



BRANDING AS A SOCIAL COMMUNICATION TECHNOLOGY FOR MANAGING CONSUMER BEHAVIOR

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ABSTRACT

The article is devoted to methods of managing consumer behaviour. The authors propose using branding tools as a social and communication technology for this purpose. The authors examined both classic branding approaches and entirely new technologies. The authors examined the essence of brand and branding, analyzed the development trends of branding as a social and communicative technology for managing consumer behaviour, among which highlighted the flexibility and maximum automation, the rapid transition of consumers to new technologies, the role of technology in brand growth, and the need to manage loyalty. The study showed that the brand determines the value of goods. Hence, the authors developed a branding algorithm to control consumer behaviour and proposed technology for measuring consumer attitude to the brand.

Key words: Branding, Social Communication, Consumer Behavior, Lovemark

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1. INTRODUCTION

Survival and ensuring sustainable development are the main tasks of any business entity. An effective solution to this problem is to create and sell various goods and services, which, to a large extent, can be achieved on the basis of a well-designed and effective strategy for promoting goods or services on the market.

Many Ukrainian and world scientists devoted their works to branding issues (Kendyukhov, Faivishenko, 2012; Kovalenko, 2014; Havale, Chaudhari, 2020; Yusuf, Wirayat, Rachmawati, 2020) or its promotion: through SMM (Bashynska, 2015; Rovai, Guercini, 2018; Robul, Hrinchenko, Zalubinska, 2019), market niche Seeking Micro-influencers (Gan, 2019), even analyzing the hydrochemical characteristics of the water system (Mitryasova, Pohrebennyk, 2020) and

The profound social changes taking place over the past decades are directly reflected in the formation and development of the consumer goods market and the creation of new models of consumer behaviour. At the moment, there is a particular dynamics of movement from a scarce commodity-oriented market to a competitive market of branded products. The key competitive advantage and resource of companies operating in all sectors are trademarks or brands. The most famous and largest brands in terms of market value, which constitute the main asset of the respective owner companies, include Coca-Cola (food and drinks), Microsoft (software), IBM (high information technology), General Electric (heavy industry), Apple, Samsung (telecommunications), Intel (high information technology), McDonald's (retail), etc. Numerous foreign manufacturers invest significant amounts in the development and promotion of their brands in other markets. As a rule, transnational corporations have their own strategic international brands with a shared philosophy and a unified social and communication platform, rich in accumulated experience in promoting them in the consumer market.

It is worth noting that the dynamics of the value of brands is constantly changing; for example, in 2019, 10 leading brands are as follows (Fig. 1).

The total cost of the 100 most expensive brands is \$ 2.33 trillion. This is 8% more than last year. IT brands are becoming the most expensive, with the Amazon brand at the forefront, whose value has grown by 37% to \$ 97 billion. Netflix (+ 34%), Google (+ 27%) and Adobe (+ 27%) showed good growth. H&M suffered the hardest - its value fell by 12% to \$ 11.5 billion. The Swedish retail chain faced difficulties last year and was forced to lower clothing prices to get rid of excess supplies. The value of more than 20 brands has declined, including ESPN (-10%), GE (-8%) and Hyundai (-8%).

American companies own 56 of the top 100 brands, as well as 80% of the top 10. The following are Germany (11 brands), France (7) and Japan (6). The final ranking includes brands from 16 countries.

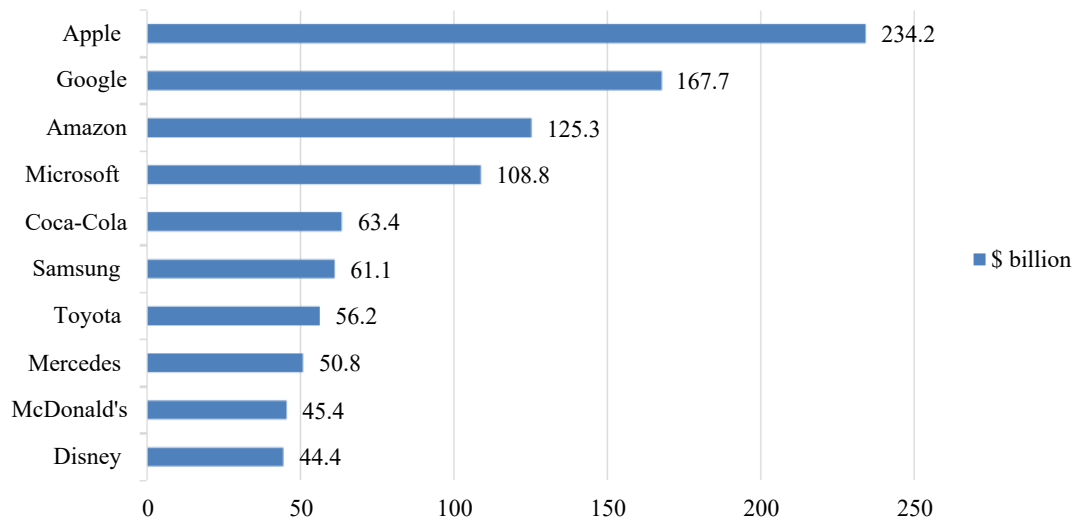


Figure 1 TOP-10 the world's most valuable brands in 2019

Along with the prosperity of IT brands (20 brands from the top 100), the most represented sectors in the ranking were financial services (13), auto industry (11), consumer packaged goods (10) and retail (8).

Thus, branding issues still do not lose their relevance.

2. THE ESSENCE OF BRAND AND BRANDING

The brand has emerged as a mechanism for identifying and differentiating products and manufacturers, and today is becoming a means of identifying and differentiating consumers. Brands characterize the lifestyle, value system of an individual or group, reflecting and influencing social processes. Brands, as modern symbols of consumer culture, become an essential means of demonstrating identity, markers of social space, a "mirror" of social reality. The importance of brand and branding with this approach becomes especially important. An analysis of brand preferences provides new opportunities for studying the dynamics and transformational changes in modern society as a whole and the education system in particular (Prokopenko, 2011; Galkin, 2019). Analysis of a social phenomenon involves the disclosure of its essence through the systematization of approaches to determine its volume and content, which eliminates the ambiguity of interpretation.

However, the use of other people's experience in the formation of consumer demand, in managing consumer behaviour has its well-known limitations, and sometimes it is simply impossible, due to differences in social, cultural and economic nature between countries and regions.

The classic definition of a brand (F. Kotler) characterizes it as a name, term, symbol, pattern or combination thereof, designed to identify the goods or services of one seller or a group of sellers and differentiate them from the products and services of competitors. But in his definition, F. Kotler focuses on such brand functions as identification and differentiation, on its material embodiment (symbol, pattern, etc.) and does not pay due attention to such a vital brand function as communication (Sarkar, Kotler, 2018).

In the modern definition of the brand, the brand's communication function is emphasized, its orientation is not on the functional properties of the product, but on emotional closeness with the consumer, based on such concepts as love, empathy, sensuality, intimacy. The theory of lovemarks (brands or brands of love), created by K. Roberts, director of the international branding agency Saatchi & Saatchi, focuses on emotional connections, affection that a

consumer has concerning a particular brand based on the messages that the brand transmits to the environment.

Lovemarks are brands that evoke deep consumer loyalty, to which the consumer will remain faithful, even if a similar product offers appear on the market that outperforms Lovemarks in any functional characteristics (Roberts, 2004).

From the point of view of marketing technologies, lovemarks are based on three components (Fig. 2).

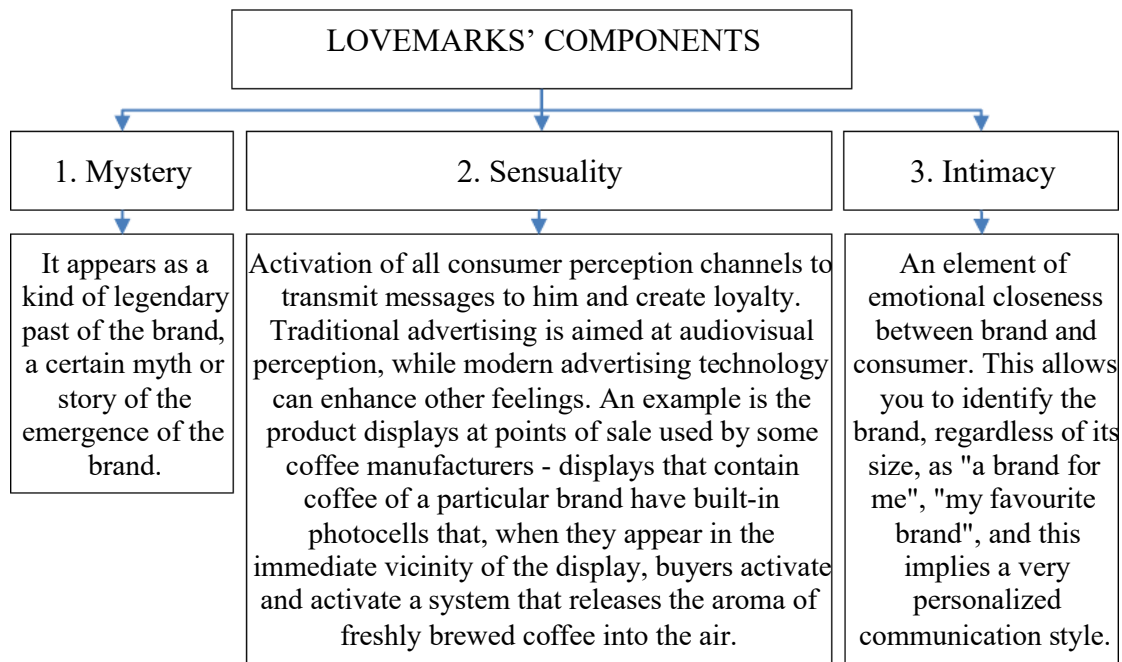


Figure 2 Three components of lovemarks

As an example, lovemarks are usually called such a brand as Pampers, where the main factor for successful transformation into a "love brand" is a high and stable level of quality, deeply personal communication. So, the Pampers brand does not just advertise baby diapers; it "looks at the world through the eyes of a child" Pampers' commercials are stories about children, not diapers.

However, the concept of emphasizing the importance of the emotional component in communication and a detailed analysis of the processes of consumer behaviour, for all its merits, has its serious limitations. It's quite difficult to talk about creating lovemarks in the category of consumer goods, in the low price segment, since the idea of lovemarks implies that the consumer appreciates it highly and is ready to pay a higher price for it compared to competing offers.

3. TRENDS IN THE DEVELOPMENT OF BRANDING AS A SOCIAL AND COMMUNICATIVE TECHNOLOGY FOR MANAGING CONSUMER BEHAVIOR

Researchers believe that by 2030, 67% of interactions with consumers will be provided by smart cars (Futurum Research, 2019).

Modern technology has completely rebuilt the process of interaction between people and brands. New products, services, consumers, and competitors appear and evolve. Shopping behaviour, preferences, and discontent continue to change.

Researchers at Analytics Experience 2030: The Future of Customer Experience concluded that technology will be the main driving force that redefines consumer experience and creates it in a completely new way and that brands will have to rethink the ecosystems they create for consumers to keep up with changes in human behaviour and the evolution of technology.

3.1. Flexibility and Ultimate Automation

The brands that participated in the study note that by 2030 there will be a large-scale shift towards the automation of all interactions with consumers. There is a widespread assumption among respondents that smart cars will replace people and will perform two-thirds of the work of communicating with the consumer, making decisions directly in the service process, making marketing decisions and conducting promotions. As for the numbers, approximately 67% of the communication between the brand and the consumer using a digital device (computer, smartphone, etc.) will be performed by machines, not people, as is happening today. Also, machines will automatically take 69% of decisions in the process of interaction (Salesforce Research, 2018).

3.2. Consumers are Quickly Moving to New Technologies

According to the study, 78% of brands are confident that today's consumers are not easy to use new technologies in stores. But in contrast, only 35% of consumers themselves confirm this. This gap in perception can be a factor limiting the growth of brands if they do not revise their views.

The study shows that consumers expect even greater growth in the technology of business and services by 2030 (Experience 2030, 2019) (Fig. 3).

81%	say they are going to chat through chatbots.
80%	say they expect the food to be delivered by drones or drones.
80%	expect that they will use a smart assistant (Google Home, Amazon Alexa, Yandex.Alisa, etc.) to conduct household chores and make purchases.
78%	are going to use augmented, virtual or mixed reality applications to find out everything about the product. For example, how clothes will sit down, how furniture will look exactly in their apartment.
78%	expect that they will control their equipment and various devices from their smartwatches and other wearable gadgets.
56%	are going to "visit" remote locations, entertainment, and even spend their holidays through augmented and mixed reality devices by 2025.

Figure 3 Consumer expectations by 2030

Given this willingness to change by consumers, brands can improve engagement and engagement. At the same time, the gap between consumer technology and marketing needs to be narrowed.

3.3. Technology will Support Brand Growth

In many ways, technology will determine the consumer experience of the future. Researchers asked brand representatives in which futuristic technologies they are currently investing to be ready and meet customer expectations in 10 years.

The growth of new technologies, the emergence of new channels and points of interaction create the problem of a "moving target". Companies cannot stay on the cutting edge of progress because something is constantly changing, and they have to catch up again. At the same time, the consumer expects that he will get what he needs, where he needs to, and the way he wants.

According to the study, 62% of brands invest in voice AI assistants to improve customer service and interaction. At the same time, 58% of brands consider investing in voice AI assistants as the development of marketing communications and sales support (Futurum Research, 2019).

3.4. Loyalty Management in 2030

Now 58% of brands are sure that high quality is a crucial factor that affects loyalty, and most consumers say that price and discounts influence it. Thinking about the future, consumers already call mobile applications, high-speed access and the possibility of ordering through a voice assistant or the "smart home" system. Brands agree and believe that AI, machine learning, and predictive analytics will also play a role. They hope that in 2030 these technologies will help create a meaningful experience and meaningful relationships with customers, despite the complexity of the communication environment and interaction contexts.

The importance of trust will increase. The ability to overcome distrust determines the success of the brand today. Consumers are worried about how brands use their personal information and feel powerless to make a difference. Only 54% of consumers believe that their data does not leave the company to which it was transferred. But in reality, 73% of consumers believe that their personal data is used uncontrollably. Brands face a challenge: they need to provide an individual approach and build a unique consumer experience that meets the needs of a person, but at the same time, they need to monitor how complete they have data about this person and whether another fact will undermine confidence.

Brands are well aware of the risks. 59% of respondents from companies fully agree that the protection of consumer information is the most important factor that provides a good consumer experience. Given the tightening of the legal framework and new regulations adopted by governments in different countries to protect personal data, 84% of respondents see this as a challenge (Futurum Research, 2019).

Consumers use technologies that make their lives open to others. So they simultaneously expect from the business both an understanding of their individuality and the protection of their privacy. This brand has to find a balance to gain and maintain trust.

4. RESULTS AND DISCUSSION

4.1. The value of Goods identified by the Brand

Now, for a product or service to be in demand, they must be perceived as branded, and the manufacturing company, in turn, must gain fame, authority and trust in the consumer environment. In such a situation, it is possible to say that "a product is what is produced, and a brand is what is sold".

Transformations of modern market relations have led to the emergence of new technologies for brand formation, which include updating the sociocultural and corporate strata of brand prestige.

The value of goods identified by the brand is formed in three layers (Fig. 4).

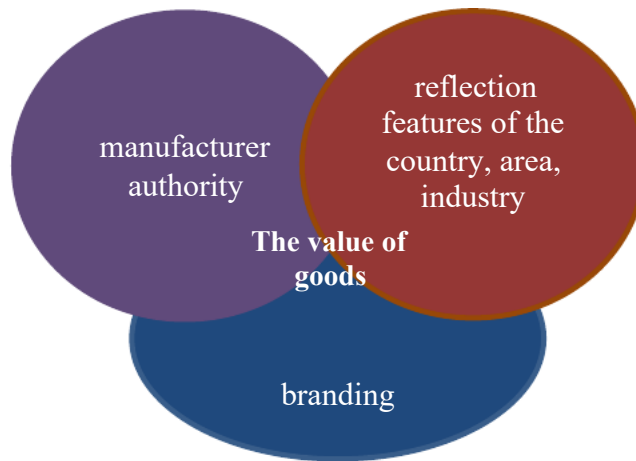


Figure 4 The value of goods identified by the brand

Firstly, it includes a reflection of the characteristics of the country, area, industry. Many products are recognized all over the world and are bought because they are produced in the respective regions. So, France is known for high fashion, Switzerland – for accuracy.

Secondly, the prestige of the goods is created by the authority of the manufacturer.

Thirdly, prestige is formed by branding, using the two previous directions, creating and maintaining a long-term reputation of the product, even if it is modified following the requirements of the time or market conditions.

Confidence and benevolence towards a brand are primarily determined by what organization is behind it, what are its goals, values and what is its philosophy. Therefore, a positive attitude towards a product is mediated by a positive attitude towards an organization that produces or presents it on the market. Or in other words, the attitude towards the company/organization is transferred by consumers to the attitude towards its product. In this case, the consumer (client) pays special attention to the social mission of the company, its place in the social environment, its attitude to social institutions, as well as the national-cultural, socio-demographic, socio-economic and psychological characteristics of its customers. In this regard, the sociocultural identity of any organization should be emphasized by its corporate brand. In the era of globalization, methods of forming virtual reality using advertising, PR, information and social technologies are actively used, replacing actual values with the symbols of the commodity world. Developing consumer capitalism is in dire need of new technologies for the formation of public consciousness as the main "engine of trade" and an instrument of social control. One of the most effective social technologies is the creation of brands - new social myths that form a unique, new culture of consumption. Throughout the past, twentieth century, generation after generation has grown up people whose personal and social norms and values are increasingly becoming consumer - on the one hand, and managed through marketing communications - on the other; people thinking in terms and within brands. Under the influence of the ideas of strong brands and the ideas of an industrial consumer society, there is a change in the expression of the moral and moral standards of the human consumer. "There is a substitution of what expresses the irrational and existential values that are present a priori in the consciousness of people. Now they are beginning to be realized to a greater extent through the consumer culture and "special" product values (brand). In the industrial stage, the gap between the role of a person that he plays in society and his essence begins to disappear, he becomes, including for himself, what he consumes" (Krylov, Zuenkova, 2005).

4.2. Branding Algorithm for Consumer Behavior Management

Thus, the study showed that the rapid development of technology had led some marketing tools to become irrevocably outdated. We believe that branding can be used as a social and communication technology for managing consumer behaviour and offer the following algorithm (Fig. 5).

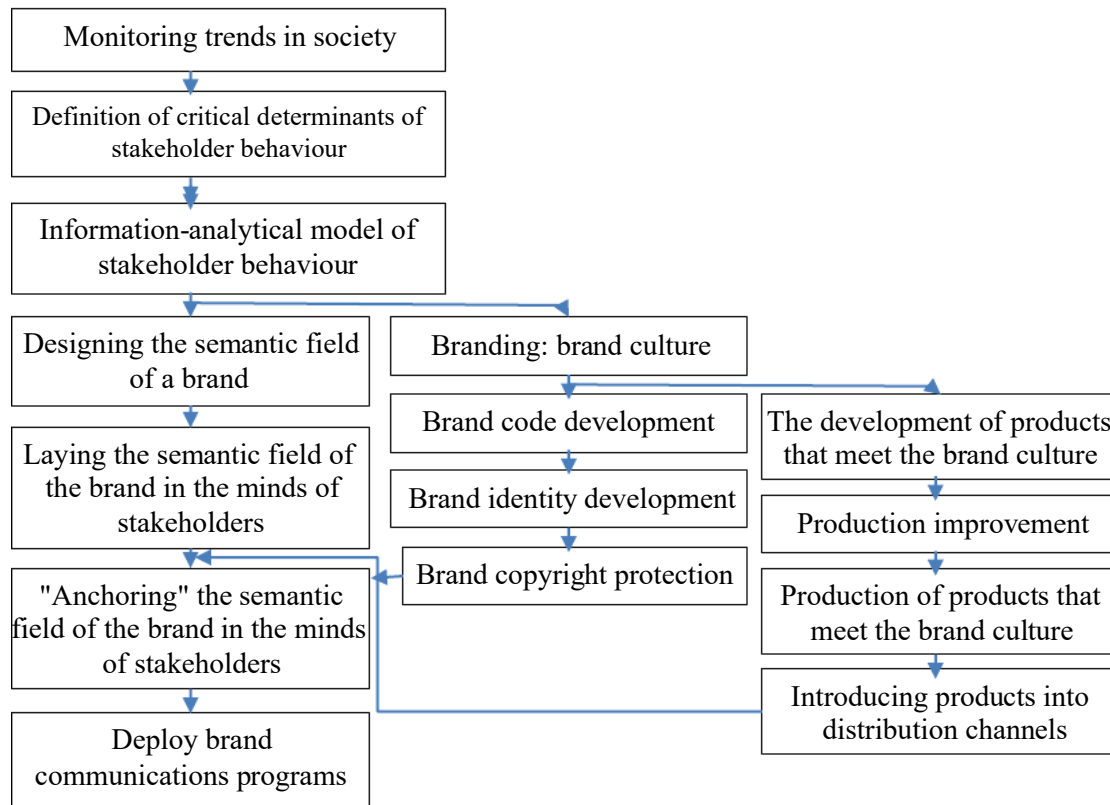


Figure 5 Branding Algorithm for Consumer Behavior Management

At the first stage, it is necessary to monitor social trends to detect new trends in society at the earliest stages.

Then, using sociological research, potential consumers have discovered whose value system allows them to develop a specific product that is willing to spend a certain amount on goods that embody specific values; which are determined by specific socio-demographic, psychographic and geographical characteristics; which have growth potential for these characteristics; who actively use specific communication channels, etc.

Branding as an applied psychology of motivation and neurophysiology. At this stage, it is necessary to determine the key determinants of consumer behaviour. For example, motivation (impulse to action), reinforcement (experience, emotions, habits), preferences (subjective value) and expectations (probability of receipt)

At the next stage, we use modern methods of psychosomatics, which allow us to measure the motivating, reinforcing, preferred and expected images of the brand.

Then, using the methods of applied linguistics, the semantic field of the brand is constructed.

A feature of this algorithm is that we offer to go from bottom to top, i.e. We preliminarily study the needs and portrait of stakeholders, and only then we model and produce products for it.

4.3. The Measurement of Consumer Attitudes

To measure the attitude of consumers to the brand, we suggest using the simplest, in our opinion, method - we adapt the Fishbein formula (Spring, 2002):

$$A_0^j = \sum_{i=1}^n B_0^j * e_0^j$$

where A_0^j – the integral assessment of brand attitude;

B_0^j – consumer opinion on brand compliance with characteristic i ;

e_0^j – weight (significance) for the consumer of characteristic i .

using a 7-range bipolar scale from -3 to +3:

Good	+(3):	(+2):	(+1):	(0)	(-1)	(-2)	(-3)	Bad
	extremely	quite	slightly	neither	slightly	quite	extremely	

According to this model, the relation to this object (product/service) is the sum of the products of opinions about the indicators of the object by the estimated value.

5. CONCLUSION

The profound social changes taking place over the past decades in the world are directly reflected in the formation and development of the consumer goods market, in the creation of new models of consumer behaviour.

A few years ago, in this market, there has been a progressive movement from a scarce commodity-oriented market to a highly competitive market for branded products. The key competitive advantage and resource of companies have become trademarks or brands. However, the global pandemic COVID-19 made its own adjustments to this activity: for example, celebrities with their own brands began to act as models for advertising themselves, and against the background of the home interior, some large brands did not buy their products in developing countries, and many brands have left the market forever. And this is only a brief overview of the fashion industry, but it clearly shows how volatile the time in which we live has become and the relevance of branding has increased significantly. It was those who managed to properly manage market behaviour that not only stayed on the market but also received excess profits.

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