

## THE BRAND DIFFERENTIATION STRATEGY

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Стаття отримана редакцією 26.02.2020 р.

The article was received by editorial board on 26.02.2020

**Introduction.** Today, the differentiation strategy is one of the most important marketing strategies related to the formation of the brand management strategy in the market of mineral water in today's business environment. Still, it is relevant to develop and introduce new technologies of strategic brand management to ensure its growth and provide systemic support at all stages of the life cycle.

**Analysis of the latest studies and publications.** There are a lot of well-known Ukrainian and other researchers who have studied brand formation and management, brand management concept implementation: D. Aaker, [1], S. Anholt [2], K. Keller [3], A. Dlihach [4], V. Domnin, S. Starov [5], O. Kendiukhov [6], I. Ponomarenko [7].

However, the issue of forming and managing the brand differentiation strategy, the use of innovative approaches taking account of the specifics of the mineral water market still need studying.

**Purpose.** The purpose is to justify the differential brand strategy in the mineral water market.

**The statement of basic materials.** Within a fast and dynamic development of the market, the density of brands, the differential strategy in the mineral water market is a leading strategy and is used by the most successful businesses for their products.

The differentiation strategy was created to a brand stand out among others offered by competitive companies in the market. It is an available for development product or service, unique for consumers in respect of product design and function, brand image, quality, service, client support [8].

The differentiation strategy means that the brand is given by specific and particular features which enhance engaging the target audience and forming customers' loyalty [9].

The following structural elements of the brand differentiation strategy:

1) innovations / inventions are the best way to implement the differentiation strategy introducing innovation, the brand becoming the leader and number one among the market players. The inventions are, of course, complex and require regular development costs. But the innovation is more practical, and it is the differentiation strategy that is used by technology companies, as the Ukrainian brand "Morshynska" presents "Morshynska" spray mineral water" and is now gaining new market of beauty [10];

2) product-level differentiation is common in many areas. Thus, "Borjomi" mineral water brand found in the mineral water market [11] brings to the consumer an idea that it is a brand that "can offer what no other brand of mineral water can", they hold annual events, for instance in 2019 New Year's Borjomi Parade will be held in Kyiv, (a magnificent platform, festive pillars, bright costume characters, exciting music and dancing, a fabulous climax), under the slogan "Real water for life", building the communication under the slogan "Special water with a character" [12];

Thus, by incorporating a product differentiation strategy at the product level, brands can differentiate themselves from competitors in consumers' minds;

3) price differentiation is the most commonly used form of differentiation strategy. Thus, during 2018 characterized by a relatively stable situation in Ukraine, the price growth pace slowed down to some extent [12]. The mineral water price index (sparkling water, still water, with added sugar and sweeteners) was 5.5 % as of December 2018 compared to December 2017 (Fig. 1).

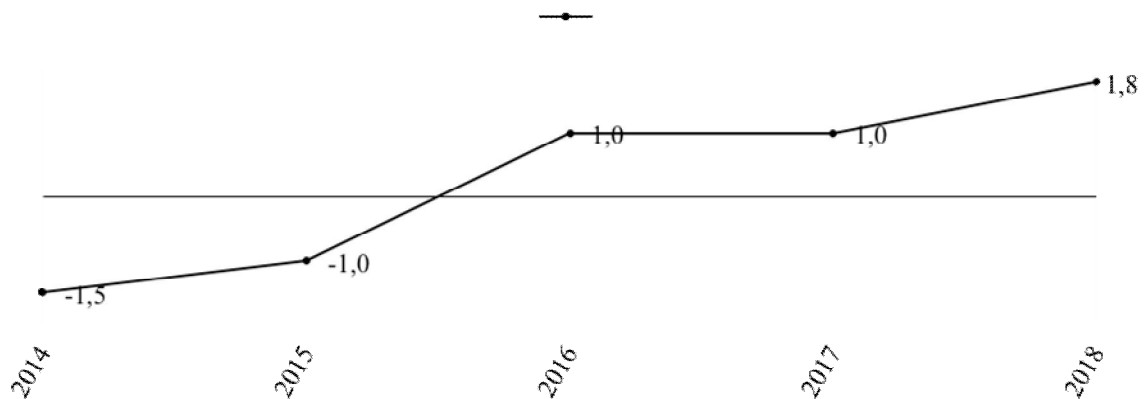


Fig. 1. Mineral water price changes as of 1<sup>st</sup> January, 2019 [12]

The healthy lifestyle ideas, spread among the public, can be an additional catalyst for the growing demand for mineral water. The dynamics of glass-bottled mineral water consumption depends on the growth of income of Ukrainians.

4) branding is an advertising mix, and marketing communications of a company play a crucial role in the product differentiation strategy. The companies like PepsiCo in Ukraine [<http://pepsico.ua>], make extensive use of the latest branding tools to build loyalty. The company's portfolio includes sparkling beverages Pepsi®, 7UP®, Mirinda®, iced tea Lipton Ice Tea®, and mineral water "Aqua Minerale Life", created thanks to the modern of equipment and control at each stage of production [13].

The advertising mix helps focus on the right segment and plays the determining role in differentiation.

5) Packaging is an effective element of the brand differentiation strategy and a bearer of the corporate style. E.g. "Parle Agro" company in collaboration with Tetra Pak, which is a part of Tetra Laval Group, offered to use packaging Tetra Brik Aseptic 160 Slim instead of Tetra Brik® Aseptic 200 Slim for the drink Frooti, which allowed the company to maintain the price of Frooti brand [14] and gain a leading position in the Indian market. Tetra Pak and Parle Agro company have extensive collaborative experience of innovation, in including release of the first aseptic packs of Tetra Brik Aseptic Slim with PullTab™ pull-off tongue, with glued straws for the convenience and safety of consumers.

6) service is a brand differentiator. If your service goes beyond a customer's expectations, it could be a great incentive for the differentiation. Thus, flexibility, loyalty, convenient delivery schedules, various promotions, special offers for regular clients, a continuous improvement of the service performance: these are the components of high quality service of home and office delivery services offered by IDS Aqua Service, which is a member of the Bottled Water Association of Ukraine, which is a part of the Association of Mineral and Drinking Waters of Ukraine and the European Bottled Water Federation, it is also a part of the IDS Borjomi Ukraine [15];

7) a client interaction point: there are clients of A, B, and C sectors, so it is necessary to take care of their communication with the company brand. For this purpose the company needs to have interaction points and ensure the quality guarantee, experience of communication with the brand, such as Morshynska Mineral Water Factory "Oskar" PrJSC, to audit the company to make sure the employees are polite and useful for clients, to organize guided tours in the factory to support the interaction points with the brand [16]. It is an important element of differentiation.

8) convenience for a customer may help in the differentiation strategy. The product line of Morshynska Mineral Water Factory "Oskar" PrJSC includes the following: Sportyk, Morshynska Junior Z, water for teens. The mineral water Kraina which will be packed in 0.888 l bottles starting 2020, provides an individual service for the client and offers Privat label when the contract is signed with the manufacturer [17].

9) diversity of product offers is another way to implement a differentiation strategy, attacking customers' psychology. According to company research, they chose the brand only because the brand had a greater variety within the product range. Customers like to have a greater variety while searching for a product in order to find a right product and choose it themselves. Thus, the greater is the diversity, the greater is the chance to differentiate oneself from competitors. It is a high investment strategy, so it is necessary to consider the coefficient of product range completeness, ability of a set of goods of a

homogeneous group to meet identical needs [18], the coefficient of product range diversity (by brand feature), and other costs for investing in the product line in the long run.

**Conclusions.** To sum up, there are a great number of methods to implement the brand differentiation strategy in the mineral water market. In this dense business environment each company must take steps to differentiate itself from its rivals and ensure high positioning in the minds of clients, taking into account the specifics of the market. Further research will be devoted to the development and implementation of the model of strategic brand management in the mineral water market.

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UDC 005:659.4

JEL M15

**Файвішенко Діана Сергіївна**, кандидат економічних наук, доцент кафедри журналістики та реклами. Київський національний торговельно-економічний університет. **Стратегія диференціації бренду.** Обґрунтовано пріоритети формування й управління стратегією диференціації бренду на ринку мінеральної води з урахуванням специфіки ринку в умовах стрімкого та динамічного розвитку ринку й насиченості брендами. Підкреслено актуальність упровадження інноваційних технологій стратегічного управління брендом, його розвитку та системну підтримку на всіх етапах життєвого

циклу. Досліджено формування й управління брендом, упровадження концепцій бренд-менеджменту з метою виокремлення брендів серед інших, створення унікальних і специфічних ознак, що сприяють залученню цільової аудиторії, формуванню лояльності та оцінки очікуваної економічної ефективності. Виокремлено структурні елементи стратегії диференціації вітчизняних брендів мінеральної води. Наведено практичні аспекти й способи реалізації стратегії диференціації бренду провідними компаніями. Визначено перспективи подальшого дослідження, факторного аналізу ринку, розроблення та впровадження моделі стратегічного управління брендом на ринку мінеральної води.

**Ключові слова:** бренд, бренд-менеджмент, стратегія, диференційована стратегія, ринок мінеральної води.

UDC 005:659.4

JEL M15

**Faivishenko Diana**, PhD in Economics, Associate Professor. Kyiv National University of Trade and Economics. **The Brand Differentiation Strategy.** The paper justifies the priorities of the brand differentiation strategy in the mineral water market taking into account the market specifics. The structural elements of the differential strategy are singled out for the domestic mineral water brands. The prospects of further market analysis of the mineral water market are determined.

**Key words:** brand, brand management, strategy, differential strategy, mineral water market.

UDC 005:659.4

JEL M15

**Файвишенко Диана Сергеевна**, кандидат экономических наук, доцент. Киевский национальный торгово-экономический университет. **Стратегия дифференциации бренда.** Обоснованы приоритеты стратегии дифференциации бренда на рынке минеральной воды с учетом специфики рынка в условиях стремительного и динамичного развития и насыщенности брендами. Подчеркнута актуальность внедрения новых инновационных технологий стратегического управления брендом, развития и системная поддержка на всех этапах жизненного цикла. Исследовано формирование и управление брендом, внедрение концепций бренд-менеджмента с целью выделения брендов среди других, создание уникальных и специфических признаков, способствующих привлечению целевой аудитории, формированию лояльности и оценки ожидаемой экономической эффективности. Выделены структурные элементы стратегии дифференциации отечественных брендов минеральной воды. Приведены практические аспекты и способы реализации стратегии дифференциации бренда ведущими компаниями. Определены перспективы дальнейшего исследования, факторного анализа рынка, разработки и внедрения модели стратегического управления брендом на рынке минеральной воды.

**Ключевые слова:** бренд, бренд-менеджмент, стратегия, стратегия дифференциации, рынок минеральной воды.