflected Coca-Cola's inclusive approach, strengthening its global appeal.

Reasons for Success.

1. Authentic Celebration of Diversity: Honoring local creativity fostered genuine engagement and respect.
2. Emotional Connection: Showcased heartfelt narratives behind each logo variation, adding depth to the brand story.
3. Multichannel Approach: Integrated print, OOH, film, and digital content for maximum exposure.
4. Positive Public Relations: Redefined brand perception by valuing grassroots contributions.

Here are some interesting facts about the Coca-Cola «*Thanks for Coke-Creating*» campaign.

1. Global Scope: The campaign spanned multiple continents, showcasing unique interpretations of the Coca-Cola logo from countries like Brazil, Mexico, Indonesia, Australia, and the United States. This demonstrated the universal appeal and influence of the brand.

2. Award Recognition: The campaign won numerous prestigious awards, including multiple gold, silver, and bronze medals at events such as Clio, El Ojo, London International Awards, and Cannes Lions. These accolades validated its impact and creativity.

3. Creative Freedom: By inviting local artists and bodega owners to freely interpret the logo, Coca-Cola tapped into the power of co-creation, resulting in diverse and authentic expressions of the brand.

4. High Visibility: Major out-of-home (OOH) installations in iconic locations like Times Square brought attention to the project, generating buzz and amplifying its message of inclusion and creativity.

5. Empowering Communities: The campaign gave voice to small business owners and local creatives, elevating their profiles and contributing to their livelihoods. This approach resonated deeply with audiences worldwide.

6. Robust Content Series: Alongside visual executions, the campaign included a series of films and interviews with participating creators, enriching the narrative and showcasing the human side of the brand.

7. Shift in Brand Philosophy: Traditionally, companies seek uniformity in branding. However, Coca-Cola flipped this script by ac-

tively embracing deviations, proving that inclusivity and diversity can enhance brand equity.

The «Thank for Coke-Creating» campaign initiated by the Coca-Cola Corporation demonstrated a number of innovative approaches and methods for brand activation that differ from traditional marketing strategies. Its distinctive features include the following:

- Integration of folk creative expressions: Unlike standard practice involving uniform logos and visual identities, this campaign allowed diverse local interpretations of the company's symbolism to be expressed, showing respect for spontaneous creativity among consumers;

- Inclusive branding policy: Transitioning away from rigidly standardized product design towards support for cultural diversity expanded perceptions of the brand and fostered emotional attachment through emphasis on individual creativity and uniqueness;

- Collaborative creation: Involving local artists, store owners, and small business entrepreneurs enhanced the authenticity of the campaign. These participants felt involved and valued, creating a sense of belonging and pride in their artistic contributions;

- Narrative development via multimedia channels: The use of video materials and print publications helped reveal the motivations and biographies behind creators' works, adding depth to storytelling and amplifying resonance within target audiences;

- Global dissemination of message: Placement of vibrant billboards and outdoor advertising at iconic locations such as Times Square increased brand recognition and sparked broad public discussion around the corporation's commitment to creativity;

- Efficiency of communication messaging: The campaign conveyed an inclusive and unifying key message, emphasizing ownership of the product regardless of cultural characteristics or preferences. This contributed positively both with critics and general audience reception.

Thus, prioritizing inclusivity, creativity, and cultural sensitivity significantly updated brand activation techniques, earning high praise from industry professionals and consumer groups alike.

These details underscore the innovation, cultural sensitivity, and collaborative nature of the campaign, making it a landmark achievement in brand management.

Case questions

1. How did Coca-Cola's embrace of local logo variations strengthen its brand identity?
2. Describe the role of multichannel marketing in this campaign's success.
3. Can a global brand authentically represent diverse cultures without compromising its core identity?
4. Identify potential risks associated with adopting culturally varied branding approaches.
5. What lessons can other multinational companies learn from Coca-Cola's «Thanks for Coke-Creating» campaign?

GLOSSARY

- Brand** — the name, term, sign, symbol, design, or combination thereof used to identify goods or services of one seller or group of sellers and distinguish them from those of others.
- Brand Activation** — actions taken to bring a brand alive through engaging experiences, often involving live events, promotions, and other forms of interaction with consumers.
- Brand Architecture** — the structure of brands within an organization, specifying how they relate to each other and to the parent company.
- Brand Attributes** — characteristics associated with a brand, which help define its personality and appeal to consumers.
- Brand Equity** — the total value attributed to a brand beyond its functional benefits, derived from consumer perceptions and associations.
- Brand Extension** — launching new products under an established brand name in order to leverage its reputation and customer base.
- Brand Identity** — visual and verbal representation of a brand, encompassing its logo, tagline, color scheme, and overall aesthetic.
- Brand Image** — perceptions held by consumers regarding a particular brand, shaped by past interactions and communications.
- Brand Loyalty** — consumers' tendency to repeatedly choose specific brands due to positive experiences and perceived reliability.
- Brand Personality** — human traits assigned to a brand that reflect its character and influence consumer connection.
- Brand Portfolio** — collection of brands owned by a single entity, managed collectively to maximize synergies and minimize cannibalization.
- Brand Positioning** — defining where a brand stands relative to competitors in terms of consumer relevance and differentiation.
- Brand Promise** — commitment made by a brand to consistently deliver certain qualities, features, or benefits to consumers.
- Brand Touchpoints** — any point of contact where a customer interacts with a brand — including advertisements, website visits, storefronts, emails, and customer service calls.

-
- Cultural Appropriation** — adopting elements of another culture without respect or acknowledgment, potentially causing offense.
- Customer Journey Map** — a visual representation of every interaction a customer has with a brand, showing stages from initial contact to post-purchase.
- Global Brand** — a brand recognized and respected worldwide, offering similar products/services across multiple markets.
- International Branding** — managing a brand across borders, taking into account varying cultural norms, laws, and market conditions.
- Licensing** — granting permission to third parties to use intellectual property rights (such as trademarks), usually for financial compensation.
- Logo** — distinctive graphic mark representing a brand visually.
- Market Segmentation** — dividing consumers into distinct groups based on shared characteristics to tailor offerings more effectively.
- Mission Statement** — declaration of purpose and direction guiding an organization towards achieving its goals.
- Multi-domestic Branding** — adjusting brand strategies individually for each country or region, reflecting local tastes and preferences.
- Packaging** — physical container or wrapper designed not just for protection but also to convey information and attractiveness.
- Placebo Effect** — phenomenon where belief in a product improves its perceived efficacy regardless of actual substance.
- Positioning Map** — graphical tool illustrating competitive positions along dimensions relevant to target customers.
- Rebranding** — process of reshaping or reinventing a brand's image to refresh public perception or enter new markets.
- Slogan** — catchy phrase intended to summarize and reinforce a brand message quickly.
- Sub-brand** — smaller component brands created under an umbrella master brand to address niche markets.
- Tagline** — short memorable statement encapsulating a brand promise or essence.
- Trademark** — legal protection granted to distinctive signs identifying products or services, preventing imitation.
- Value Proposition** — unique set of benefits offered by a brand, making it attractive compared to alternatives.

TEST

- 1. What is the first step in developing a new brand?**
 - A) Market research;
 - B) Designing logo;
 - C) Creating advertising campaigns;
 - D) Hiring employees.
- 2. Which of these elements does *not* contribute to brand identity?**
 - A) Logo design;
 - B) Color palette;
 - C) Packaging style;
 - D) Employee salaries.
- 3. How can companies ensure their brand resonates with international audiences?**
 - A) Using only local languages for marketing materials;
 - B) Focusing solely on domestic markets;
 - C) Adapting branding strategies based on cultural differences;
 - D) Ignoring global trends.
- 4. Why do companies create brand guidelines?**
 - A) To confuse competitors;
 - B) For legal purposes only;
 - C) To maintain consistency across all platforms;
 - D) As an internal document unrelated to external communication.
- 5. What role does storytelling play in brand development?**
 - A) It increases production costs;
 - B) It helps build emotional connections with consumers;
 - C) It reduces customer loyalty;
 - D) It has no impact on consumer behavior.

6. In which scenario would localization be most important for a global brand?

- A) When entering culturally diverse markets;
- B) When launching products online globally;
- C) When maintaining uniformity worldwide;
- D) When ignoring regional preferences.

7. What challenge might brands face when expanding into foreign markets?

- A) Overcoming language barriers;
- B) Lower product quality expectations;
- C) Decreased need for innovation;
- D) Easier regulatory compliance.

8. How do multinational corporations manage global brands effectively?

- A) By centralizing decision-making processes;
- B) Through standardized marketing approaches everywhere;
- C) Through adapting messaging and strategy according to each market's culture;
- D) By avoiding any adaptation or change.

9. What aspect should businesses consider before introducing a brand internationally?

- A) Local customs and regulations;
- B) Uniform pricing strategies;
- C) Exclusive reliance on English-language content;
- D) Minimizing customization efforts.

10. What type of competitive advantage can strong global brands provide?

- A) Higher operational costs;
- B) Stronger bargaining power over suppliers;
- C) Reduced innovation capabilities;
- D) Less awareness among potential customers.

11. What does positioning mean in brand management?

- A) Placing physical stores at strategic locations;
- B) Determining how a brand will differentiate itself from competitors;

-
- C) Choosing colors for packaging designs;
D) Selecting target demographics randomly.
- 12. Which factor is crucial for successful brand positioning?**
A) Identifying unique selling propositions (USPs);
B) Avoiding differentiation altogether;
C) Emphasizing lower prices as the sole benefit;
D) Copying competitor's strategies directly.
- 13. What is one way to position a brand as premium?**
A) Offering low-quality products;
B) Showcasing high-quality materials and craftsmanship;
C) Disregarding customer service standards;
D) Setting artificially low prices.
- 14. Why are value propositions critical for effective brand positioning?**
A) They highlight what makes a brand stand out;
B) They increase manufacturing expenses;
C) They discourage customer engagement;
D) They complicate marketing messages.
- 15. What mistake could lead to ineffective brand positioning?**
A) Clearly defining target audience segments;
B) Failing to understand consumer needs;
C) Conducting thorough market analysis;
D) Testing different marketing channels.
- 16. What contributes significantly to increasing brand awareness?**
A) Limiting advertising budgets;
B) Engaging with influencers and social media campaigns;
C) Neglecting digital presence;
D) Producing generic content without uniqueness.
- 17. How can inconsistencies harm a brand?**
A) Enhancing trustworthiness;
B) Improving customer satisfaction;
C) Confusing customers about the brand identity;
D) Boosting sales performance.

18. What tactic ensures consistent messaging across various countries?

- A) Translating content literally;
- B) Developing localized versions while preserving core values;
- C) Using different logos per region;
- D) Maintaining complete separation between regions.

19. What method enhances brand recognition through visual cues?

- A) Randomly changing color schemes;
- B) Standardized typography and imagery;
- C) Inconsistent use of symbols;
- D) Unpredictable placement of logos.

20. Why is it essential to align brand positioning with corporate goals?

- A) To avoid unnecessary focus on profitability;
- B) To prevent short-term growth;
- C) To reduce long-term sustainability;
- D) To support cohesive business strategies.

RECOMMENDED READING

1. *Brand management: A textbook* / M.S. Agababaev, E.A. Zhadko, Z.V. Nesterova, T.L. Sysoeva. Ekaterinburg: USUE, 2020. 139 p. (In Russ.)
2. *Domnin V.N. Branding: A textbook and practical training for secondary vocational education*. 3rd ed., corrected and additional. Moscow: Yurait Publishing House, 2026. 384 p. (In Russ.)
3. *Modern problems of management in international business: Monograph* / ed. by prof. V.I. Korolev. Moscow: Magistr; INFRA-M, 2018. 400 p. (In Russ.)
4. *Ponomareva E. A. Brand management: A textbook and practical training for universities*. Moscow: Yurait Publishing House, 2026. 341 p. (In Russ.)

APPENDIX

Job Description: Brand Manager

Role Overview

The Brand Manager plays a pivotal role in shaping and executing brand strategies within an international company. This individual leads initiatives that enhance brand equity, drive consumer perception, and deliver measurable results aligned with organizational objectives.

Key Responsibilities

Strategic Planning:

- Develop comprehensive brand strategies by analyzing market dynamics, competition, and consumer insights.
- Collaborate cross-functionally with Marketing, Sales, Product Development teams to ensure alignment between brand vision and overall business goals.
- Create action plans aimed at strengthening brand identity both locally and globally.

Brand Development:

- Define key brand attributes such as tone of voice, visual identity, and core values.
- Ensure consistency across all touchpoints including websites, social media, print collateral, and events.
- Monitor industry trends and propose innovative ways to stay ahead of the curve.

Communication & Collaboration:

- Work closely with internal stakeholders to develop integrated campaigns supporting the brand narrative.
- Coordinate with external agencies, designers, copywriters, etc., ensuring timely delivery of projects.
- Build relationships with key opinion leaders and influencers to amplify brand reach organically.

Performance Measurement:

- Establish KPIs (Key Performance Indicators) tied to brand health metrics like awareness, preference, purchase intent, etc.
- Regularly review campaign effectiveness using data analytics tools.
- Provide recommendations for optimizations based on findings.

Innovation & Growth:

- Identify opportunities for expansion into new geographies or categories leveraging existing strengths.
- Evaluate partnerships, sponsorships, collaborations that may further elevate the brand profile.
- Stay abreast of emerging technologies, methodologies, and best practices relevant to branding.

Core Competencies:

- Proven experience managing brands in multicultural environments.
- Deep understanding of consumer psychology and behavioral economics.
- Excellent project management skills coupled with attention to detail.
- Proficiency in digital marketing channels and analytical software.
- Ability to communicate persuasively across cultures and hierarchies.

Education & Experience Requirements:

- Bachelor's degree in Marketing, Communications, Business Administration, or related field preferred.
- Minimum five years' professional experience leading brand management activities ideally within a multinational organization.
- Demonstrable track record delivering impactful outcomes via strategic planning and execution.

This job description outlines primary responsibilities but remains flexible enough to accommodate additional duties as required by evolving business priorities.

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