

BRAND AS AN INSTRUMENT IN INTERNATIONAL MARKETING¹

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Abstract

When it comes to the brand in the marketing, it is a tool, but also is a measure of success in the market. Actually, the brand helps to assess the quality of the product and thereby reduce the risk that may occur when buying.

As more and more emphasis on the international acceptability of the brand product, this paper is inspired precisely by the international perspective of the brand of a product, in particular brand as a tool in international marketing.

Due to the existence of a number of strategic alternatives for the use of the brand in international marketing, will be made and a comparative analysis of their advantages and disadvantages.

Key words: brand, customer, quality, international marketing

INTRODUCTION

¹ review scientific paper

The brand can be defined as a name, term, sign, symbol or design or a combination of all, intended to identify the product of one vendor and to differentiate the product from competitive product.²

Indeed, with the brand can to identify the seller or manufacturer.

With the the brand, buyers can recognize products and to select products that they like, making them easy to purchase. Therefore it is very important in creating a brand product to follow international standards for promotion market.

The brand as a tool in international marketing has influenced at the decision about which brand is taken for the emergence of the domestic market and for the emergence in the international market used already introduced and developed brand.

For brands that have international character are common following features³:

- ✓ International brands already renowned, are result of long-term orientation and usually have a long lifespan.
- ✓ International brands are universally recognized as a result of significant investments in promotion.
- ✓ International brands often base their credibility on the strong national image.

Brand management is more complex internationally. Most often the dilemmas that arise when performing with branded products in international marketing are⁴:

- ✓ Whether to perform at the foreign market with brand
- ✓ Whose brand to use
- ✓ For which international status of the mark to identify and
- ✓ How many brands to use on one market.

Strategic dilemmas for use of the brand in international marketing, can be represented as follows:

Table 1 Strategic dilemmas for use of the brand in international marketing

Whether to perform at the foreign market with brand?	
With brand	Wihout brand

² Philip Kotler, Upravljanje Marketingom, Mate Zagreb, 2001

³ Onkvisit Sak, Shaw J. John, International Marketing Prentice Hall, Upper Saddle River, 1997

⁴ Branko Rakita, Megunarodni Marketing, Ekonomski fakultet Beograd, 2004

Advantages <ul style="list-style-type: none"> - Lower production costs - Lower marketing costs - Less legal - administrative costs - Less commitment about quality control 	Advantages <ul style="list-style-type: none"> - Better identification - Easier product differentiation - A possible brand loyalty - Possible premium prices
Disadvantages <ul style="list-style-type: none"> - Low prices and tough price competition - Lack of market identity 	Disadvantages <ul style="list-style-type: none"> - Higher production costs - Higher marketing costs - Greater legal and administrative expense
Whose brand to use?	
Private brand	Own brand
Advantages <ul style="list-style-type: none"> - Transfer pricing policy of trade - The possibility of a larger market share - Reduction of problems promotional 	Advantages <ul style="list-style-type: none"> - Achieving better prices - Effect of brand loyalty - Better bargaining power - Better control distribution
Disadvantages <ul style="list-style-type: none"> - A sharp price competition - Lack of market identity - Less control over the market 	Disadvantages <ul style="list-style-type: none"> - Burden for small producers - Burden for unknown manufacturer - The cost of creating and promoting brand
For which international status of the mark to identify?	
Global brand	Local brand
Advantages <ul style="list-style-type: none"> - Maximum marketing effectiveness - Less expensive promotion - Elimination of the confusion - Good for multicultural products - Good for prestige products 	Advantages <ul style="list-style-type: none"> - Better symbolism of the name - Local identification - Favorable treatment - Rapid market penetration - Variation on offer in the market - Variations in the quantity

- Attractive for distributors - A unique image worldwide	and quality
Disadvantages - Presumption of market homogeneity - Problems of the gray and black markets - The possibility of bad connotations - Maintaining consistency and quality - Possible legal complications	Disadvantages - Large marketing costs - Higher production costs - Large inventory costs - The loss of the effect of economies of scale - Diffuse and vague image
How many brands to use on one market?	
More brands	One brand
Advantages - Assist the various segments - Creating a competitive mood - More space in retail - Avoidance of negative connotations	Advantages - Marketing efficiency - Effects of concentrated marketing - Eliminating the confusion about the brand - Good for product with reputation

Source: Sak Onkvisit and John J. Shaw, The International Dimension of Branding, 1997

Due to the large number of strategic alternatives that are listed in the table, is made a comparative analysis of their advantages and disadvantages.

From the table it can be noted that in reaching a decision, have a choice of one of two strategic alternatives.

First, the company is required to determine whether to perform with brand or without brand and if decide to perform with brand, is needed to decide whether to perform private or own brand.

If the company decides to use own brand, then it can choose between global and local brand. If opted for a local brand, the company can choose between more brands in a market or only one brand in a market.

A decision on whether to select local or global brand is a very important decision and when is choosing a global brand, a necessary prerequisite is

standardization. Advantages for the global brand are economies of scale in advertising and providing access to the various distribution channels.

Management will make a decision based on the advantages and disadvantages of using global or local brands. When there is a greater benefit to adjust the brand of any new market than rising costs of promotion in creating a local brand, the management will opt for a local brand. Most often, the reason why use a local brand, are difficulties in finding brands that would be attractive for the foreign market. Sometimes, the company decided to use the local brand not to mention the country of origin, if the image of the country is negative or if the foreign products are not attractive. Also, companies can opt for a combination of strategies using global brand for some products and local brand for other products.

CONCLUSION

Building a brand in marketing by companies is an important tool to measure the success of domestic and international market. Already established brand of the product is of great importance in creating new product lines of the company.

The strategy of establishing the identity of the brand and labeling of specific products should be the result of previous numerous analyzes and surveys in order to prevent or avoid additional problems that could arise during practical application or market promotion of the product. Therefore is necessary before to reach a decision by the management of the companies to consider all strategic dilemmas that arise and to carefully analyze the advantages and disadvantages of all strategic alternatives. Experience from developed countries, confirm the fact that only market-tailored innovative product policy can ensure the growth and development of the company.

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