

Forming strategy and long-term marketing program of brand management

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Abstract: The paper considers conceptual approach to strategy and long-term marketing program management brand. Defined the conceptual approach to brand management companies of the Republic of Kazakhstan. The program of management a brand is offered on the basis of forming of consumer loyalty.

[Kazybayeva A.M., Satkaliyeva T.S., Nurgalieva K.O. **Forming strategy and long-term marketing program of brand management.** *Life Sci J* 2014;11(1s):32-37]. (ISSN:1097-8135). <http://www.lifesciencesite.com>. 5

Keywords: marketing strategy, brand, program, consumer loyalty.

1. Introduction

Recently, the brand of enterprise is a key criterion for selecting the consumer while making a purchase. It helps an organization to demonstrate its values and obligations to the consumer. The brand management is the base of marketing strategy for the company, which determines its place in the market of goods and services. However, the development of a strategy and a long-term program of brand management is associated with problems in lack of resources, inefficiently built management system, irrational choice of marketing programs.

2. Material and Methods

G.L. Bahiyev [3], L.B. Balabanov [4], E. Dikhtlya [7] refer to modern scholars and researchers which were engaged in the study of branding and brand strategies. The problems associated with the creation of brands were described in the works by J. K. Verkmán [6], the trademarks and advertising mechanisms were described by D. Aaker [1] and R. Batra [5]. However, the work on the effective construction of the system of marketing management based on relationship with customers has not been formed.

The research objective is to analyze the development of brands and brand management at the enterprises of the Republic of Kazakhstan, to work out approaches to forming strategy and long-term marketing program of brand management based on the formation of customer loyalty.

In modern conditions the brand as a virtual symbolism, a set of image features, marketing communications and intangible value of companies requires deliberate, systematic management.

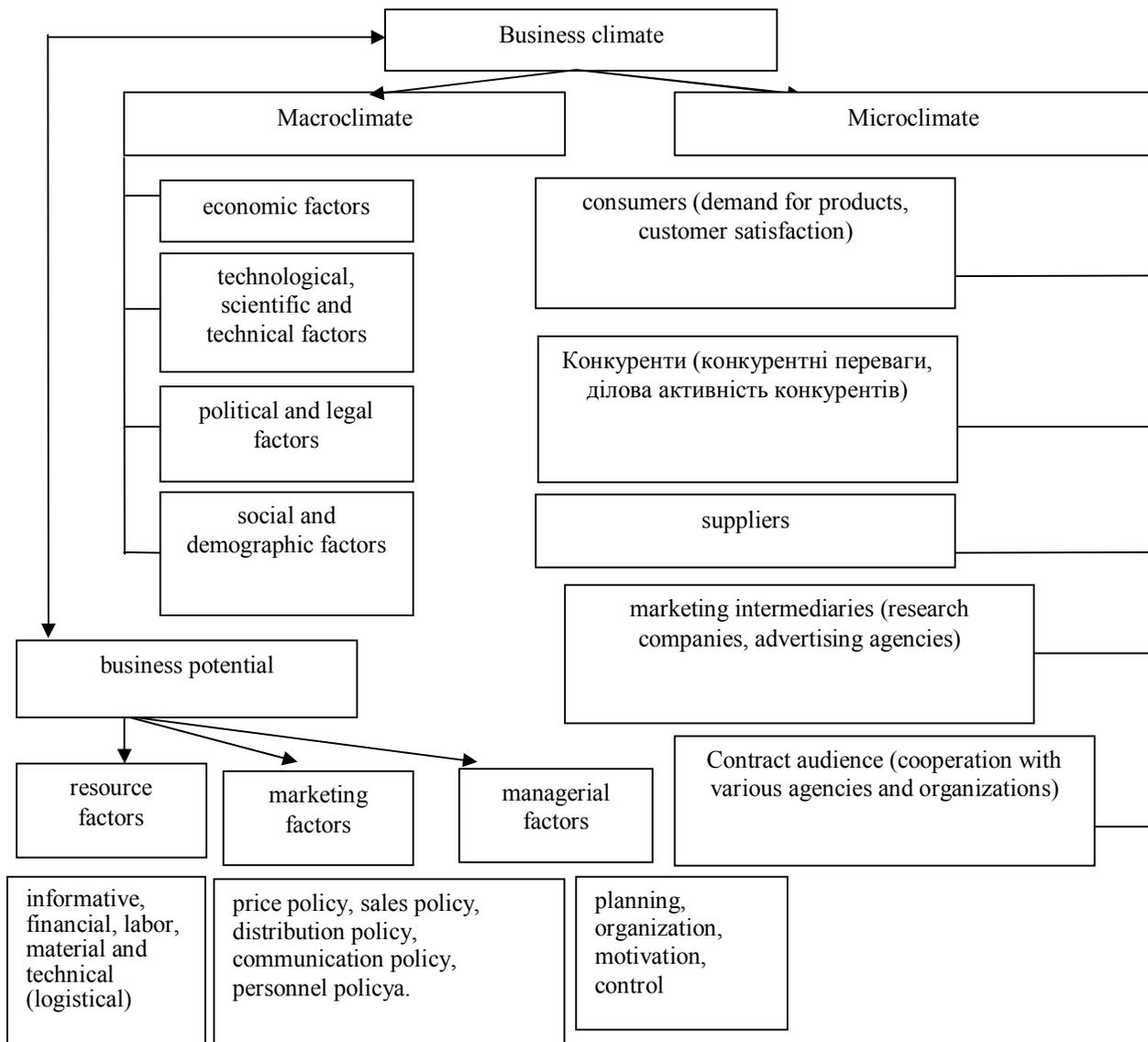
The value of the brand for the organization is manifested only in the course of its instrumental use. F. Kotler and other experts from Western Europe specialized on brand management note that the most characteristic qualities of professional brand managers is the ability to create, maintain, protect, enhance and expand the brands, that is to say to manage them [9]. P. Temporal in his book "Effective brand management" notes that brand management (principle of brand management) is a well thought out theory, that is to say a formed system of ideas, principles and methods, which summarizes the practical experience and reflects the basic laws of implemented processes [11].

With the development of investment in fixed assets of companies of Kazakhstan increase the importance and the value of brands, develops corporate management and management of quality and increase the value of intangible assets of enterprises of the Republic. Among the most costly brand enterprises of the Republic of Kazakhstan in 2012 were the following brands: "Karaganda", "Rahat", "BTA Bank", «KCell», «Aynalaynyn", "Derbes», «Food Master», «Haoma», «Kaspi Bank". In 2012 well-developed sectors of brand respectively are food processing industry (beer and nonalcoholic beverage industry, confectionery, dairy industry, alcoholic beverage industry, the production of other foodstuffs), financial sector, sector of telecommunication, fuel and energy sector and the construction sector.

The effective strategy gradually promotes the brand to achieve goals, coordinating tactical measures that define brand positioning. Among developed brand models used by companies there is a wheel of brand, considering the brand as five

components, such as the essence of the brand, the central idea of brand, brand personality, brand preferences and brand attributes. The model Unilever Brand Key (UBK), in the base of which there is focusing on the target audience and the analysis of the competitive environment of brand, as well as the analysis of consumer purchase motivations [8]. Large companies of Kazakhstan use a strategy of total brand management, while possessing several brands, manage separately by each brand, developing strategies and management programs that compete within the company. Successful brands develop in the

direction of growth of technological, human and customer capital, gain customers' sympathy and possess successful image characteristics. However, following problems are traced in the process of brand management of medium-sized enterprises of the Republic of Kazakhstan such as: lack of brand management as an intangible asset, brand management in the context of planning advertising and PR-activities. Therefore, the formation of strategy of brand management is largely influenced by factors of development potential of a company (Fig. 1).



* - Compiled and summarized by the author according to the materials [4]

Figure 1 – Factors that influence the strategy of brand management Epy Company

The stages of strategy formation and long-term marketing program are determined through the analysis of the marketing potential of the company, the choice of strategy of marketing management, the brand strategy/brand companies development, the choice of the destinations for positioning, the product implementation and communication, the development

of programs targeted for a brand/brands, the formation of organizational and economic mechanism of program implementation, the monitoring its implementation, the analysis of program implementation results, the management and the correction (Fig. 2) [10].

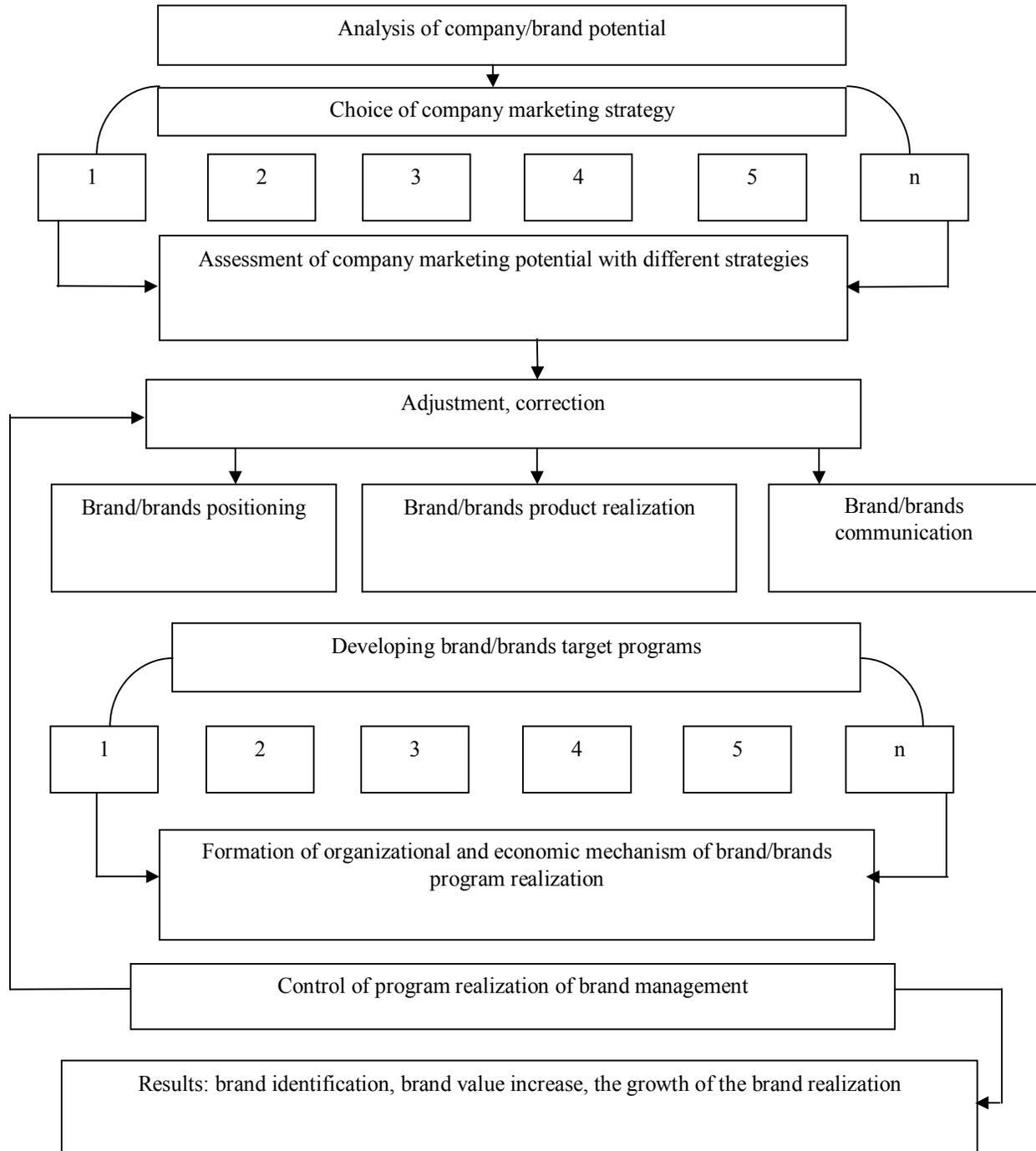


Figure 2 – The stages of strategy formation and long-term marketing program

In modern terms of development the brand management strategy should form on the basis of innovative trends, including: orientation of management strategies on long-term goals - increase the value of intangible assets and capitalization of brands through which we can reach and increase company profits; globalization of market and brands — the focus on different types of markets, a significant horizon of one brand (products and markets can be formed within the same brand multiple), the formation of brand identity among other brands in the consumers' audience, that's why management strategy is focused on market segmentation of consumers and identity of their motivations and needs.

3. Results

According to the new conceptual approach to brand management, the main long-term objective of brand management is the development and growth of the value of intangible assets of the organization - brand equity which is determined by the value of brand. In this case, the brand image, the quality of its relations with consumers, the increase of the number of loyal customers and the degree of their loyalty to the brand is only the way to increasing brand equity [7]. In terms of marketing orientation the company brand is formed under the influence of potential and climate. It should be noted that the climatic situation

in the company, in turn, affects its potential. That is to say that the factors that determine enterprise climate and potential will equally affect the formation of associations on the company and its products [4]. The variety of strategies (models) of brand management are based on BCG matrix, which is focused on the formation of brand market share, the growth rate of brand market share; I. Ansoff matrix [2], which determines the market novelty and the brand novelty, the financial management matrix of brands, the market share, the investment in the brand. At this stage the important role in marketing activities of enterprises of the Republic of Kazakhstan is a strategy and management brand program on loyalty of customers, including the following brand management strategies through: the strategy of strengthening (amplification) of loyalty focused on regular loyal customer of brand, the loyalty of which has already been formed; the strategy of loyalty disclosure, oriented to customers which represent latent loyalty (the positive attitude toward the brand, but the unavailability of constant purchase of goods); the strategy loyalty conversion, focused on customers who accidentally buy branded products; the strategy of loyalty formation, oriented to customers who are not supporters of the brand. The objectives of consumer loyalty are represented in Table 1.

Table 1 – The objectives, means and methods of brand management program based on consumer loyalty of company*

№	Strategic objectives	Tactical objectives	Means	Methods of implementation
1	To strengthen the loyalty of regular customers of brand	Formation of a stable brand image	Direct marketing Certificates Accumulating bonus program Clubs for regular consumers. Preferential terms of service	Coalitional Individual
2	To increase customers with latent loyalty	Increasing of motivation for purchases	Promotions and price offers Seasonal sales Discounts Gifts	
3	To attract new clients through additional privileges	To increase visiting and sales	Direct marketing Discount programs (discounts) Competitive program Gifts Guarantees	
4	Increasing the level of contacts and clients Tracking of customers' behavior, motivation through database	Increasing the amounts of information about consumers	Direct Marketing Poll	

* - author's own development

4. Discussions

The most promising programs of consumer loyalty by the way of implementation are coalitional loyalty programs. Based on coalitional loyalty program the company for promoting and obtaining new customers, creates loyalty program, to which other structural companies are joined. By means of coalitional programs of consumer loyalty companies may exercise the stimulation of consumer activity accumulating the consumers of other companies,

exercise the feedback from customers and track their needs, with the exchange of partners' client base and implement of own discount, bonus programs by means of other market subjects. The present approach allows us to cooperate more objectively with participants of loyalty and consumers. The coalitional program for encouraging customer loyalty is represented in Fig. 3.

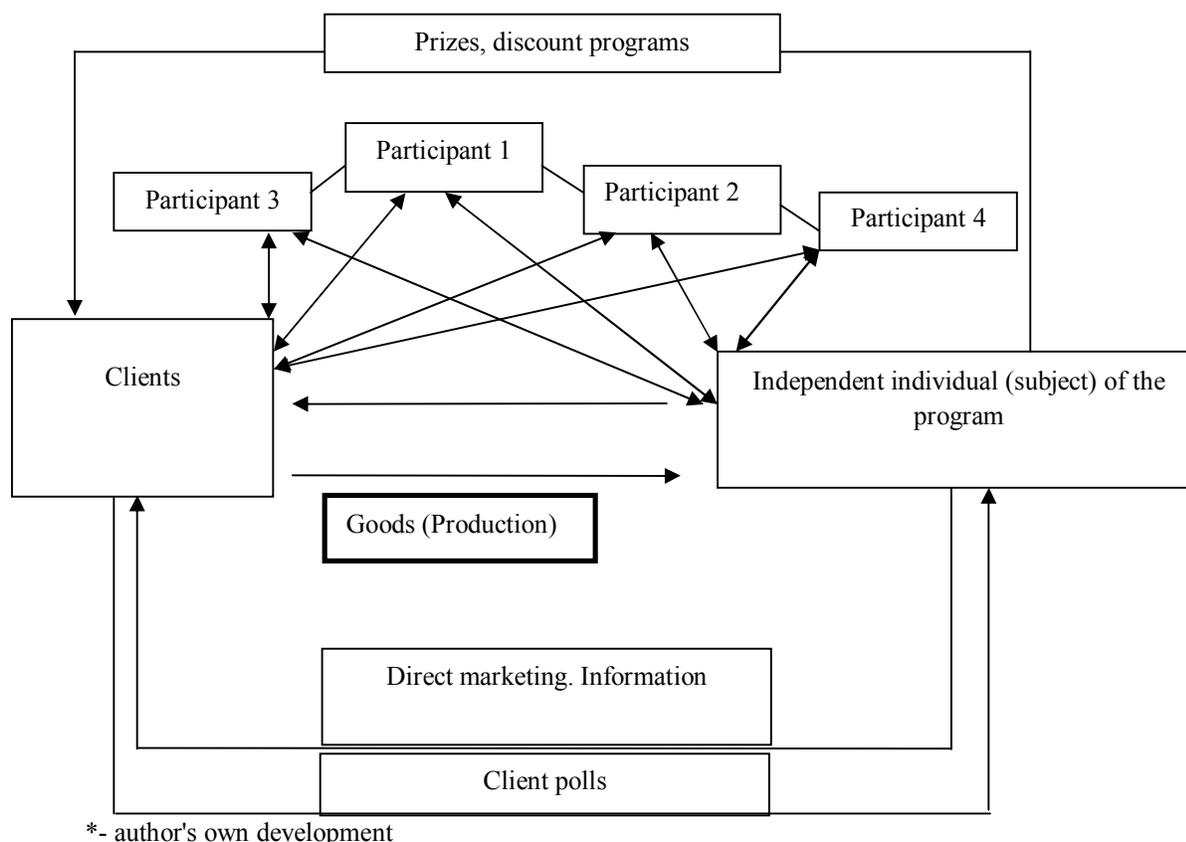


Fig. 3 – Coalition program for stimulating customer loyalty

Acknowledgments:

Thus, our research allows to make the following conclusions: company brand management in terms of marketing orientation consists of brand potential and company image and is based on his potential and climate. Another important component of enterprise marketing strategy is the development of brand management strategy through the formation of customer loyalty, which makes possible the combination of various companies efforts to obtain new customers. The promising directions for further

researches in this area are working out models of companies cooperation within the coalition program to stimulate consumer loyalty.

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12/23/2013