

Brand value analysis in the conditions of on-line media and social networks

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Abstract: In this paper, we address the branding phenomenon with a focus on the social media. There is an analysis of the theoretical background of related scientific fields, also there are presented results of global brands, focusing on their value and their activities within the conditions of the digital environment of Slovakia. This paper highlights selected brands value for the analysis within the time scope of last three years and their actual performance in the online social networking environment which is presented in comparison table following several attributes. The last part offers discussion and finding a summary with recommendations included.

Keywords: brand, social media, value, marketing

JEL Classification: M39

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1. Introduction

We can find a lot of definitions for brands and their management. We can say that the brand represents the name of a company. The trend of branded products increasingly gaining in importance and companies that lag in care about their brand lose on multiple fronts. This is also one of the reasons why this issue is current and appropriate to accompany her more attention. Having regard to the digital time and speed of information dissemination it is necessary in addition to classic presentation take care about the virtual presentation as well. Branding is an important part of e-commerce and thereby enables companies to build their reputation. Its negligible hallmarks should be trust, involvement, ownership, influence and warranty. Whole article offers possibility to draw conclusions that support the importance of branding and that he should receive enough attention. The brand is represented by a particular symbol, image, word or slogan and its main and most essential task is to facilitate product identification and differentiation of products, services, organizations from the competition. By branding products company gives its customers a clear message who the owner is (Wolfe, 2012). According to American marketing association (2009) a brand represents name, term, symbol, design or a combination of these elements that identify products and services of a particular supplier and differentiate them from competitors. Healey (2008) defines a brand as a promise of satisfaction, also as a sign or metaphor acting as an unwritten contract between the manufacturer and the customer, seller and buyer, performers and audience. There exist many more definitions for brands but anyway we can say that the brand creates the name of the company. Value of a brand is often many times higher than capital or number on a bank statement. But it was not always like that. Forty years ago a company value was deposited in cash while nowadays situation has changed dramatically. In present a value of a brand lies in a market brand value (Sasko, 2010).

2. Branding

Branding word is derived from its primary word appear in the Germanic or Norwegian expression "burn". It was used for labeling animals and wines to make it clear who is the owner. The branding can be thus speak in the meaning of a markup (Healey, 2008). Branding in its present shape combines five elements: positioning, story, design, price, customer relationship.

Positioning element covers brand definition and its comparison with competition from the perspective of customer. It is essential for the manufacturers to focus on customers desires and be able to respond to them (Kotler, 2007). Story element of buying process metaphorically creates a new world in which customer can enter. A good emotional one can attract much more attention. This goes hand in hand with the design which supports visual stimuli of the customer (Weinschenk, 2012). Last two elements are price and relationship with customers. Both are crucial in maintaining positive relationship between buyer and seller and also in keeping positive image of a brand. Branding as a process of building a brand changes general commodities into a specific demanded products. It adds value in the minds of consumers for which they are willing to pay more (Kotler, 2007). It covers much more than just a marketing communication and advertising. It includes customer relations, internal communication and corporate philosophy. All this must be consistent and must broadcast a consistent message. If employees of a certain company do not cope with such philosophy of a company, they hardly persuade any customer about the strength of a brand (Kotler, 2007).

Branding praxis is distillate of actions that appeared during nineteen and twentieth century for the first time: marketing, propagation, public relation, graphic design and company identity. Those interconnected areas deal with sale, awareness, reputation, loyalty and last but not least visual aesthetics. Given that all these areas relate to brand their aim is to create and support this brand and therefore we can consider them as parts of particular discipline: branding (Healey 2008, 26). Branding serves the purpose that any ordinary object is performed as advertising object thus logo and company message. Important part of branding is therefore creation of logo, name and product.

3. Environment of the social media

The literature offers multiple definitions of the terms "social network" of "social media". According to Sterne (2011) social networks are defined as user-generated content distributed via easily accessible internet tools. Blanchard (2011) defines it as a communication tool serving for the purposes of ordinary business functions including public relations, marketing, customer services and performing and managing of a market research. It is important to

stress that essence of social networks and social media is speed of information dissemination among users and visitors of these networks and media. From the marketing perspective another great advantage is mass coverage of target audience (Bačík, Gavurová, Fedorko 2015). „Social media allow people to interchange their ideas and thoughts, collectively discuss site content and make new contacts online. Social media differ from traditional mainstream types in content, which can be created or commented by any person. It can have text, audio, video, image or other form, that connects communities and fulfill their need to associate“ (Meerman Scott, 2010, 38).

Between two terms, social media and social networks, there is a fine line in their differentiation. Social media is superior term that covers various media which are used by people for online communication and meeting or for developing sociability (Bačík, Gavurová, Fedorko 2015). These are blogs, wiki pages, web sites for downloading media and many others. Creation of social networks belongs under social media and we use this term when it is in position of method for mutual interaction of people. Social network creation is happening when people are creating their own profiles and enter into a mutual interaction pursuing the goal of becoming a part of such community of friends and people that have similar interests and wish to communicate and change information (Meerman, Scott, 2010).

Important part of branding process is building a customer's tribe which is related to creation, development and maintenance of highest standards possible for relations with customers. Such relation building requires various marketing and promotional techniques and practices (Godin, 2008). Some promotional actions enhance the reputation of product or service or raise its value. These actions create „customers bound“. All this is related to brand and its image in the eyes of public (Smith, 2000, 263).

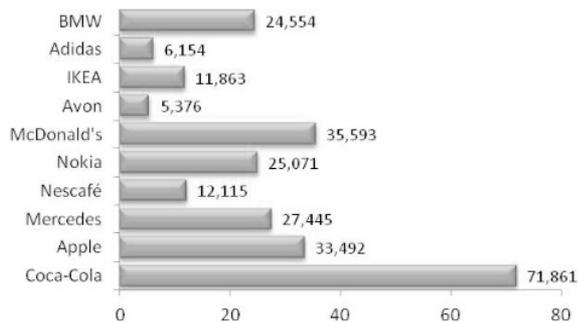
In specific cases of building a customer's tribe it could involve vouchers, taste events, competitions, gifts, free samples and many others. Such sale support is also present on social networks. Some may argue this is a growing trend. This option is nowadays used by almost every company to promote their offer into a conscious of countless potential customers. „Via social media you can tell others what you want them to know about you“ (Meerman Scott 2010, 167).

4. Methodology, results and discussion

In the context of this article a survey has been made on ten popular brands chosen from the list of top 100 brands presented by Interbrand. Selected brands were namely Coca-Cola, Apple, Mercedes, Nescafé, Nokia, McDonald's, Avon, IKEA, Adidas and BMW. Comparison of selected brands according to their value was made on the basis of data from the website interbrand.com within the time period of last three years. Same brands were analysed according to their social network activities which is presented in the comparison table.

In the following text there is successively presented the comparison of selected brand values (in billions of dollars) in years 2013 to 2015 as well as there are described major shifts that have occurred in every period. Picture 1 shows the value of the brands in 2013.

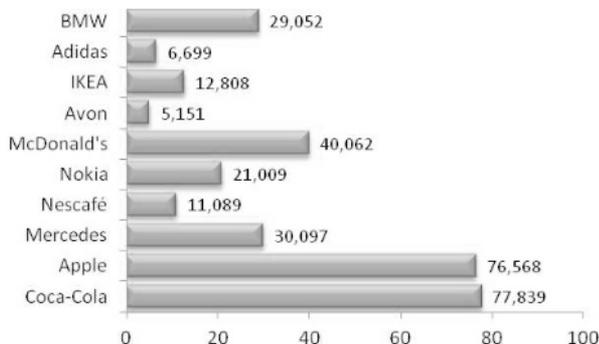
Picture 1. Brand value in billions of dollars (2013)



Source: own elaboration according to Interbrand

Coca-Cola brand appeared as the strongest and most valuable one in the year of 2013, second place belonged to the brand of McDonald's. Top 3 was filled with the brand of Apple figuring on the third place (there has been 12 billion dollar value raise over the previous year). Brand of Adidas and Avon closed top ten for the year of 2013 with the value over 5 billion dollars.

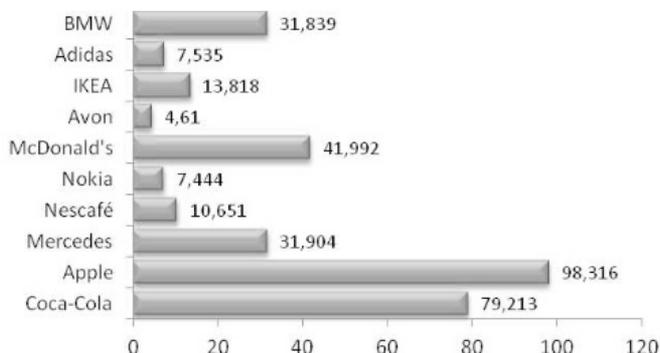
Picture 2. Brand value in billions of dollars (2014)



Source: own elaboration according to Interbrand

As well as in 2013 the leadership for the 2014 belonged to the brand of Coca-Cola but only with a minimum lead over Apple brand which during the last year has seen record growth (about 43 billion dollar), which more than doubled its value. McDonald's brand has been therefore pushed to third place despite the fact that they also recorded an increase (almost 5 billion dollars). Last positions remained unchanged.

Picture 3. Brand value in billions of dollars (2015)



Source: own elaboration according to Interbrand

During the year 2015, the Apple brand has moved on the first place and has seen a rise in its value by almost another \$ 22 billion dollars. Although the value of Coca-Cola also recorded the raise the gap between number one and two enlarged significantly. McDonald's brand remained on the third place. There has been the change on last

positions where Nokia brand lost its value and dropped on the ninth place. Brand with a lowest value of our sample remained Avon.

From the data presented it is obvious that the value of a brand is capable of raising its value several times as well as it can lose its value. This statement is supported through Apple brand, which in the period of three years tripled its value and acquired the title of most valuable brand for the year 2015. (In the period of last 5 years Apple shifted from sixth to first place and recorded value raise from 15,4 billion to 98,3 billion of dollars which is more than six times greater) In contrast, there is Nokia brand which dropped from 25 billion to little over 7 billion of dollars in 2015.

Table 1. Brand value vs social network performance

	Interbrand value	FB - Like	FB - Comment
1.	Apple	Coca-Cola	Coca-Cola
2.	Coca-Cola	McDonald's	Nescafé
3.	McDonald's	Nescafé	BMW
4.	Mercedes	BMW	Adidas
5.	BMW	Adidas	IKEA
6.	IKEA	Mercedes	McDonald's
7.	Nescafé	Nokia	Mercedes
8.	Adidas	Apple	Avon
9.	Nokia	Avon	Apple
10.	Avon	IKEA	Nokia

Source: own elaboration according to Interbrand

Table 1 shows that only Coca-Cola brand is placed in top positions according to all attributes. Present top brand Apple lag in social performance and figures in bottom positions but it is probably only because of limitation of Slovak dimensions. Although ranking of brand values does not correspond with social network performance, those two attributes solely exhibit similar ranking to large extent.

5. Conclusions

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The issue of branding is quite difficult and success of failure is result of multiple factors. In any case it is necessary to follow new trends and try to stick to them. Competition is great and every hesitation can cause serial consequences in present highly competitive environment. Importance of branding is best shown in the following quote: „Branding is fundamental. Branding is basic. Branding is essential. Building brands builds incredible value for companies and corporations“ (Goodson, 2012).

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