BRAND POSITIONING STRATEGY ON THE BASIS OF QUALITY OF PERCEPTION: DIFFERENT MARKETS B2B AND B2C

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The article gives a comparative analysis of the factors of the brand in the B2C and B2B markets. It has been concluded that the basic principle of creating a successful brand is the development of its identity. The calculation of the quality perception of the impact of the financial results of Ukrainian machine-building enterprises. Implemented a competitive analysis of the market with the help of the program BEST-Marketing, which allowed for the ranking of the qualitative characteristics of Ukrainian mechanical engineering in comparison with foreign competitors. It proposed five important quality indicators put into the strategy of positioning on the mechanical engineering market: reliability, durability, uniqueness, safety and endurance. It proved the dependence of the formation of brand value in the market of B2B on the perception of the quality and value of the commodity and not from the marketing efforts on the promotion of engineering products for industrial markets. A definition of the value of the commodity: positioning, brand perceived quality, B2B market, machine-building enterprises.

Keywords: positioning, brand perceived quality, B2B market, machine-building enterprises.

In terms of transformation of the economic basis, characterized by the rapid development of the service sectors, new technologies, software and other intangible production, the actual problem is a strategy brand positioning in industrial and consumer markets. Capitalization of the brand and the company's profit depends on successful positioning strategy. Brand positioning strategy is usually associated with the perception of quality consumer brand that creates customer loyalty to the brand. In its turn, the brand capital is formed not only depending on consumer perception of product quality, but also on other components, which include: a system of loyalty for the brand association with the brand awareness of the brand and others. Thus, the capitalization of the brand depends on its competitiveness in the market. Moreover, the key role in this process attributes perceived quality of the brand. Considerable research interest is the difference in brand positioning strategies in industrial markets B2B and B2C consumer markets.
Management, which was based on a comprehensive quality control of products. As part of this concept, the quality control of goods regarded as the ultimate goal of the company. Many companies that are promoting brands on the market recognize quality as one of the core values and include it in the mission of the company. In addition, the perception of quality is often a key area of corporate positioning brands and branded goods which are in different product categories.

The perception of quality is usually the main feature, customers are oriented on, as is the main form of explicit influence brand identity. Most studies done on B2C markets show cases where the identity of the brand is defined by its functional benefits, it is closely connected consumer perception of quality. The perception of quality may differ from the actual quality because of a number of reasons. Firstly, consumers can be very affected by the previous image of low quality. For this reason, consumers can not believe the claims of the new quality brand or want to spend time checking its true quality. Secondly, the company can improve in terms of quality that consumers do not consider important. In this case, customers will not notice significant changes in the quality of the brand. Thirdly, consumers rarely have complete information for the full conclusions about quality. As a result, consumers make conclusions based on one or two specific traits that connect them with quality. Thus, the company has to know exactly the signs that are associated with quality. The ability to influence the perceiving quality is the correct understanding and management of quality features. In the fourth, since consumers may not know about the system of quality assessment, they may not pay attention to the signs of quality. So, companies must implement informatization consumers about the quality of the goods. All these features are characteristic for B2C consumer market.

Generally, the creation of brands is a difficult and time-consuming process, which is influenced by many factors. For example, D.A. Aaker separates these eight factors which make creating brands more difficult [1]. The first factor is connected with increasing price competition, which directly affects the motivation of branding. Second factor is a growing number of competitors, which contributes to the reduction the number of available options for positioning and making the introduction of the brand less effective. The third factor is directly connected with the positioning of the brand, as it implies taking into account the fragmentation of media and markets. The fourth factor is pre-existing integrated Vintage brand strategy and the relationship between them. Fifth is the most influential factor, since it involves the desire to change the enterprise branding strategy, which in terms of management means a complete change in market positions. The sixth and seventh factors are, in our opinion, mutually exclusive: bias against innovation and commitment to investment in new areas. Although D.A. Aaker emphasizes that the seventh factor is connected with non-target innovations that are unconstructive. Eight factors is the desire for short-term results. All these factors reflect the trends inherent in the first place, the consumer market.

The question arises whether these factors are valid in the marketplace B2B. In the markets of engineering products, where investment return period is much longer than in the consumer market capitalization brands will go a slower pace. In addition, industrial goods markets are characterized by a high degree of innovation, aimed at improving product quality. Constant work on quality is a factor of competitiveness in the market of industrial products. Industrial brands are the trademarks which have significant competitive advantages in quality and this fact confirms the development of brands on the B2B market, such as Thyssen-Henschel, Siemens, Krauss-Maffei, AEG, Krupp. Receiving quality becomes a brand positioning strategy in industrial markets. Moreover, industrial markets used primarily corporate (umbrella) brand, which covers the entire range of the commodity. This approach ensures instant awareness and creates strongly associated with the level of quality. In addition, with the existing brand it is easy to promote innovative products to the market. For comparison, the factors influencing the branding for B2C and B2B market was composed table 1.

Comparative Analysis on the brand in B2C and B2B markets revealed that matches the performance of these factors exists only on two grounds: the desire to change the enterprise branding strategy and the desire for short-term results. In other signs of impact factors observed quite the opposite effect.

Based on the comparison of factors of creating a brand for B2B and B2C markets, we can conclude that the basic principle of creating a successful brand is developing its identity. For B2C markets brand identity can be created according to various criteria: quality, price advantage, functional and emotional benefit or the benefit of expression. Moreover, the markets for B2C main issue is that the engine is brand value, its cost advantages or benefits. The purpose of the measurement and identity is to focus more on profits than on price. If price is an essential part of the identity, you must make sure that in addition to the price fixed benefits other elements of identity. One of the approaches consists in clarifying and assessing priced brand. In this context, the prices of brands are based on price competition.

Price is one of the components of brand value in the market B2C. Therefore, price positioning technology brands may be based on selecting one of these four areas, or their combination. However, the price is the one element that should be required when using a positioning strategy that is based on two or three benefits. Positioning the price can be successfully combined with functional benefits and emotional benefits of self-expression. Thus, here are the following areas of price positioning strategies: positioning the ratio of "price / functionality benefits"; positioning the ratio of "price / emotional benefits"; positioning the ratio of "cost / benefit expression".
The strategy of positioning ratio of "price / functional benefits" based on the benefits of functionality and quality of the brand in relation to its price. This approach can be implemented in the area of pricing strategies ratio "price / quality".

The strategy of positioning ratio of "price / emotional benefits" based on building sustainable associations that are related to the brand, due to the emotional impact on the minds of consumers. In this context, the strategy can be used by high prices because the emotional component can be a base when making consumer choices.

The strategy of positioning ratio ‘cost / benefit expression’ is based on the consumer’s needs brands of self-expression and self-realization. According to Maslow pyramid, these are the needs of higher jurisdiction, so the price of goods that satisfy them should be high throughout the life cycle.

Thus, the last two price positioning strategies are oriented on realizing of high prices and are aimed at establishing a high price premium for the brand. This question was disclosed in more detail in the source [10].

For B2B market perception of product quality is the most important characteristic of the brand than its price advantage. The quality and functional benefits of creating brand value in industrial markets. Thus, the absolute difference in creating value brand in B2C markets is the cost advantages, and the B2B market is the quality product advantages.

Scientific interest in determining the quality perception of the goods represents D.A. Aaker.
opinion that understands the perception of product quality as the association connected with the brand that becomes its assets for several reasons:
— only quality perception directly affects the financial results among all associations;
— quality perception is often the main strategic base in business;
— quality perception is associated with other aspects of brand perception and more often they will be exposed [1].

D.A. Aaker determines that quality perception has a significant impact on the financial result. He proves this statement basing on the following three studies:
— Research conducted by consulting firm PIMS, which were based on the measurement of more than 100 indicators and 3000 business units showed that the perceived quality is one of the most important indicators of return on investment (ROI). The study revealed that the perception of quality has more significant impact on consumers than indicators such as market share, NIOKR or marketing costs. Quality perception partly contributes to profit from the growth of market share for companies. Studies were conducted on the basis of companies such as Kmart and Tiffani and showed the dependence of the growth rate of return on investment (ROI) by improving the quality perception of the goods.
— Studies conducted by the National Research Center for Quality at the University of Michigan of 77 Swedish companies revealed that the quality perception is the main level of customer satisfaction that affected the index of return investment (ROI). Studies were conducted on the basis of companies such as Kmart and Tiffani and showed the dependence of the growth rate of return on investment (ROI) by improving the quality perception of the goods.
— Research conducted for 4 years 33 traders showed that the quality perception affected the profitability of securities and the final financial result. In a study of participating brands such as: American Express, AT & T, Avon, Citicorp, Coke, Kodak, Ford, Goodyear, IBM, Kelloggs and other companies that had a significant amount of sales and profits from the corporate brand. What has also been found is a dependence of growth rate of return on investment (ROI) on the perceived quality of the brand [1].

Foreign companies’ studies, which D.A. Aaker referred on, are very informative and contain extensive practical framework that demonstrates the impact on perceived quality loss. In this context, there is an interest of existence of similar dependence on Ukrainian industrial markets (B2B). The first task is to identify quality indicators that affect the value of the brand; the second task is to establish quality indicators depending on the impact of engineering products to Ukraine loss.

For solving this problem, in order to study the impact of qualitative indicators for the formation of values of corporate brands on the market of engineering was implemented competitive market analysis using the BEST Marketing. The program provides an opportunity to analyze the qualitative characteristics of the goods and identify its benefits on the basis of which may exercise their positioning.

For the competitive market analysis was chosen following characteristics machinery products: name (brand) product, reliability, strength, durability, maintainability, safety, environmental friendliness, uniqueness, energy, compliance and standards, the warranty period, service, supply of spare parts. Ranking of quality indicators point scale shown in figure 1.

![Fig.1. Ranking of qualitative indicators of production engineering](source: Own elaboration)

Ranking of qualitative characteristics of engineering products using the BEST Marketing revealed that the reliability, durability, uniqueness, safety and durability – it’s five most important quality
indicators are recommended to put in the market positioning strategy machinery.

Competitive market analysis conducted between the major competitors in the market large engineering European Union, Ukraine and Russia. Competitive advantages evaluated by the main 13 characteristics of engineering products major manufacturers market: JSC "Altavahon" (Russia), JSC "Bryansk Machine Building Plant" (Russia), JSC "Mogilev Machine Building Plant" (part of holding "BELAZ", Belarus), JSC "Dneprovagonmash" (part of the holding TAS, Ukraine), JSC "Ruzkhimmash" (Russia), JSC "Uralvagonzavod" (Russia), JSC "Azovzahalmash" (part of the holding "Azovmash", Ukraine), JSC "Kryukov Wagon plant" (Ukraine), JSC "Stakhanov for Wagon plant units" (Ukraine) Corporation Thyssen-Henschel (Germany, EU), the corporation "Siemens" (Germany, EU) Corporation "Alston Transport" (Germany, EU). Distribution of competitors for competitive advantage in percentages is presented in figure 2.

![Distribution of competitors for competitive advantage (%)](image)

**Fig. 2. Distribution of competitors for competitive advantage (%)**

*Source: Own elaboration*

The results of the competitive analysis show that the major competitive advantages of European engineering companies: Corporation "Thyssen-Henschel" (41%), corporation "Siemens" (41%), corporation "Alston Transport" (40%). However, Ukrainian producers are also good indicators of those companies that were analyzed, namely: JSC "Azovzahalmash" (16%), JSC "Kryukov Wagon Plant" (14%). Russian JSC "Uralvagonzavod" places the fifth position in the distribution of 11% and a competitive advantage. The analysis allowed to conclude, the market of engineering there are important quality indicators for positioning brands. In addition, two Ukrainian machine building are competitive in the European market for the main quality parameters of their products. The second phase of the study involves identifying the impact of quality indicators on financial results. This can be done, in our opinion, with the following tools:

- Conducting a survey of enterprises on B2B market for their costs capitalization and brand innovation and improve the quality of their products. This approach is difficult to implement, since it can be connected with the disclosure of trade secrets in connection with which businesses avoid the polls;
- Holding correlation analysis of interrelation between the introduction of innovative processes or innovations in the company and its financial results;
- Evaluating the impact of marketing costs and changes in the financial result or profit using your ROI. The disadvantage of this approach is the difficulty of separation in marketing costs is costs associated with the capitalization of the brand.

Considering most simple realization of the third approach, our index were calculated ROI for 5 engineering companies, 4 of which are direct competitors for generic competition. Table 2 shows the results of calculation. Calculation of ROI was carried out using the following formula (1):

$$\text{ROI} = \frac{\text{Income from investments} - \text{the size of investment}}{\text{investment size}}.$$  (1)

This figure was calculated as a percentage. According to a calculation, this shows that all companies surveyed low cost of sales in the structure of revenue from sales. In addition, all companies have high rate ROI, indicating a high level of income from sales compared to the cost of sales and product promotion. From the calculations it turns out that the machine building is low cost marketing products and marketing efforts of companies have a low impact on the income from the sale.
As seen from the calculations, almost all machine building have the highest rate of ROI, indicating a high level of earned income relative to marketing efforts. However, the biggest spending on marketing and promotion of all enterprises observed in 2013-2014 year. The calculations show that the highest cost of sales and promotion of engineering products in observed in PJSC "Kryukov Wagon Plant" and JSC "Umanfermmash." Accordingly, these enterprises have the lowest payback marketing expenses, which were estimated using the ROI. The general trend for all of the calculations is the dependence of increasing your ROI while reducing the cost of sales and promotion.

Conclusions
Calculations show that the value of the brand in the B2B market perception depends on the quality and value of the goods and not on marketing efforts to promote engineering products for industrial markets. In its turn, when the value of the goods should understand the difference between the amount the consumer benefits from the use of commodity price and consumption of this product. The value of goods connected with the competitiveness of the goods: the higher the value of the goods to the consumer, the product is more competitive. Competitiveness includes product price and quality indicators. The industrial market is the defining quality indicators and values formation is carried out primarily under their influence.

Thus, positioning brands in industrial b2b markets should perform, primarily on the basis of perceived quality of the goods and the consumer B2C markets through a combination of cost and benefits of using Product (functional, emotional and self-expression). Common to both types of markets is winning or rent consumer from buying goods, source of which is the difference between the value of the goods to the consumer for his estimate and the price of goods, which is set by the seller.

Abstract
The article gives a comparative analysis of the factors of the brand in the B2C and B2B markets, which revealed the coincidence of the results of the impact of these factors on two grounds: the pursuit of the enterprise in a change of branding strategies and pursuit of short-term results. According to other features of influence of factors observed exactly the opposite effect. It has been concluded that the basic principle of creating a successful brand is the development of its identity. For B2C markets brand identity can be established by different criteria: quality, price advantage, functional and emotional benefit or the benefit of self-expression, or a combination thereof; for the B2B market perception of product quality is the most significant characteristic of the brand than its cost advantages.

The calculation of the quality perception of the impact of the financial results of Ukrainian machine-building enterprises in B2B ROI using index markets. Implemented a competitive analysis of the market with the help of the program BEST-Marketing, which allowed for the ranking of the qualitative characteristics of Ukrainian mechanical engineering in comparison with foreign competitors. It proposed five important quality indicators put into the strategy of positioning on the mechanical engineering market: reliability, durability, uniqueness, safety and endurance. It proved the dependence of formation of brand value in the market of B2B on the perception of the quality and value of the commodity and not from the marketing efforts on the promotion of engineering

Table 2. Evaluation of the impact of marketing costs and changes in the financial result or profit using your ROI

<table>
<thead>
<tr>
<th>Year</th>
<th>JSC &quot;Azovzahal mash&quot;</th>
<th>JSC &quot;Dniprovaohon mash&quot;</th>
<th>PJSC &quot;Kryukov Wagon Works&quot;</th>
<th>JSC &quot;Umanfermmash&quot;</th>
<th>JSC &quot;Umanfermmash&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ROI, %</td>
<td>ROI, %</td>
<td>ROI, %</td>
<td>ROI, %</td>
<td>ROI, %</td>
</tr>
<tr>
<td>2004</td>
<td>1630.5</td>
<td>5.8</td>
<td>12521.2</td>
<td>0.8</td>
<td>3984.1</td>
</tr>
<tr>
<td>2005</td>
<td>4617.8</td>
<td>2.1</td>
<td>7548.3</td>
<td>1.3</td>
<td>3335.4</td>
</tr>
<tr>
<td>2006</td>
<td>6642.1</td>
<td>1.5</td>
<td>5568.3</td>
<td>1.8</td>
<td>2618.0</td>
</tr>
<tr>
<td>2007</td>
<td>6408.7</td>
<td>1.8</td>
<td>9927.1</td>
<td>0.9</td>
<td>1708.2</td>
</tr>
<tr>
<td>2008</td>
<td>5818.1</td>
<td>1.6</td>
<td>13268.3</td>
<td>0.7</td>
<td>2452.2</td>
</tr>
<tr>
<td>2009</td>
<td>5064.7</td>
<td>1.9</td>
<td>3435.4</td>
<td>2.8</td>
<td>2748.7</td>
</tr>
<tr>
<td>2010</td>
<td>2127.7</td>
<td>4.5</td>
<td>7104.7</td>
<td>1.4</td>
<td>3393.7</td>
</tr>
<tr>
<td>2011</td>
<td>2665.2</td>
<td>3.6</td>
<td>6852.8</td>
<td>1.4</td>
<td>4656.1</td>
</tr>
<tr>
<td>2012</td>
<td>1897.8</td>
<td>5.0</td>
<td>7669.5</td>
<td>1.3</td>
<td>3800.1</td>
</tr>
<tr>
<td>2013</td>
<td>7482.8</td>
<td>0.1</td>
<td>4653.4</td>
<td>2.1</td>
<td>37.5</td>
</tr>
<tr>
<td>2014</td>
<td>1054.8</td>
<td>8.6</td>
<td>266.8</td>
<td>37.3</td>
<td>2618.0</td>
</tr>
<tr>
<td>2015</td>
<td>635.0</td>
<td>13.6</td>
<td>3192.6</td>
<td>3.03</td>
<td>3526.8</td>
</tr>
</tbody>
</table>

Source: Own elaboration
products for industrial markets. A definition of the value of the commodity, which is associated with competitiveness.

The value of commodity related to the competitiveness of commodity: the higher the value commodity to the consumer, the more competitive is the product. The competitiveness of a product includes price indicators and qualitative indicators. In industrial markets are the defining quality indicators and the formation of values is carried out in the first place, under their influence.

Thus, the positioning of the brands in industrial b2b markets should be carried out, primarily on the basis of the perception of the quality of commodity, and on the B2C consumer markets through a combination of price and benefits from the use of the goods (functional, emotional and self-expression). Common to both types of markets becomes a win or rent a consumer from buying commodity, source of which is the difference between the value commodity to the consumer in his estimation and price of the goods, the seller set.

**JEL Classification:** L 53.

**References:**


Надано до редакційної колегії 09.03.2017

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Посилання на статтю / Reference a Journal Article: