INTERDISCIPLINARY MODEL OF A BRAND IN A COMPETITIVE ENVIRONMENT

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Abstract


A company’s brand is an aggregate of many aspects and a key business asset which can be significantly influenced from the interdisciplinary perspective. A single symbol/sign incorporates the total value of the brand which represents an important competitive tool as well as the brand’s ability to cope with changes in the environment. Based on findings from the theory and with the help of an experimental investigation, a coherent model was put together which interconnects the unique chain of brand relationships and expresses the brand development from its beginning up to the top level, i.e. a brand with a unique identification. Brand is influenced not only by the quality of the basic brand setting, e.g. individual component of the level of the state, but also performance of the brand in time, e.g. individual components of the dynamical level. Then the result of specific actions influences also the primary setting. The basic presumption of effective brand management it thus based not only on continuous following of changes in the framework of the subsystem, but also on fundamental interconnections between individual subsystems. This paper has an interdisciplinary character and through the brand model it presents ways to create a strong brand which has a unique distinctive character in the perception process, which can be identified not only by the target group of consumers, but also by its competitors, and the awareness of which exceeds the outlined segment throughout the market.

Keywords: brand, competitiveness, model, trademark, interdisciplinary character, brand name, brand platform, distinctive character, brand awareness

INTRODUCTION

A brand is considered to be one of the key economic factors in a tough competitive environment which is characterized by dynamic and abrupt changes which increases the demand for efficient strategic management. The European Union, being a multinational entity, is dependent on very strong brands within its market (2007 Eurobrand study) and therefore it strives to respond to the challenges of the global knowledge-based economy (the Commission to the European Parliament, 2011) with legislative measures (Cook, 2013, 2014). This increases the importance of understanding the meaning of a brand as a trademark in the interdisciplinary context because a long-term growth of a brand can be sustained if areas that have not been linked before start to be connected. Looking at the issue in question from a holistic point of view (Barčík, 2013) and from a wide integrated perspective (Jakubíková, 2013) is a prerequisite for success.

A brand in this form also fulfils the essence of ownership within the meaning of the letter of the law which is an essential prerequisite for existence of the free market. After all, a competitive advantage and power is both a competitive goal and a goal of industrial property which acts as a catalyst. If a brand owner comprehends the interdisciplinary anchorage of this property, they will be able to increase the value of the brand and choose

¹ “Small Business Act” initiative, 2008 and “Innovation in the Union” initiative, 2010
the most efficient measures and procedures in the competitive environment. As a result, the brand in this form fosters creativity, innovations and economic growth.

De Chernatony (2009, pg. 17) describes a brand as any symbol which can be represented graphically, and which is able to distinguish the goods or services of an organization from similar goods or services of other organizations. From the marketing point of view, a trade name becomes a brand when the public start identifying it with the goods or services represented by the trade name (Bauer, 2014, pg. 44). When a brand is used in connection with a product appropriately, it guarantees significant differentiation from the competition, thus building a strong brand which represents a sustainable value for the company (Zimmermann et al., 2001, pg. 10). This happens when the mark adopts its own identity and can represent itself independently of the products and services connected therewith, thus becoming a brand. The better-known the brand, the easier and more effective its communication towards the customers. Therefore it is important to focus on boosting the brand and creating a strong brand which is identifiable both by the target public and by competitors and the awareness of which exceeds the outlined segment throughout the market (Barčík, 2013, pg. 65). In a majority of cases, the brand is the most valuable item owned by a subject (company) as it is an aggregate of everything, even of how we perceive the subject (Kozel, 2011, pg. 248).

The paper has an interdisciplinary character and with the help of a brand model it presents ways of how to create a strong brand, i.e. a brand with a unique identification which has a unique distinctive character in the perception process and a good reputation. In order to achieve this, it is necessary to find an optimal solution for brand management and take account of all relevant criteria as well as the time aspect, because any change has an impact on and affects the future of the brand in the long run.

**MATERIALS AND METHODS**

Based on an analysis of the theoretical basis of strategic brand management and based on observation of brand management in practice, the paper suggests and presents through the model such an approach to brand management which reflects the needs of the individual subjects in order to boost competitiveness of the brand in the market.

The model is based on a critical analysis and synthesis of the model paradigms according to individual authors, including Grey (2010), Kavaratzis (2005), Machek (2013) and Traver (2013), and it also analyses how various authors see the issue in question and the inconsistent formulation of the term “brand”.

While following the deductive approach, the individual parts of the mutual paradigm were then investigated in practice using various qualitative research tools during case studies and during an analysis of legal documents (decision – making process) and relevant judicature concerning the matter in question. In discussion with leading experts in this area, the findings were then subjected to correction, completion and enrichment. The model was enriched with the findings from individual comprehensive interviews with six prominent experts in this field. Their choice was intentional. The construction of the sample file was led by the effort to include experts that are at different places of the researched structure and in different positions of the researched processes. The aim was to reveal the highest possible number of dimensions of the given problem. Besides different places in the researched structure and in the processes in the sample, the choice was also aimed at yielding experts focusing on individual fields of the given topic. The experts had professional expertise in the topic and thus also valid information and informational coverage on the highest level.

The respondents included marketing experts, company managers and specialists in industrial law, brands and brand protection. Both secondary and primary data were collected during the investigation. The final induction interconnected the individual key interdisciplinary elements, relationships and links concerning brand management and industrial property which affect further expansion of the brand and a resulting model was constructed respecting systemic thinking and resulting terminology.

**RESULTS**

The following simplified model, which can also be used to represent complex systems, is focused on a brand which represents an object formulating basic management system which transforms...
Interdisciplinary Model of a Brand in a Competitive Environment

A brand can be described as a dynamic system with purposeful behaviour which develops and should adapt to market environment in time. The system is given feedback by the owners and individual consumers. This means that it is an open system.

The aforementioned object can be specified from the point of view of various scientific disciplines which look at the object from different angles. The individual disciplines are represented by the basic pillars (Fig. 1) which the brand is further built on. The marketing pillar concerns the brand's communication towards customers; the legal pillar deals with the question of the ownership, protecting and defending the brand; and the value pillar deals with the value of the brand and its ability to attract attention, i.e. the financial and emotional value. The marketing, legal and value pillar, and their individual layers and elements, mutually interact.

The base layer consists of unbranded products offered by a subject on the market under its trade name. When such products are represented within a limited territory under a specific trade name (mark), the trade layer representing the status level is being built (Fig. 2).

The layer is built by the label owner who creates the label in its own image. This label is subject to copyright. The brand layer is defined by the brand platform specifying the brand's essence. The platform consists of the brand identity which encapsulates what the brand stands for and gives the brand its direction. Positioning of the brand that determines its main competitive advantage is based on it and it should adapt to the relevant market. The individual elements of the label do not act in isolation and there is a synergetic effect among them.

The brand platform has a legislative and legal framework where the brand occurs in the form of an unregistered label or trademark through which the individual elements of the label in relation to the products or services offered under the trademark are legally protected. The foundations a brand is based on thus affect further existence of the brand and they also have an impact on subsequent success or failure of the dynamic level.

The dynamic level (Fig. 3) is characterized by processes (activities) which are influenced not only by the company itself (where the owners as well as individual employees play an irreplaceable role) and the market, but also by consumers. Thanks to such processes (activities) the brand changes into a strong brand (general brand awareness increases) and it can be presented individually, independent of products and services related thereto, thus becoming a Brand. The source or driving force of any activities within the system is represented by appropriate tactical tools (tactics) which affect the use of the brand and brand awareness thanks to the marketing mix.

A mutual relationship “tactics ↔ experience” is established, i.e. consumers’ experience with the brand. This concerns mainly findings from marketing communication, advertising and, in general, purposeful work with 4E (emotions) the existence of which should be provable and conclusive in case of administrative proceedings, which gives rise to the following relationship: tactics + experience → administrative proceedings.

Creation of a brand with a unique identification, thus a higher value of intangible asset, as well as a higher total value of the subject (company), result not only from building brand awareness, but also from showing the brand power through its good name. Especially large brands strive to reach the TOP level (Fig. 4) which is in comparison to the dynamic level enriched with established image and status granted by a competent authority.

The aim is to create the strongest possible bonds with the brand, brands which are inherently strong, and thus achieve a stable position in the market, marketing (brand position statement) and legal
power (well-known marks or trademarks with a good reputation) and project this effort onto the overall value of the established brand. By increasing the total financial value of the brand (brand valuation) and through the customer’s relationship with the brand (brand equity), either by arousing enthusiasm for the brand (brand passion) or creation of a loved brand (love brand), etc.

Within the brand system shown below (Fig. 5) there is a certain hierarchy and two sub-systems running. The individual sub-systems influence one another and there is coherence between them.

The marketing pillar affects the value pillar which provides feedback to the marketing pillar, and jointly they represent the marketing sub-system. This sub-system, the basis of which is formed by the brand platform through marketing management (tactics), affects the brand knowledge platform the core of which is represented by experience. The marketing sub-system affects the legal pillar which forms an independent legal sub-system.

The legal sub-system is affected by the marketing pillar in terms of the product and “appropriate” use, and by the value pillar in terms of uniqueness and recognition. The legal sub-system is thus dependent on the distinctive character platform which enters the element of administrative proceedings and contains outputs of the experience and tactics elements (from the dynamic level) as well as the relationship of the uniqueness of elements (output of the identity element) and the products and services (output of the positioning element) from the status level which is defined by the brand platform.

The controlled system is the basic and brand layer representing the status level which is influenced by the controlling system, which is represented by the dynamic level of the model, in order to achieve the desired status (TOP layer), a brand with a unique identification.

The system structure is represented by the individual elements in the system (“P”) and their mutual relationships (“V”). The system elements can
be defined as follows: (p1) identity, (p2) positioning, (p3) unregistered label, (p4) trademark, (p5) tactics, (p6) experience, (p7) administrative proceedings, (p8) market position, (p9) brand value, (p10) reputation (of the trademark or well-known mark). In terms of the established distinctiveness level, the system elements are not subdivided any further.

The memory element is the unregistered label or trademark, which is protected explicitly, and it is interconnected with the product and comes out of the identity element which includes the “brand DNA”. This involves mainly the semantic side of information and two mutually interchangeable elements.

The controlling element in the system is the “tactics” element (within the marketing sub-system) and the “administrative proceedings” element (within the legal sub-system) which purposefully influence and regulate the other elements in the system.

Boundary elements include positioning (responding to the market, competition, etc. through the “tactics” element). A combined element is represented by the experience element (which responds together with the consumer and is dependent on the effect of the identity and tactics elements) and the administrative proceedings element (which responds especially to legislative changes and competition and is dependent on the effect of the tactics and experience element as well as the identity and positioning element).

The comprehensive brand system is in a mutual interaction with the surroundings which provide it with impulses in certain time intervals, based e.g. on the following types of stimuli: situation in the market, legislative changes, conflicts with competition, etc. The brand system should respond by affecting the system in the desired direction, responding or adjusting to the environment, i.e. producing processes which can support appropriate conduct of the system, e.g. by appropriate use of marketing tools in reaction to a stimulus or by a strategy change (redesign, rebranding, etc.) or efficient protection.

The relationships within the system define the way the system elements are linked. It regards the following internal relationships within the system (information, feedback...): (v1) uniqueness of brand elements, (v2) products and services (offered under the brand), (v3) differentiation with a territorial principle, (v4) effect of a set of brand associations, (v5) effect of relevance and a set of brand attributes, (v6) development of associations with the brand (image), (v7) creation of bonds with the brand (integrity), (v8) appropriate use (quantity), (v9) recognition (quality).

Furthermore, an external bond is established between boundary elements in the open system and an environment element. This usually regards a reaction to a change, impulses from the surroundings (changes in legislation, competition, etc.)

Brand platform/legal subsystem: It is vital for a brand platform to be anchored at the level of element uniqueness (output of the identity element) in relation to products and services (output of the positioning element) offered by them within a certain territory (territorial principle). Uniqueness of brand elements permeates through the logo into the unregistered label or trademark which is the basis of the legal subsystem.

Brand platform/brand awareness platform: During positioning of a brand in the market, the brand (and its identity) in connection with products and services differs from the competition (differentiation) and its appropriate use is established through the marketing mix. Appropriate use is an output of the brand platform through the tactics element. The identity affects the consumer's overall knowledge through the set of brand associations and its association with the brand, its image, is established. The relevance of the brand as well as the individual attributes dependent on the market segment (through tactics), affecting the consumer's overall knowledge (experience) strengthen the relationship with the brand (passion for the brand, loyalty, brand loyalty ...) and its integrity. The brand image together with the brand awareness create a brand knowledge platform, which is enhanced with integrity. Output of the experience element, which is the core of the brand knowledge platform, is the brand recognition.

Marketing sub-system/distinctive character platform: Appropriate use (output of the tactics element) and recognition (output of the experience element) represent the output of the marketing sub-system. Their mutual interaction (they have a synergetic effect) gives rise to the distinctive character platform which affects the legal sub-system within administrative proceedings.

Marketing sub-system/legal sub-system: In the course of time, it is necessary to maintain, if possible, an up-to-date relationship between the marketing sub-system (brand as an unregistered label) and the legal sub-system (brand as a trademark), be it at the level of element uniqueness (identity element), or at the level of products and services (positioning element), as otherwise the brand protection and its subsequent defence become ineffective.

To put it in a nutshell, the model captures the importance of the basic setting of the brand platform at the identity and positioning level, and further effect of the brand in the market, leading either to expansion or extinction of the brand. Brand expansion is influenced by the level of brand knowledge. Brand knowledge is shown in the model through the brand knowledge platform, with experience in its centre. Recognition results from the brand knowledge platform and it further affects, along with appropriate use, the distinctive character level. It creates its own platform which affects subsequent decision of an administrative body. The distinctive character platform is also affected by...
the basic setting of the brand platform at the level of uniqueness of brand elements and products and services. The output of the comprehensive brand system is an established brand with a unique identification, which is a remote strategic goal of the system achievable in a longer period of time. A characteristic of the established brand with a unique identification is raised awareness which goes beyond the outlined segment throughout the entire market. Subsequently, this system is under special auspices beyond the used/registered content of products on offer.

CONCLUSION

The paper deals with the issue of brands and formulates a unique chain of brand relationships in the form of a model that can be used for the purposes of creating and maintaining a strong brand which would be a success in a competitive environment. The importance of brands, or trademarks, increases especially in relation to intensification of competition in the market. “The greater the competition in the given sector, the more important the brand. If there is no competition, there is no need to develop the brand any further. A brand distinguishes your item from that of competitors, and the more interesting its design, the better the brand gets ahead” [an expert during a personal interview]. Another expert adds: “With an increasing importance of the brand, the need to have control over the brand and its development increases as well.”

Just like it is desirable that the brand identity should reflect as much as possible how the consumer perceives the brand, i.e. the “identity/experience” relationship, the brand positioning should also ideally approximate the positioning of customers of the given brand, i.e. to use the brand as a means for approaching the needs and requests of customers at the same time (the “positioning/experience” relationship), thus building a strong platform of brand knowledge.

The key relationships for building a strong brand are situated at the boundary between the marketing and legal sub-system which constitute the distinctive character platform. The brand's power in the market is confirmed and a brand with a unique identification and a good reputation is created only upon a statement by an administrative body based on verified means of evidence (meeting the criteria) affecting the distinctive character platform.

“For the owners, such a statement within administrative proceedings is more significant than the overall outcome of the administrative proceedings itself” (another expert in a personal interview), because when such an attribute is recognized, the trademark is given the head start before the competition and goes beyond the boundary of products and services, conferring extended protection. The decision-making practice implies that a label becomes generally known when it is widely used in relation to certain products in the market (quantity), while a good reputation can be achieved through more demanding marketing activities which intensify the customer's associations (i.e. quantity and quality).

As early as during the functioning of the brand system, it is also possible to achieve certain intermediate stages of brand power based on its intensity and thus achieve a certain level of success (brand knowledge level vs. distinctive character level). One of the key parameters to boost a brand besides its originality is the relationship with the brand, i.e. brand power depends on the intensity of the brand confrontation with the consumer. Based on the individual brand signs and decision-making practice, it is also possible to claim that the more unique the brand, the lower distinctive character is required, and vice versa. A change in certain system parameters, their growth or decline, has an impact on the absolute growth of or decrease in the brand power, i.e. its competitiveness, as well as on the overall brand value in the course of its life cycle.

An active approach of the brand owners becomes the most important tool to prevent danger as it boosts efficient protection and competitiveness of the brand. Otherwise there might be a certain degree of decline in the brand system, during which the brand would permanently lose its ability to fulfill its basic role, i.e. differentiation from the competition and identification of the product, e.g. the brand would be seen as a label of a type of goods, or the brand will cease to exist, either fully or partially. However, if an established strong brand declines, the brand or trademark knowledge built in time (experience) remains unchanged, and the brand’s added value thus remains stored in it and can be renewed in time, as “…all there is needed is to drop a hint and the brand will pop up on its own…” (says another expert in a personal interview).

Any steps, be it individual marketing procedures and strategies, or attempts to maintain a stable legal status of the brand in the market and creation of the strongest possible emotional bonds with the consumers and the public, should lead to boosting the brand competitiveness in the market, i.e. create a brand with a capital “B” (strong brand), thus maximizing its overall value.

Uniqueness of this paper lies in its interdisciplinary perspective on the issue in question, as due to the interdisciplinary connections it is possible to create a strong brand which has a good reputation.
and can cope with tough competitive environment. It is a basic model which can also be used for the needs of a specific brand. It captures important brand relationships that need to be regularly monitored - it is an essential prerequisite for effective brand management. In time, the brand develops and various changes occur, which contributes to the overall resulting power and value of the entire brand. The brand thus becomes the most efficient competitive tool as it is the bearer of offer and initiator of demand in the market.

REFERENCES


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