

## Sensory branding institutionalization

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**Abstract.** The article covers the problem of institutionalization of sensory branding that is popular corporate marketing instrument today. It presupposes application of all five sensory perception channels of a man – eyesight, hearing, taste, sense of smell, sense of touch. Consumers and companies in their behavior rely on a certain rules and norms, or in other words institutions. Institutions make reason of sensory branding functioning. Institutionalization of sensory branding presupposes using analysis of institutions of sensory branding in multi-sensory brand development and in its management for companies working on consumer market.

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### Introduction

Modern branding is different from branding of the past. Interpretation of the word “brand” has changed. Its meaning became wider and besides designation of visual attributes of goods and character of their relations with consumers includes also value of brand for a company. Competition became more tough and effectiveness of traditional ways to attract consumer attention and promote goods and services became lower. The role of brand is to simplify the process of identification of a good and service of a company among analogous goods and services as well as attraction of a consumer attention to a certain company [1].

### Method

General scientific methods – analysis, synthesis, comparison were applied in the author research as well as post-event analysis and marketing research methods.

Study of concepts “brand” and “branding”, branding methods and institutionalization of sensory branding was based on post-event and comparative methods as well as marketing research methods.

### Main body

Basing on the study of the concept of “brand” used by Russian and foreign authors we formulate refined concept of brand as combination of functional and emotional characteristics of a good or service that stimulate consumer preferences and forms positive emotional attitude. Brand is 1) expressed by a term, sign, symbol, picture or their combination, 2) exists in the consciousness of consumers, 3) determine individuality of goods and services.

Brand and branding are indissolubly connected with each other [2]. Branding is corporate activity related to brand development [3]. We

consider branding as corporate activity related with development and management of brand to develop long-term preference for this or that good, service from target customers that is based on rational and irrational (emotional) perception.

We have studies 21 branding methods (authors - Joseph and Jimmie Boyett, A.T. Volkov, V.N. Domnin, Ju.E. Kislova i E.A. Voronina, E.V. Serjogina, D. Sutton and T. Klein, J. Rendell, D. Aaker, N.K. Moiseeva, German Dann, S.N. Sologub, P.A. Bazhin, Valentin Percija and Liliya Mamleeva, V.M. Andreeva, A.V. Drozdov, V.L. Muzykant, L.G. Pasechnik, S.B. Pashutin, Skot Djevis, A. Demenko, M. Lindstrom) and drew the following conclusions:

2. not all branding methods (73% from total number) presuppose the stage of study of brand consumers;

3. only one branding method (author – E.V. Serjogina) presuppose studying branding institutions and institutional effects of branding on consumer market.

According to Martin Lindstrom distinguished specialist on branding in future the process of brand creation and promotion will overrule trade offer. This process will be based on more complicated model – the model of complex trade offer and creation, promotion of brand will be based on the concept of sensory branding.

The concept of sensory branding is integral system for communicating information about brand that presumes using not only traditional channel of interaction with consumers but involvement of new channel and methods that affect all five perception channel of a man [4].

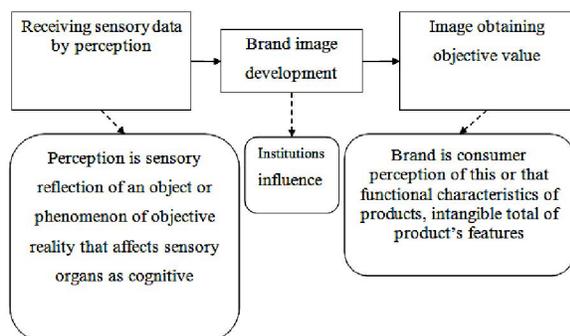
In categorical instrument of economy as well as in everyday practice of companies there are no concepts that describe institutional approach to development and management of multi-sensory brand.

We consider institutionalization of sensor branding as the most vital direction of communicating with consumers to be extremely important for some reasons.

Firstly, perception is one of the main processes that are involved on brand image development. Due to perception information are being captured from outside, transforms into belief and opinions, fixed in memory and became imperative for consumer. The model of brand perception by a man is shown on Figure 1.

Brand is inseparable with consciousness of people because they are its carriers besides brand image and consumer behavior of people regarding brand depends on personal and social experience.

Social experience acts by means of group memory as well as in memory fixed in traditions, skills, collective knowledge and social thought [5]. Social and personal experience is being formed by institutions that are an object of today economists.



**Fig. 1. Brand and its perception by a man**

Secondly, using knowledge about institutions in sensory branding seems vital due to changes of attention of economists on behavior model of economic person.

In economic theory consumer behavior now is explained by institutional economy accounting for the fact that economic agents' behavior is affected by institutions, norms and rules of relations [6].

Thirdly, institutions determine and limit the choice of alternatives of any person, they include all forms of limitations created by people to shape people relationships. Social institutions as external to each certain subject "rules of the game" define the sphere of possibilities for companies too [7]. In its activity a company value information about rules, interests, specifics that has other subjects and those of external environment. This evaluation forms the system of expected reaction of consumers on this or that actions of a company. So institutions play the role of universal limitations that form the structure of relations for functioning of each certain company [8].

Fourthly, problems of branding policy development are covered in a numerous scientific researches and works of Russian and foreign specialists but works on institutionalization of branding are rare. E.V. Popov and E.V. Serjogina are Russian specialists who studies problems of branding institutions [9].

So analysis of sensory branding one may separate sensory branding institutions and give the following definition to them: sensory branding institution is established norm of interaction between economic agents on identification of a certain good, service among analogous goods and services via sensory channels of perception of a man (eyesight, hearing, taste, sense of smell, sense of touch).

Sensory branding institutions affect both consumers and companies, they define consumer attitude to brands, their behavior in making choice between different brands of different vendors.

Methods of development and management of multi-sensory brand accounting for institutions should include elements of the basis of institutional design by V.L. Tambovtsev, for example the principle of stage completeness of project and the principle of component completeness of project [10].

## Conclusion

Sensory branding institutionalization presupposes applying of different sensory branding institutions in companies' activity on development and management of multi-sensory brand.

Sensory branding institutionalization is vital task of modern economic science because sensory branding institutions explain consumer behavior in interaction with multi-sensory brand, i.e. in choice, buying and consumption of goods and services of this or that brand. They describe a certain rules and norms used by individual as a base in interaction with a company and vice versa.

## Resume

We have analyzed the concept of "brand", "branding", results of branding method study and provide detailed description of the reason why sensory branding institutionalization is vital problem. We have also present author's definition of sensory branding institutions.

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