

Modern Tendencies of Branding in Russia

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Abstract: The phenomenon of branding plays an important role in the current realities. It is the very thing that determines the perception of customers of a particular company and in the future will be the first step to the development of demand for a certain product. In the course researching this object, it is important to consider not only the history and functioning of branding at the external level, but also within the country. The prospects for the development of branding can largely predict the further development as well as the industry and the life of any company. Therefore, the study of this object can serve as an impetus for the development and promotion of large transnational corporations and smaller companies whose competitiveness and market position are currently at a low level.

Keywords: branding, brand, consumer, rebranding, company, perception.

In the 21st century, branding is one of the key stages of development for any company, from small businesses to large multinational corporations. To start exploring the concept of branding, it is worth delving into the question: what is a "brand"? Many scholars and practitioners give their own definition of this term, which also constantly evolves based on its development in the external world. The American Marketing Association (AMA) provides the following definition: "A brand is a name, term, design, symbol, or any other feature that identifies a seller's goods or services as distinct from those of other sellers."

The phenomenon of "branding" itself represents activities aimed at creating a company's image and is a direct reflection of its philosophy and ideology. In science, this phenomenon finds its similarity with the so-called "commodity fetishism." Karl Marx defines "commodity fetishism" as "the objectification of

production relationships between people, arising in the process of commodity production based on private ownership." [3] Drawing parallels, the brand represents the realization of certain expectations and emotions, which become a key consumer factor in making decisions about purchasing a particular product. But if in the case of K. Marx, the "fetish" on a specific product is spontaneous, branding makes it purposeful by using certain levers of influence on the consumer's consciousness [3].

The main goal of branding is to build a long-term perspective of interaction with customers and continuous satisfaction of their needs based not only on personal expectations but also on modern market trends. At the company level, the brand must not only represent the visual and technical characteristics of the product portfolio but also create a certain image that finds its complete reflection precisely in the product. In other words, create a sense of wholeness and continuity between the product (or service) and the company itself. The brand should also become a weapon for the company to conquer the market and an individual characteristic that distinguishes it from competitors.

At the same time, the phenomenon of branding already has completely different goals and objectives at the global level [1]. While beginning local businesses are just entering the market, trying to attract the attention of a larger part of the client base and generate demand for the offered product, for multinational corporations, this is a long-gone stage. Global corporations can afford to push aside questions of active advertising and promotion and focus on modernizing the product and production process.

One of the main factors in the development of large multinational corporations is their "globality," that is, the amount of revenue the company receives outside the country. The level of its transnationalization becomes significant, in other words, the number of production forces, franchises, points of sale, as well as a large percentage of assets. In current conditions, this factor becomes difficult to implement and further develop[2].

By creating a stable loyal audience, multinational corporations invest most of their resources in expanding their product range. The gained trust of consumers and the company's image allow it to create new products or improve existing positions without harming the reputation and its budget. The corporation can try to enter foreign markets, develop new niches. The company "image" helps it immediately become a strong competitor in a new market and set tough barriers to entry and operation for other companies.

The key factor for the success of large foreign multinational corporations is their approach to their own brand. They create a synthesis of aggregate components: a logo, a slogan, packaging, identity, advertising, etc. This forms the integrity of all positions in the implementation of products, from production to market promotion. That's why large multinational corporations such as "McDonald's", "KFC", "Amazon", "Facebook" remain recognizable. They have become some kind of benchmarks for global branding, separate large elements of the whole system.

The concept of "branding" in the context of the Russian market carries a somewhat superficial meaning: for many, the term "brand" means a trademark, logo or packaging. Russian consumers understand branding as a product that has become beloved and gained the trust of the majority of customers, and has been on the market for a long time.

One of the key features of branding in Russia is the phenomenon of consumer attitudes towards mass advertising. A survey was conducted among 86 respondents aged 18-25, which clearly shows that even young people are becoming less trusting of internet advertising and integrated advertising from bloggers. 68% of the respondents believed that opinions of individuals as an independent source of information, which are capable of sharing both positive and negative aspects of a product/service, inspire greater trust.

The International Center for Scientific and Technical Information named after I.I. Muromkina and E.V. Evtushenko conducted research to identify the

characteristics of consumer behavior on the Russian market. The following facts were revealed:

- Russian consumers have a hard time recognizing specific brands, although there has been a recent trend of increased recognition;
- The pace of introducing new, previously unknown products to the market is accelerating, which causes consumers to not have enough time to form a loyal attitude towards a specific brand;
- For Russian consumers, a brand must have a certain authenticity and be a standard;
- National characteristics and traditions play a huge role in creating advertisements for a specific segment of consumers;
- The most effective way for Russia to create a strong brand is based on personal names, as it not only ensures one hundred percent recognizability but also adds value to the quality and prestige of the product.

One of the important problems in Russian branding is attempts to adopt Western experience into domestic market. This phenomenon has not led to the emergence of new Western-oriented brands, but rather to empty names trying to copy the image and concepts of many European and American companies.

The modern market cannot function without the presence of changes of various levels and scales. This regular phenomenon affects existing brands as well. If one remembers the brands that had leadership positions in the 20th century, it is unlikely that one will think of the number of those who remained unchanged from the moment of their opening, neither in pricing policy, nor in conceptual aspects, nor in changing identity or design. Changes can be driven by completely different factors: fashion trends, pricing, intensification of competition, cultural influence, etc. But there are also things like the conservatism of the leader or fear of potential risks that can impede the process of brand change. If a brand tries to exist statically even for less than 2 years, it is unlikely that it will succeed, and its market share will be lost.

A brand can also lose its influence if it makes several significant mistakes [1]:1) giving up good quality offered products or services in favor of a lower price; 2) lack of evolution over time: not following current trends, fashion trends; 3) the product offered has lost its significance on the market or more practical alternatives have emerged; 4) incorrect sales and pricing policies that are in favor of product quality and partner relationships with suppliers.

There is a phenomenon that has become one of the trends in brand development on the Russian market in 2022 - rebranding. Sometimes this process happens artificially, for example, due to changes at the legislative level or flashes on the international political arena. An example of a major rebranding was carried out by the management of "McDonald's" in the Russian Federation and was named "Delicious - period". A radical change in the brand had to be carried out due to a series of imposed sanctions in February-March 2022, as well as the company's decision to cease operations in all cities in Russia.

During the rebranding process, the company changed not only its visual components, including the logo, corporate style, and interior design. The restaurant's concept and attitude towards customers also underwent changes. Many visitors noticed a deterioration not only in the quality of food but also in service. The concept of a "favorite and cozy cafe" turned into a parody of a "favorite and cozy cafe" in the eyes of Russian consumers. Most of the menu items lost their originality and status, just as the company's reputation lost its backbone. It seemed that the brand tried to meet the demands of the Russian clientele, make a clear slogan, a cozy design, and establish a warm attitude towards the consumer. But the audience did not respond in kind and only became more rejecting of this brand. It can be concluded that rebranding is not always successful from the point of view of relationships with an existing audience, but it can become a starting point for a completely new stage in the development of even such a market giant as "McDonald's."

One of the notable examples of modern brand strategy development in the last decade is Yandex, a Russian multinational corporation. Since 2014, the

company started its active user development. In this period, Yandex decides to either be the first or the only provider of a certain product or service, thus reviving the context advertising phenomenon of 1998. In case of failure, the company strives to improve existing products on the market.

During this wave, the brand actively acquires small IT companies, opens a computer science faculty at HSE, and launches mobile applications such as Yandex.Travel, Yandex.Metrica, Yandex.Taxi, Yandex.Realty, and many more[7]. In 2019, the company implemented the first smart station with its voice assistant, Alice.

All these measures were aimed at creating an image of a "versatile friend" in the eyes of consumers, someone who could provide advice and the right solutions for everything from grocery shopping to real estate selection. The platform interfaces of Yandex were designed to be concise and easy to understand so that every user could easily navigate through them[6].

In the past two years, Yandex has been actively modernizing its loyalty program, including external and internal marketing activities that offer loyal customers and new clients a variety of discounts, bonuses, and special offers. The brand also organizes various festivals, exhibitions, and concerts for its users and other interested parties.

In addition to its customers, Yandex actively supports its employees, providing them with free or discounted services such as catering, a gym, massages, psychologists, and many more. The brand aims to create a comfortable working atmosphere in its offices by providing individual computers and various office furniture options.

Thus, Yandex transformed from a company that provided search engines and advertising systems into a major player in the global market, offering a huge assortment of digital services and products of various types [5]. It can be confidently said that Yandex now occupies a wide range of niches, in which it holds leading positions.

As a result of the conducted research and analysis of theoretical aspects, it can be confidently stated that branding is poorly developed in Russia now[4]. This is evidenced not only by the lack of competitiveness with foreign companies but also by the unshakable perception of Russian consumers who have rigid frameworks and settings in choosing products. The phenomenon of rebranding, as an attempt to pave the way to the heart of the consumer, also did not find proper manifestation in Russian realities and only spoiled the image of the global brand. Therefore, modern companies should not only strive but also need to orient themselves towards Western brands, thereby increasing the flexibility of the market.

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