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APPROACHES TO EVALUATING THE EFFECTIVENESS OF
MARKETING DECISIONS IN BRANDING POLICY

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Abstract

In marketing theory and practice, the effectiveness of a company's activities is often considered in relation to its resultant indicators. Moreover, depending on the goal of strategic planning, it is customary to distinguish different types of efficiency. Therefore, it is advisable to consider approaches to evaluating the effectiveness of marketing decisions and their application in the field of branding, which will form a set of relevant economic and financial indicators. For a comprehensive assessment of brand performance, it is recommended to divide the group of economic indicators into the following three levels: 1. Indicators of brand development and formation activities; 2. Indicators of measures to perceive or influence the behavior of the target audience, as the degree to which the desired brand image is created in the minds of the target audience; 3. Branding performance Indicators as the degree of achievement of the planned results of the entire organization, including market and financial results (strategic effectiveness of branding). The proposed method for evaluating performance in the field of branding is tested on the example of the confectionery market. The proposed combined approach to evaluating the effectiveness of branding develops theoretical positions and concepts of brand capital. Brand capital is defined as a set of consumer perceptions and associations caused by the brand, which are the main evaluation indicators.

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1. Introduction

The concept of efficiency and effectiveness is the main one in modern management theory. In the practice of economic activity of enterprises, this means that effective are those firms, activities, activities and marketing decisions for which the ratio between the resources used and the resulting effect is in favor of the latter. This should be confirmed by quantitative indicators of enterprises' performance. In the Western and Russian literature, the issues of the company's performance are often considered in relation to its performance. Moreover, in the marketing literature, it is customary to analyze various types of effectiveness. In addition, Oiner (2018) identifies two more main interpretations of this concept – internal efficiency in the meaning of efficiency (marketing efficiency) and external efficiency in the meaning of effectiveness (marketing efficiency). We will apply these concepts to branding policy and form a methodology for evaluating the effectiveness and effectiveness of the brand at the current moment of market activity.

2. Problem Statement

Many marketers distinguish between organizational, economic, social, and communication effectiveness of management decisions. Organizational effectiveness is related to achieving the organizational goals of the enterprise by having fewer employees or less time required. Organizational effectiveness and quality of management marketing solutions are inextricably linked. Economic efficiency is the ratio of the value of the surplus product, which is obtained through the implementation of a specific management decision, and the total cost of its preparation and implementation. Social efficiency is associated with achieving social goals for more people and society in a shorter period of time, fewer employees, and lower financial costs. Communicative (informational) effectiveness allows you to determine how effective the message is, transmits the specified information to the target audience, or forms the desired point of view (Sosunova et al., 2019).

Efficiency refers to the degree to which a company is approaching its goal, and the extent to which the company has been successful in performing its functions, such as providing products and services to consumers. Performance evaluation can be carried out in comparison with the company's strategic goals and position in the market, with financial sources and the value of the company, with an increase in customer satisfaction and loyalty indicators. Thus, external efficiency meets the standards for evaluating the company's performance and is associated with the long-term results of the company's activities, while internal efficiency allows you to form short-term results of marketing activities (Pogorelova et al., 2016).

3. Research Questions

It should be noted that when evaluating the effectiveness of branding, the economic and communicative types of effectiveness are most often considered, and the evaluation of the latter is a priority. The economic efficiency of branding is formed as the ratio of the profit from the increase in revenue received due to branding to the expenses for it. The discussion about the cost-effectiveness of branding often boils down to measuring the effectiveness of investments made in branding and analyzing the corresponding financial indicators (for example, ROBI – return on brand investment, return on brand

investment). However, the existence of long-term effects of branding, as well as the inability to isolate the contribution of branding from the overall performance of the company makes it difficult to assess economic efficiency in practice (Korotkov & Sinyaev, 2015).

Accordingly, for a comprehensive assessment of brand performance, the group of economic indicators should be divided into the following levels:

1. The performance of branding as the degree of implementation of measures for the development and formation of the brand?
2. Branding Effectiveness as the degree of achievement of the results of measures to perceive or influence the behavior of the target audience, as the degree of creating the desired brand image in the minds of the target audience (communication effectiveness of branding)?
3. Branding Effectiveness as the degree of achievement of the planned results of the entire organization, including market and financial results (strategic effectiveness of branding)?

In our opinion, to study the first level of performance, it is advisable to use indicators of brand recognition without prompting, for the second-through the indicator of spontaneous brand awareness, and for the last - through the indicator of prompted awareness.

4. Purpose of the Study

The main purpose of our research is to consider a comprehensive assessment of branding performance. For this purpose, we can distinguish the following levels and indicators of a comprehensive assessment of the effectiveness of brands.

1. Degree of implementation of brand building measures - the first named brand (Top-of-mind) - an indicator that determines the share of consumers who named this brand first, without prompting. It is considered that if the value of this criterion exceeds 40%, then actions to increase the advertising budget are meaningless, because advertising already has a serious impact on the placement of competitive positions in the market (Milovic et al., 2020).

2. Degree of achievement of the results of consumer perception measures-spontaneous popularity-is a criterion that allows you to determine the share of consumers who named a brand without prompting among several other brands of competitors in the same product group. This indicator allows us to conclude that the brand has a strong competitive position in the market, and the main marketing efforts can be directed at maintaining this level of competitiveness.

3. Degree of achievement of planned results-suggested popularity is an indicator that allows you to identify the percentage of consumers who recognized the brand after the hint. This criterion allows the company to determine the level of consumers who recognize this brand among brands of similar products. The company's advertising activity can be considered sufficient and effective if the level of this indicator exceeds 70-80% (Mintz et al., 2020).

4. To calculate a comprehensive assessment of the effectiveness of a brand in practice, you can use the indicator-the strength of the brand. According to the analysis of expert assessments, the minimum value of this indicator, at which a trademark can claim to be called a brand, is 1.5.

5. Research Methods

Let's check the methodology of comprehensive assessment of branding performance on the example of marketing research of consumers of the confectionery market. It is worth noting the features of the development of brands in the confectionery market. So, today this market has about 10,000 brands, and their number is growing slowly every year. Among so many brands to select and make a memorable trademark of a particular manufacturer becomes a daunting but necessary task that will ensure consumers loyalty to the product, the choice of the product among other alternatives and the stability of the purchase, providing a constant level of profit. A survey was conducted to identify the level of brand recognition in the confectionery market. The respondents were representatives of the target audience of different gender and age categories from 15 to 70 years old. The survey duration was 30 days. The survey was conducted near places of sale of confectionery products both in the city of Samara and in the city of Syzran. Each Respondent was asked 6 questions. Based on the results of the survey (Table 1) the following conclusions can be drawn.

Table 1. Consumer preferences in confectionery products, %

Question	Answer choices				
Do you use confectionery?	Yes				No
	90				10
What confectionery products do you prefer?	Floury		Sugary		
	56,3		43,7		
Where do you buy confectionery?	In online super- and hypermarkets	In stores of the "at home" format»	On wholesale bases	In specialized institutions	Make to order
	48	12	19	16	5

Source: author.

Most consumers purchase confectionery products in supermarkets and hypermarkets. Perhaps this trend is due to the wide range of these products in stores of this format, as well as their geographical distribution and large retail space. Now we calculate the indicators that characterize the integrated performance of the brand by consumers (Table 2). Systematic and comprehensive assessment of branding performance makes it necessary not only to develop a set of indicators, but also to use various sources of information.

Table 2. Comparative characteristics of the indicators of the integrated performance of the brand of the main representatives of the confectionery market, %

Indicator	"U Palycha"	"BCC"	"Slidedraw"	"Vkusnjatina"
The strength of the brand, units	2,5	0,95	0,35	0,04
Top of mind, %	0,5	0,28	0,19	0,03
Spontaneous popularity, %	0,26	0,30	0,21	0,04
Suggested fame, %	0,46	0,29	0,22	0,09

Source: author.

6. Findings

In our opinion, the existing approaches to evaluating the effectiveness of branding form the following areas:

1. Approaches that focus on aspects of brand perception by consumers.
2. Approaches that take as a basis aspects of brand perception by employees (experts) of the company.
3. Approaches based on strategic aspects of branding implementation.
4. Approaches that consider the relationship between branding and financial performance of the company.
5. Approaches that take into account the competitive relationship of brands.
6. A combined approach that takes into account aspects of the company's brand perception together through consumer and expert assessments.

It should be noted that an integrated approach to the assessment of marketing policy in the field of branding allows you to explore not only the popularity and perception of the brand, but also the degree of loyalty to the company and its products. In addition, the concept of loyalty is inseparable from customer satisfaction. Satisfaction occurs when the customer is satisfied with the quality of the product and the level of service when making a specific purchase. Therefore, all loyal customers can be considered satisfied, but not Vice versa. However, the fact that the customer is satisfied does not guarantee that they will make repeated purchases, which is the reason why it is impossible to use the fact of customer satisfaction as significant data. Thus, it can be argued that customer satisfaction is a necessary but not sufficient condition for loyalty. Customer satisfaction can be considered as an initial stage on the way to building loyalty.

Analyzing information about customers, their needs, and the level of satisfaction with these needs is the most important element of developing a brand support program. Brand promotion programs are structured marketing strategies designed to encourage customers to continue buying products or using the company's services. Most often, the tools of such programs are various marketing activities that correspond to the target requests of customers and sellers of the market. In general, we can conclude that such a modern marketing tool as branding is a serious weapon in the fight for the consumer in most markets. In Russia, branding programs are at the stage of formation and development, but it is obvious that in the current decade there are more and more such projects, and competition among them will be high. Summing up, it should be noted that in the context of growing competition, companies that aim to increase loyal customers through marketing tools in General, and branding in particular, should identify the components of indicators for conducting a comprehensive assessment and analysis. The results of such research should be used to create a stable and mutually beneficial relationship with each type of client. This will allow us to develop a number of activities that contribute to increasing brand awareness and strength, customer loyalty, and thereby increase the company's profit due to growing sales. The above approaches are of practical importance, but their choice must take into account the purpose of the assessment and analysis and the desired result.

7. Conclusion

Approaches in the first direction develop the theoretical provisions of the concept of brand capital. Brand equity is defined as the totality of consumer perceptions and associations evoked by the brand. Approaches of the next direction in evaluating the effectiveness of branding through experts and employees of the company will allow you to identify the level of satisfaction and attractiveness of the brand through the prism of indicators of social and corporate responsibility of the business. The third direction includes approaches that focus on the managerial effectiveness of branding. Models in this area declare the importance of strategic decisions in the management of the company's brand and analyze the effectiveness of corporate branding from the position of the company's management. Approaches of the fourth direction interpret the assessment of branding performance as a set of economic indicators of the company's performance in the market. These indicators include return on assets, the company's book and market value, and total revenue averaged over a 3-year period. The fifth direction integrates consumer and expert assessments and allows you to determine the overall performance of a brand or brand. Thus, combined approaches to evaluating the effectiveness of marketing decisions on the example of branding policy indicate the need for their development and systematization and practical use.

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