

Methodology of Local Brand Formation: Concepts and Literature Review

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Abstract- In this paper was investigated methodological approaches and principles of local brand formation. By author was made systematization of definitions of the concept of "brand" and proposed own idea for role of the brand in providing a competitive advantage.

Keywords: Brand, marketing, brain, goods and services, market, consumer.

I. INTRODUCTION

In order to accelerate the transition to a digital economy in Uzbekistan, to form a competitive economy, to accelerate reforms to bring our products to world markets and to bring them to a new modern level, the year 2020 will be called the Year of Science, Enlightenment and Digital Economy.

II. LITERATURE REVIEW

In the countries of the Commonwealth of Independent States in this regard Bagiev G.L.[1], Tarsevich V.M., Bulanov A., Veselova A.O.[2], Godin A.M., Golubkov E.P., Grechin E.Yu.[3], Makashyov M.O.[4], Pravda P.[5], Rozhkov I.Ya., Kismirishkin V.G. such as scientists who have conducted scientific research. Although these studies cover brand theories, scientific and theoretical aspects of consumer product branding and branding strategies, the issue of developing marketing strategies for milk and dairy product branding has not been explored.

One of the economists of the republic S.S. Gulyamov[6], A.Sh. Bekmurodov[7], M.R. Boltaboev, M.A. Ikramov[8], Tursnov B. [15], A.A. Fattakhov[9], Sh.J.Ergashodjaeva [11], M.S. Qosimova, A.N. Samadov, L.Abdukhalilova, B.Mamaev [12], Burkhanov, A. U.[17], Tursunov B. [18] and others made a great contribution to the development of marketing. These authors have mainly enriched modern marketing theory with new data and managed to solve a number of problems related to the scientific analysis of marketing research problems. However, the issue of developing a marketing strategy for the formation of a local brand of food products, especially milk and dairy products, has not been studied. These aspects are studied in this dissertation research.

III. METHODOLOGY

In this research have been used the methods of analysis and synthesis of scientific knowledge, induction and deduction, systematic approach, statistical and financial analysis.

A brand is a strategic tool for the effective use of goods and services in a competitive environment, tailored to the needs and desires of consumers. There are different approaches to the economic term "brand" in the scientific literature. For example, Philip Kotler, "A good brand is a consumer's propensity for it." described as. David Aaker said that "the existence of a brand is perceived as a promise made to the consumer by the manufacturer." [13] he pointed out. The descriptions of the brand given by the remaining authors are summarized in Table 1.

In the scientific literature, especially in the scientific literature of Uzbek scientists, the concept of trade mark has been used more and more. In our opinion, such approaches do not fully reveal the content and essence of the brand. A brand is a brand created by a manufacturer or a manufacturer's brand. In many cases, it is advisable to use the intermediary or vendor brand (retailer brand, store brand or private label) only in the sales process as it is used in the sales process. However, in certain circumstances, "brand", "trademark" or "reputation" should be used as a synonym only when the content is appropriate.

The term local brand is derived from the fact that there are different regions of the region, especially the characteristics of production, storage and consumption of milk and dairy products, the requirements of state standards for these products and their need to take into account their characteristics when entering the world market.

Table 1; Systematization of definitions of the concept of "brand"

№	Authors	Brand definition
1.	American Marketing Association	A name, slogan, logo, project, or a combination thereof is used to distinguish a product or service from a competitor
2.	Aaker D.	The existence of a brand is understood as a promise made to the consumer by the manufacturer
3.	Braun P.	The sum of the mental relationships that are formed between customers and brand owners represents the brand
4.	Bernet Dj.	A name, designation, design, or combination thereof used to distinguish goods and services from other competitors
5.	Brand Aid is a brand consulting company	A set of promises that are unique to the target consumer, difficult to repeat, powerful, functional, emotional and defined represent the brand
6.	Vlasova E.	A brand is a system of features that distinguishes it from competitors' products, consisting of interrelated, rational and irrational descriptions of the product, which play an important role for the target audience.
7.	Bojuk S.G.	It is not only the ideological significance of the enterprise, but also the management philosophy that forms the practical guide
8.	Kotler F.	A brand is a name, term, symbol, image, or a combination of them that identifies the products of a single supplier or group of sellers and distinguishes them from competitors' goods and services.
9.	Krylov I.	Perception of the brand in the individual consciousness to increase consumer choice in the competitive range
10.	Ikramov M.A.	A brand is a criterion that reflects the level of recognition of an enterprise or product (service)
11.	Ogilvi D.	The set of intangible features of the product: name, packaging, price, date, position, advertising style
12.	Matantsev A.N.	Individuality of the product, features of the enterprise or product that attract the attention of customers, serve to create the image of the enterprise
13.	Pettis Ch.	A culturally-agreed emotional image of a product or enterprise;
14.	Pechorskiy A.	Quality assurance that facilitates consumer choice.
15.	F.le Pla and L.Parker	- Competitive advantage and the main source of future income;
16.	Stas A.K.	- Promise the necessary consumer features;
17.	Rice L.	- Subjective perception of the value of the product or increased satisfaction.
18.	Xotamov I.S.	A brand that calls for a sustainable image of the majority of the target market
19.	The Chartered Institute of Marketing	It is the intersection of the company's strengths and the sides that are valued by customers
20.	Leslide Sharnotoni	Represents the essence of operating on the basis of a brand-elegant trust system

The legislation of the Republic of Uzbekistan does not use the terms "trademark" and "brand", but uses the

trademark for the legal protection of intellectual property. A trademark is understood to be expressed in words, pictures, sizes, their mixtures, and other types. This mark is registered by legal entities or individuals in the Intellectual Property Agency under the Ministry of Justice of the Republic of Uzbekistan.

IV. ANALYSIS AND RESULTS

In order for a brand or brand to become a brand, one can come to a conclusion based on the definitions discussed above - when the team has a place in the consumer mind and differences from competing goods at the expense of effective communications become value added. The difficulty of drawing a line between a brand and a brand is demonstrated by the literature studied, the marketing research conducted, and the analysis of practice. In some literatures, the minimum level of recognition in the minds of the target audience is 20 percent, some 30 percent, others 50 percent. For a local brand, in our opinion, such a level of recognition should be at least 70 percent. Studies show that for an enterprise or product to be a brand, it must have been in the market for at least 5 years. For this reason, the terms mentioned in Table 1.2 are systematized and divided into a number of groups depending on the functions they perform.

Table 2: Brand related terms

Term	The task you are doing
Brand	Added benefit for the consumer (value)
Trademark	Differentiation from competitors' products
Trademark	Legal protection
Local brand	Value added to consumers living in a particular area

In other words, every brand can be accepted as a trademark, but not every brand can be a brand. Legal registration of a trademark does not ensure its competitiveness.

Brands go through the same life cycle as a commodity: market entry, growth, maturity, decline processes are observed. Of course, effective use and management of the brand, if organized, will ensure their longevity and sustainability. For example, Lipton, Coca-Cola, Levi's and other brands can be cited as sustainable brands.

According to a broader approach to the term brand, it is important for branding theories to clarify the local brand concept. National brands represent the Republic of Uzbekistan in the international market. So far, efforts have been made to see the company (entrepreneurs) or the brand of their products on a domestic market scale. For this reason, the use of the term "local brand" is scientifically and methodologically expedient. Of course, in the market of milk and dairy products, it becomes a "national brand" only when it is as export-oriented as fruits and vegetables. These circumstances require the creation of scientific, methodological, practical and theoretical aspects, methodological bases for the formation of local brands in the market of milk and dairy products.

The results of the analysis of the economic literature are divided into several groups according to the content and essence of the brand term:

1. A brand term is defined as a group of features of a product to distinguish it from the goods or services of competitors. Such an expression leads to a focus on the elements that make up the brand, i.e. name, logo, history, packaging, etc. [Table 1,1,6,4,8,11,12].
2. Consideration of the brand by consumers as a source of formation of a stable image. Such expression expresses a more stable perception of the product in consumers, with more emphasis on the psychological perception of the product [9,10,14].
3. Directions as a consumer-oriented activity for its suppliers as a brand. Such expression focuses on the relationship between the brand and the consumer, with particular emphasis on the mental relationship between them [2,3,5,13,16].
4. Representation of the brand as a means of value creation. Such an expression draws attention to the fact that each brand has a specific value in relation to the brand and the trademark [17].

Summarizing the approaches to the term brand mentioned above, the author's approach to the definition of the concept of "brand" is proposed:

A brand is a combination of stable perceptions in the minds of consumers, which form a personal approach to the product, guarantee high quality, non-refundable, competitive advantage, reflect independence from the value of the product or service.

It is expedient to look at the local brand as a combination of stable perceptions that ensure the recognition of the product in the minds of consumers in a specific regional market.

In the foreign economic literature, the brand is perceived as a strategic resource that ensures the sustainable

competitive advantage of the enterprise. A sustainable competitive advantage is "a set of actions taken to achieve a long-term advantage using a specific strategy." The term sustainable advantage in competition was first used in 1985 in Porter's work. [15]

Of course, during the formation of the digital economy, the appearance and content of a stable advantage in competition is changing.[18]

For example, M. Porter in his works pointed out that there are 5 threats to competitiveness in the market segment:

In the five strengths of competition, a brand can perform a unique function and have a different impact on an enterprise's competitiveness. The main task of the brand is to be expressed in the attitude to the impact of consumers. A strong brand allows the company to reduce the impact it has on customers. The demand for branded goods is more stable than for non-branded products ("Generics") and the price elasticity is lower. Consumer propensity leads to an increase in the amount of repurchases. In practice, a 5% increase in consumer preference leads to a 100% increase in profits from that buyer. A premium price for a branded product allows you to make a higher profit. In other words, the attractiveness of the brand clearly serves to bring in additional revenue.

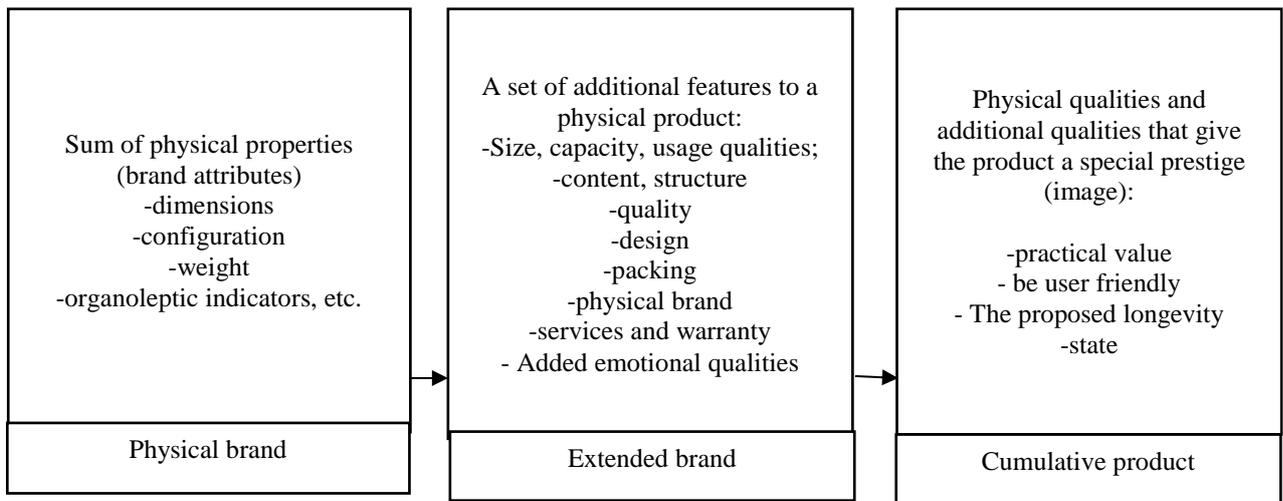


Fig.1. P.S.X. Level of goods on Liflang [16]

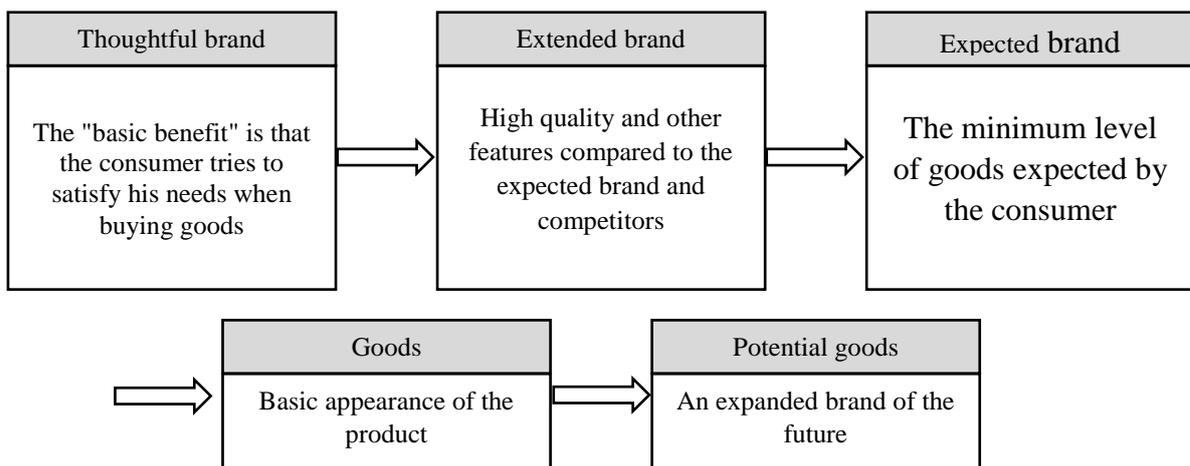


Fig.2. Level of goods according to F. Kotler [13]

Brands are second only to human assets in terms of substance and weight in terms of assets. In the UK, Hong Kong and Australia, when they are accounted for in the balance sheet as intangible assets, they enter the company's reputation in the US ("Good will") and serve to increase their market value.

The local brand also helps the manufacturer to enter other markets with new products. For example, the Nestle brand in the Uzbek market has the opportunity to expand its position in the water, confectionery and other food markets, in addition to the milk and dairy products market. The success of this company can be determined by the confidence in it. This situation shows that it is possible to achieve the transition from one market to another without

spending too much on advertising and other promotional activities.

Studies have shown that the role of the local brand in improving the efficiency of a product or service is high. The more marketing approach is used, the easier it will be to promote the local brand. In modern marketing, it is seen as a commodity as a means of satisfying human needs. The stronger the local brand, the more opportunities their owners have over competitors. Especially as the number of producers of milk and dairy products increases, it will be difficult for consumers to switch from well-known brands to other products. The manufacturer wants the consumer to choose its product among the competitors. In this regard, the division of goods into groups also plays an important role in marketing. Commodity description groups are used by P.S.X.Liflang and F.Kotler (see Figures 1 and 2).

The cumulative product offered by P.S.X.Liflang or F.Kotler’s expanded product plays an important role in positioning the product or determining its position in the market and facilitates shopping in different markets. For this reason, marketing uses the term “brand” to describe the need for a variety of goods to meet consumer needs. The local brand, on the other hand, requires that the characteristics of local markets (values, traditions, etc.) be taken into account. The brand also provides an opportunity to influence the external factors of the competitiveness of the firm or entrepreneur. It is possible to summarize this situation in Table 3.

Table 3: The role of the brand in providing a competitive advantage

№	Competitive forces	The impact of the brand on the position of the enterprise in the network
1.	Consumers	Forms a tendency. Reduces dependence on customers
2.	Goods-news	Helps bring a new product to market based on a well-known brand
3.	Brands	It helps to save time when there is a risk in the market
4.	Suppliers	Allows you to control distribution outlets
5.	Intra-network competition	Prevents access to the network. Strengthens its market position

The process of brand creation and management is called branding, which includes the creation, strengthening, reassignment, brand development, expansion and deepening of the brand. For this reason, the main emphasis in the study is on the concepts that represent the content of the brand shown in Figure 3 for the formation and effective use of the local brand.

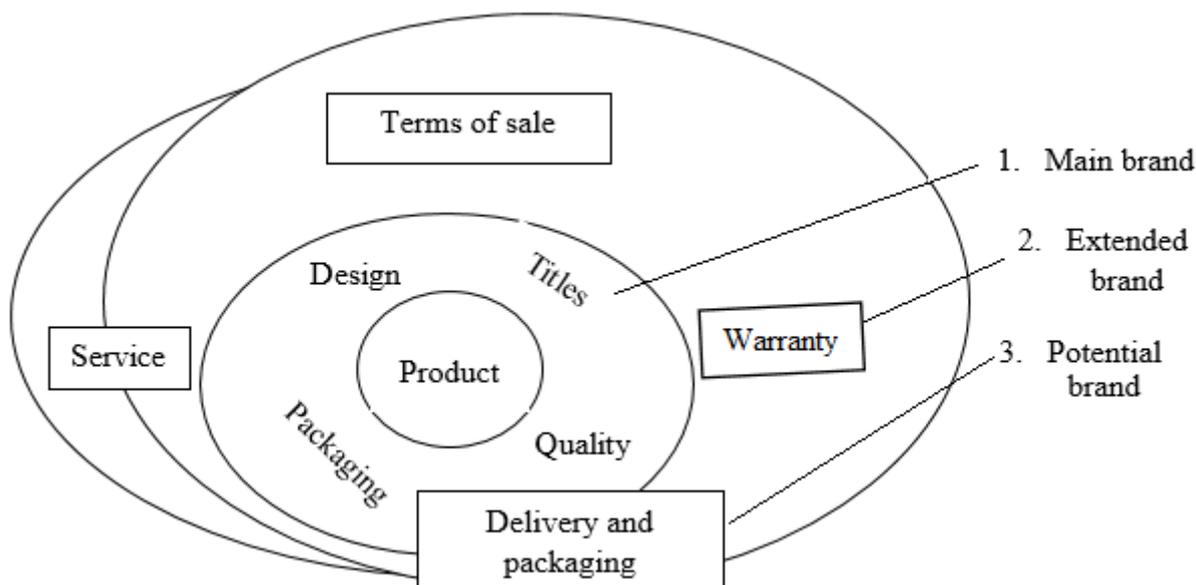


Fig.3. Brand structure

In the process of using brand strategies in Uzbekistan, although the concept of "brand" marketing is present in the minds of consumers, there are no clear directions for its consideration as a key concept of modern marketing. There is almost no understanding that the process of valuing the brand of goods perceived by the consumer by enterprises, the process of shaping the value of consumers to brands will provide maximum market opportunities. These circumstances, in turn, make it necessary to define brand concepts in an interrelated way.

The main goal of the research is also to transform the local brand into a strong national brand. On this basis, it is necessary to radically change the existing legal framework, standards, criteria and norms of Uzbekistan.

Different methodological approaches to branding, ie the formation, use and promotion of the brand, are presented in the literature, especially in the works of foreign scientists.

Branding is the specific ways in which the target segment of the market influences the attitude towards the brand and the overall reputation.

A.M. According to Yanovsky, "Branding is the science and art of promoting a brand to enhance its long-term superiority".

David Ogilvey, one of the leading scholars in the field of advertising, suggests using a combination of intangible features of a product to define the concept of branding: its name, packaging, price, history, reputation, and advertising methods.

Uzbek scientist I. "Branding is a modern technology of marketing, which includes the processes associated with the creation of a new brand, branding, marketing, and inculcation in the minds of consumers," says Khotamov.

In our opinion, branding is the activity of creating a long-term advantage for a product, the process of creating a brand, packaging, advertising appeal to the consumer, the distinguishing advantages of the product over competitors.

Currently, there are basically two models of branding, the first, English-American (western), and the second, Japanese (Asian) models.

In the English-American brand model, the name of the manufacturer is left out, depending on the specific product. This is because if a product is not accepted by consumers, the name or reputation of the business should not be tarnished. However, such a strategy may prevent further improvement of well-known brands by increasing the quantity of goods of the same brand. In this case, it will be necessary to form a new brand for each new product. This leads to the fact that the main advantage of the brand - that is, the easier introduction of new products based on a single well-known brand - does not work. Second, such a style leads to an overabundance of brands, which, in its own way, leads to a decline in the brand reputation of well-known companies.

According to the brand model of the West can be divided into groups based on the following characteristics:

- a) related brands - the name of the goods that represent the name of the manufacturing company;
- b) brands of individual product systems;
- c) umbrella-shaped brand.

The main feature of the Western model is that the consumer is accustomed to his brand, after a few years this new product can begin to benefit.

Japanese (Asian) model. In the 50s and 60s of the last century, when one of the main factors in the development of the market was the choice of goods, price was, during this period, Japanese buyers began to pay more attention to quality. At that time, companies with more resources, most of which were large companies, provided quality through a certain amount of research, while quality was also accepted as a sign of a large company. In Japan, in addition to free-standing brands, subbrands are widely developed for a specific market segment.

The goals of introducing subbrands are different: to use the company's under-supplied equipment, to meet new needs, to resist competitors, to occupy other target segments, to be more visible in the sales system.

For example, the well-known companies Sony, Panasonic Sony Walkman (players), Sony Trinitron (TVs) played the role of an umbrella for subbrands. In Japan, corporate image has always been valued higher than a particular product.

In other words, while the western branding philosophy is characterized by diversification, the Asian model is more characterized by a policy of centralization and unification. A unique branding model is being formed in Uzbekistan. Due to lack of experience, the practice of imitating a foreign company or brand of goods is widespread, as well as a branding philosophy consisting of direct transfer, often a mixture of western and eastern models. In-depth analysis in this regard is discussed in later chapters of the dissertation. Branding in the conditions of Uzbekistan, the formation of a local brand combines a number of features.

First of all, the main reason for the emergence of local brands in the production and sale of food is the lack of skills and culture of local producers in industry, the inability to compete with foreign goods and companies in other sectors. products, fruits and vegetables, processed foods.

The modern consumer market is mainly realized as a competition between brands and advertising images, the main focus is on forming an image of their product in the minds of consumers. The use of branding technologies and proposed methodologies requires the constant study of consumer desires and tendencies based on marketing research.

Depending on the characteristics of the consumer market of Uzbekistan, the specificity of branding is explained by:

- due to the low culture of brand awareness of consumers in Uzbekistan, the creation of a new brand and its application in the market does not require much time and financial resources. For example, if in European

countries the promotion of one brand requires 20-50 million dollars, in the conditions of Uzbekistan it can be limited to 3-5 million dollars;

- due to the rapid saturation of our domestic market, consumers do not have time to form a tendency to one or another brand, as new products tend to be updated day by day;
- consumer confidence in foreign products, especially in the food sector, is declining. For example, we can list dozens of local producers of dairy products, although previously Nestle's products were almost a monopoly;
- in the domestic market has not yet fully eroded consumer confidence in the trademark of manufacturers;
- when creating a local brand in the domestic market, there is a need to conduct an advertising campaign at a high price, and consumers have high confidence in advertising;
- consumers' perception of the local brand is mainly perceived by three factors, which are formed in their minds: the country of origin, the attractiveness of the packaging and the brand. Therefore, these three factors that the product is offered should be taken into account in the formation of local brands;
- taking into account national values, traditions and other local features plays an important role in advertising. Therefore, the need to personalize the brand is especially important for the Uzbek market. Taking into account the specific historical and cultural characteristics of each region and province are the main features that should be taken into account in the formation of a local brand.

In our opinion, it is worth noting that the branding process is one of the main parts of marketing management, which allows you to develop a communication set of marketing based on their specific principles.

By systematizing the principles of brand formation and development, it is expedient to group them according to the four main positions, which consist of brand building, positioning, price formation, development and management (Figure 4).

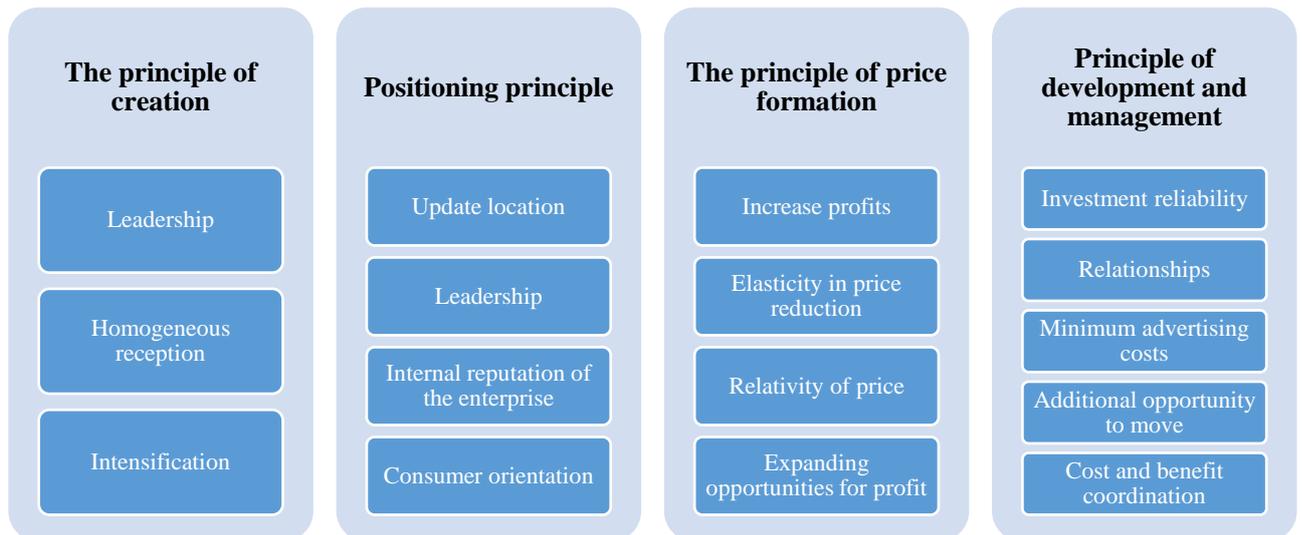


Fig.4. Systematization of the principles of brand formation and development

The use of these principles of branding in the process of marketing management allows you to increase the efficiency of business. Businesses that shape and promote branding can use different methods and come to different results.

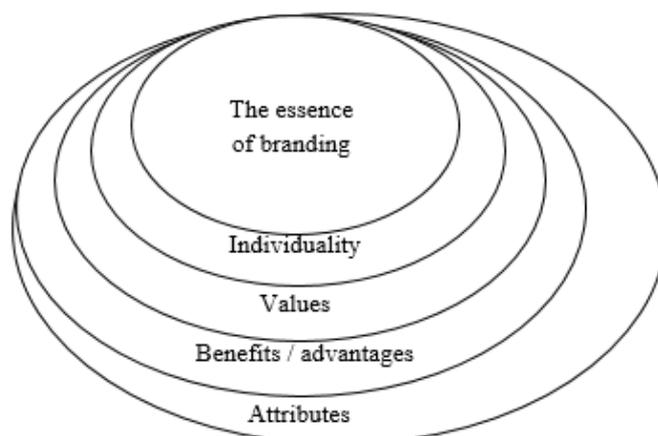


Fig.5. Brand wheel model

It is worth noting the contribution of the British company Bates Worldwide in the development of branding methodology. Because the "Brand Wheel" developed by this company is widely used in the branding practices of foreign countries. Among those who use this model are Kit-e-Kat, IBM, Whis Kas and others who have established their own branding practices. It is recommended to use this "Brand Wheel" as shown in Figure 1.5 and in the formation of a local brand in the territory of Uzbekistan.

Each circle has its own independence and is represented as a separate element of the brand. Attributes represent the physical and functional aspects of a brand’s description and depend on the consumer’s perception of the product or service (color, design, taste, smell, assembly or modification features).

The advantages in terms of nafli are said to be the result achieved after using the brand. The advantage of a brand is a unique feature that serves to meet a specific need. Advantages are developed based on brand attributes and preferences.

Satisfaction can take place at different levels: realized in a noticeable, imperceptible state of imagination, on the basis of which we can see three different advantages of the brand:

- Significant advantages are formed using the physical attributes of the brand (color, design, composition);
- imperceptible advantages are known only when using the product;
- Imagination is realized with the help of information that is formed in the mind on the basis of human desires.

The activities of manufacturers and their partners play an important role in this.

Brand values can be seen by consumers based on emotional outcomes when using a brand. In creating the value of the brand, attention should be paid to the values of consumers, consumer preferences, the factors that shape their propensity for the product.

Based on the above, Figure 6 offers a triad to describe the marketing essence of the brand.

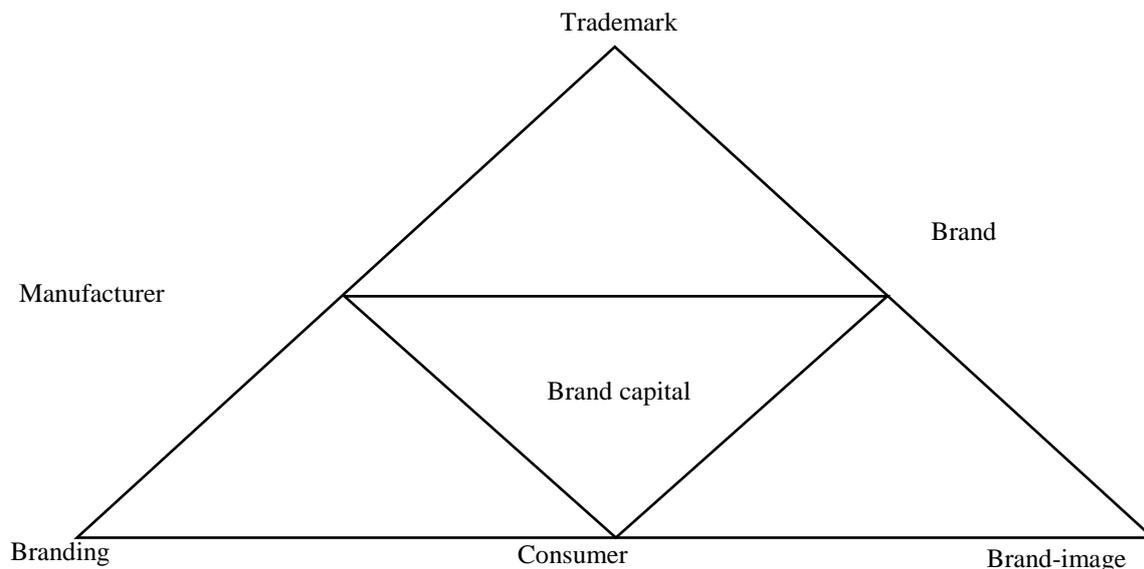


Fig.6. Features of the brand that represent the essence of marketing

In other words, brand, brand and brand are very close concepts, but there are specific differences between them. This should be taken into account when shaping the brand.

V. CONCLUSION

As a result of studying and analyzing the scientific literature, the author explored the concepts of brand and local brand, trademark and trademark, as well as their content and essence, theories of branding into a brand. As a result, the brand is a combination of stable perceptions in the minds of consumers, which leads to scientific conclusions that the product reflects the individuality, high quality assurance, irreversibility, competitive advantage, independence from the value of the product or service.

Foreign scientists have given different definitions of branding, ie the formation, use and promotion of the brand. Due to the lack of experience in the specific branding model in the context of Uzbekistan, it is formed on the basis of approaches consisting of imitation of a foreign company or brand of goods, direct transfer, a mixture of western and eastern models. These situations require the use of branding technologies and modern methodologies to constantly study the purchasing desires and tendencies of consumers on the basis of marketing research.

Depending on the characteristics of the consumer market of Uzbekistan, the lack of a culture of branding does not require a lot of time and financial resources to create and implement a new brand, rapid changes in the

dynamics of consumer goods in the domestic market. cases of declining trust in brands, lack of full consumer confidence in the brand in the domestic market, growing need to conduct a large advertising campaign to create a local brand in the market, and high consumer confidence in advertising were identified.

The results of systematization of brand formation and development principles became the basis for understanding that branding principles for the market are related to the principles of four positions (creation, positioning, price formation, development and management).

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