

# Brand Assessment in the Macedonian Market

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## Introduction

The presence of a large number of products with the same value or for the same usage, intends to fulfill the same or similar needs of customers, adds the need for identifying all needs of use of each type of product to any manufacturer. This role in the contemporary market economy has been played by brand or product brand.

The mark or brand is a well-known name or sign of any product, an acronym, a collection of words, syllables, letters, symbols, pictograms or a logo (ex: 3 Mercedes star properties), a shape, a design (ex: Perrier Bottle) , a collection of colors (Kodak), specific graphs, ways of writing the name (Ford) or a combination of two or more elements from these, *which are intended to identify manufacturer's products or services from other manufacturers, which often means the quality of products.*

## Definitions of Brands

There are many definitions of brands. The following are some of definitions:

The [American Marketing Association](#) defines a brand as a *"Name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. A brand may identify one item, a family of items, or all items of that seller. If used for the firm as a whole, the preferred term is trade name. (AMA, 2011, p.29).*

According to Kotler and Gary Armstrong a brand is defined as *'a name, term, sign symbol or a combination of these, that identifies the maker or seller of the product. (Kotler, Armstrong, 2007, 555).*

P.Tailor defines brand as a *'Marketing tool that allows consumers to recognize the maker of a product'*. ([www.learnmarketing.net](http://www.learnmarketing.net)).

The Dictionary of Business and Management defines a brand as: *"A name, sign or symbol used to identify items or services of the seller(s) and to differentiate them from goods of competitors."*

It can be found even in large vocabulary of International Marketing and Communications the concept for the expression as: brand image which is probably explained as: *customer feedback about product and about which brand is registered and legally protected*. As can be seen the brand product uses various tools for the purpose of performing the function itself. In practice we find various ways of presenting the brand of products. In most cases, brand-name is expressed with a pronounceable name, known as product name, ex: "Pepsi-Cola." When it has a name and is registered at a legal competent authority, then it is used as a protective sign. The protective sign beside the product name, it includes the manner of its graphic and structural expression, packaging and other associated symbols.

### **The Most Important Term of Product Brand (Marks or Brand)**

These two terms are very often argued within circles of marketing experts in order to find out which of the two terms is more suitable for products or companies. In marketing practice, there are two rhymes, on the one side are proponents who think that marks and brands are with different meanings that must be differentiated, and, on the other side those that support the thesis that these two terms are synonyms.

#### **Which meaning is right?**

MARK = BRAND - the personification of the product for customer loyalty.

*Brands and marks are synonymous, that means they have the same meaning and significance, although there are opinions that the brand is the trend of the time and has to do with the branding of the product and is more important than the mark.*

The three most important terms related with the brand are the following:

- **The value of the brand** - based by that limit on which the brand has the highest confidence, consumer awareness of the existence of this brand and strong cooperation in production. The brand value has also other intangible assets as: the right of invention inventor, protection sign and the spread of manufacturing channels.
- **The image of the brand** - understood as the set of beliefs that consumers have about specific brands. The image must be developed rightly the negative image of the brand can be hardly left aside.
- **The expansion of the brand** - using its real name that successfully introduced or sold in the same market. VIRGIN is a good example of how fully the expansion of the brand can be used in any market.

### **The Functions of the Brand**

The main function of the product brand is to identify the value of use of each product, and the brand itself appears as a product guarantee that contains those used values that are attributed to the use of that specific product.

Kapferer and Laurent have defined six functions of the brand, as (Kapferer, Laurent, 2005, p.372):

- + The function of practicality;
- + The function of guarantee;
- + The function of personalization;
- + The function of satisfaction;
- + The function of specification, and
- + The distinctive function.

The function of "**practicality**" is about the practical character of the brand. Brands should help to easy memorize the results of the initial process of selection without the need to review again in order to retake the brand that is prejudged as appropriate.

The function of the "**guarantee**" expresses the fact that for some customers and some products a known brand is a guarantee for a better quality.

The function of "**satisfaction**" corresponds to customers' satisfaction from the purchases, such as varieties, where the lack of the brand will result in disappearing of the satisfaction.

The function of "**specification**" arises when the brand has a configuration similar to the product quality. Trademark is inseparable from the product.

The brand has a "**distinctive**" feature when it is the only benchmark for product differentiation by the customer. This feature is critical when products are opaque (metal, champagne, clothing, liquids, etc.) because the name and visual identity of these products resemble to each other. Choosing a brand and the elements that associate it (location, signs, colors, graphic elements, etc.) is sometimes a way of differentiation, personalization and recognition of the product. Before you introduce a brand on the market, it must be tested for:

- + Its readability;
- + Its ease of expression;
- + Its ease of memory;
- + Its attracting ability;
- + Its ability to be used without modification by foreigners
- + Its availability, etc.

In order for it to be more perceptive and acceptable by consumers- the market.

## The Main Factors for Brand Formation

The brands are rarely held for only one product. They are most often conducted for the purposes of lines or manufacturing groups. Professor David Jobber has identified seven key factors for successful construction of brands (Etzel et al, 1997, p.246-250):

- **Quality** - is an important *"ingredient"* of a powerful brand. It should be kept in mind that *"advantage goals"* are items that customers have in their expectations. Statistical analysis proves that with high quality brands, a greater volume of the market and greater profitability is achieved compared to poorer competitors.
- **Position** - has to do with the position that brands benefits from the market. Strong brands have often the clearer position in the market. The positioning is achieved through several means: brand name, image, service standards for the product, packaging and how the product is sent to the market. The successful positioning represent the combination of activities above mentioned.
- **Repositioning** – happens when the brand tends to change its position on the market in order to fulfill the changed needs of consumers. This is mostly needed when the brand becomes *"not as required"* maybe when the market is more developed, or is destroyed.
- **Communication** - has also an important role in developing a successful brand. It was mentioned that brand positioning is a must for attracting consumers, with the aim of building clearly defined position in the target positions of the auditorium. In the beginning, it is very important to use all the elements of the promotion techniques in order to attract customers, and then to create positive beliefs which will increase the demand for those products.
- **Being first in the market** - in terms of brand development, as *"the first promoter"*, it is possible that the first successful brand in the market to establish a clear position on the opinions of consumers, before the competition. But being the first in the market does not mean a guarantee for long term success in the market.
- **Long term perspective** - long-term investments are also an important factor in the brand formation. Creating positive customer beliefs and brand trust requires a strong commitment and long-successful management with marketing orders and costs creation. This means that management must invest in brands by spending its short-term profitability.
- **Internal Marketing** - finally management should ensure that the brand is so well promoted within the organization and outside it. This means that businesses in general must understand the positioning and brand value. This is extremely important with service activities in the act of service, where the critical brand value is with the quality of service that customers receive.

Marketers have a broader knowledge that strong brands which ensure high sales and profits have the potential to use the same strategy in all other products. There are two operations that are usually named as rebuild and expansion of the brand. A successful brand helps companies to more easily enter a market with a new product line.

Rebuilding a brand has several advantages:

- Consumers will associate the quality from brand expansion with the new product, and will have the opportunity to trust the new product;
- The new product will attract a customer more quickly, the awareness and will prepare him/her for usage and taste of the new product;
- Distributors may notice that there is lower risk if the new product holds in itself the familiar brand;

The costs for promotions are supposed to be less.

### Brand Policy

Brands at the same time represent an element of trade policy. Choosing a brand is the primary policy, mainly in the discussion between manufacturers and distributors. The distributor pays a great importance to the brand in order to refer to the product. This concept for better understanding is presented in Figure -1. ( Veseli, 2009, p. 157 ).

**Figure 1. The role and the importance of the brand for the product.**



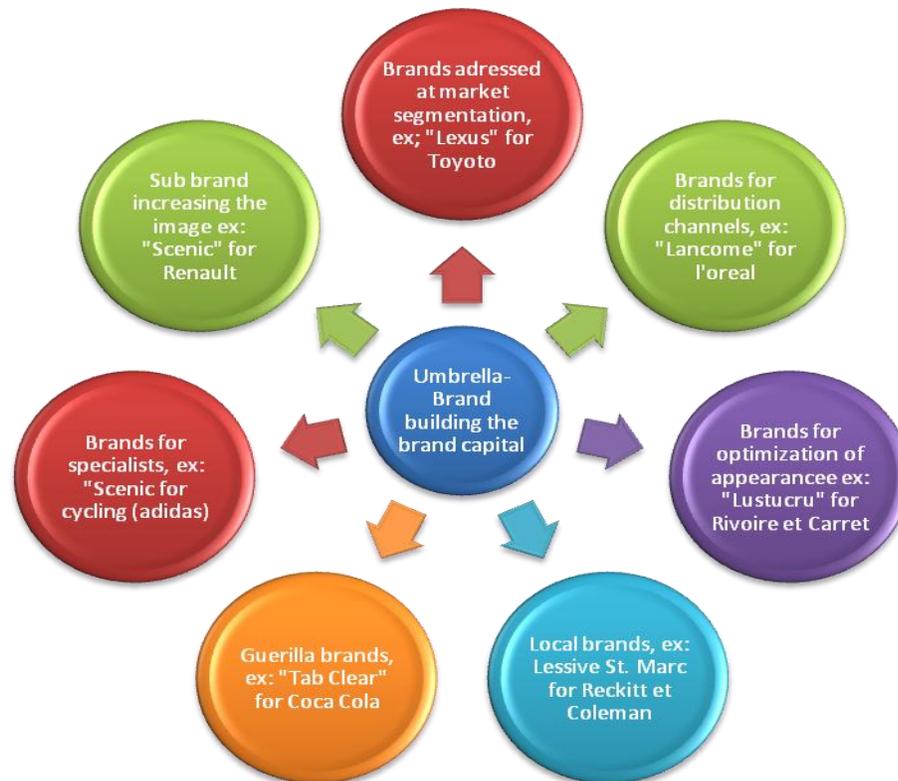
Choosing a brand is a primary policy, mainly in the discussion between manufacturers and distributors. Some other important principles are:

- The choice of a unique brand for the company or product line, provides good reputation of the product, but in case of failure, threatens to damage the other products;
- Policy brand differentiation increases advertising investment, but allows a very strong segmentation;
- When a firm has many lines, it is good to differentiate its lines to avoid negative effects of the past;

- The choice of a new brand leads to a higher product differentiation;
- One of the main risks is cannibalism among brands, the last brands introduced in the market, to gain market share on behalf of other brands of the same firm. This error is often the result of inadequate or unclear positioning.

Different policies of brands of products can be presented with Figures -2.

**Figure 2 Brand policies**



### Types of Brands

There are two important types of brands:

1. Manufacturing brands;
2. Own –label brands.

**Manufacturing brands** are established and appointed by the manufacturers. Manufacturers are responsible for the brand promotion. By building the brand, manufacturers can achieve wide distribution of products and build customer confidence.

**Own label brands** are mediators that are created and possessed for the network distribution - distributors. It happens in many cases that distributors are retailers, and all range of their

products, to be own-labeled. Distributors often mix manufacturing brands with own-labeled brands.

Own-label marketing, if done well, it offers to consumers good value of money and provides the distributor with additional skills when it comes to pricing and conditions with manufacturing brands. Often the question is why businesses are trying to build brands. There are many priorities in for businesses that build up successful brands. This includes:

- Higher price;
- Higher profit;
- Better distribution;
- Consumers' confidence.

Consumers are rarely prepared to pay compensation for products or services which carry only the initial gains. Successful brands are those that besides the initial benefits that carry the product, they also bring additional values to consumers. These additional values enable brands to be distinguished from other competitive brands. When they are well built, consumers recognize the added value of the preferred product and brand information. As for example, the customer may require a guarantee for the quality, when not sure during the choice. The customer may also require a brand that has a special meaning in terms of status or life style. Brand theory assumes that there are three main types of brand names:

**Familiar brand names** which are used for all products. Through building trust and loyalty to consumers about familiar brand name, all products which use the brand can benefit. The use of familiar brand name can bring up problems, if a product builds negative publicity in the market. This can destroy the reputation of all assortments of brand.

**Individual brand names** which are not identified with specific companies. There are several reasons why brands must have personal identity:

- The product can be competitive in this new market segment, where a possible failure can "hurt" the main family name;
- Family brand name may not be well positioned for the entire market segment;
- Brand may already be built, or in other words to be promoted as the leading brand in the market segment. The fact that it is built from the company with a powerful brand family, does not mean it should be changed.

**Combined brand names** - link family name with individual brand name. The idea is to allow several associations for the product with a powerful name of brand family as well as maintaining some specifications that customers know what they get.

The brand name should be chosen carefully because it gives consumers more information. The following list contains ideas that should be constructed prior to final selection of brand name.

**The brand name should:**

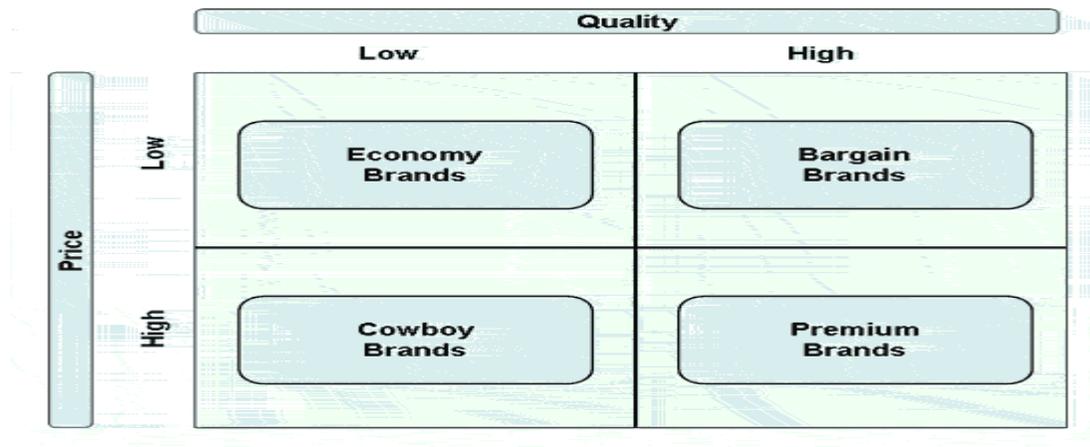
- evoke positive associations;

- be easy for pronunciation and to be kept in mind;
- contain manufacturing benefits;
- be simple;
- use numbers when emphasizes technological properties;
- not be in conflict with the brand name that exists.

### Brand positioning

Brand positioning can be defined as: the relationship of one product with other products on the market. Brands can be positioned against competing brands in the perceptual map.(Kaoferrer, 2002). It defines the market in terms of the way that consumers perceive the key features of competing products. The initial map perception that buyers use designed products depending on their price and quality as is illustrated below:

Figure 3 Price and quality of brands



The purpose of this paper is to show confidence and assessment in brands, and to find out how product rand affects consumer behavior. In order to achieve this, a survey sheet was carried out through a questionnaire.

### Statistical analysis of results from the conducted survey

The survey was conducted with the help of students and faculty of Business and Economics in R. Macedonia. A sample of 1424 respondents, were randomly chosen in the RM. Respondents answered independently and without interference of others. The age of respondents is listed in the table under the rule Sturgis:

$$k = 1 + 3,3 \log N \quad k \text{ -number of age groups}$$

$$i = \frac{x_{\max} - x_{\min}}{k} \quad i \text{ -internal length}$$

Respondents age groups:

48	28	70	21	21
28	17	41	35	21
34	16	41	22	23
46	20	22	20	19
49	67	29	20	21

Solution:  $k=1+3,3 \log N = 1+3,3 \log 25 = 5,6 \approx 6$

There would be X age groups.

$$i = \frac{x_{\max} - x_{\min}}{k} \quad \begin{matrix} x_{\max} = 30 \\ x_{\min} = 16 \end{matrix} \quad i = \frac{30-16}{5} = 2,8$$

the length of interval will be X years.

Age groups	Nr. of Respondents	Female	Male
16-18	212	100	112
18-22	602	283	319
22-26	246	116	130
26-30	144	68	76
Mbi 30	220	103	117
$\Sigma$	1424	674	750

From the total number of respondents 53% are male, while 47% are female. The analysis of data from 1424 respondents surveyed, 53% of respondents are males while 47% are females. 15% are aged 16 to 18 years, 42% belong to 18-22 years, 17% are aged 22-26 years, 10% are aged 26-30 years and 16% are aged over 30 years.

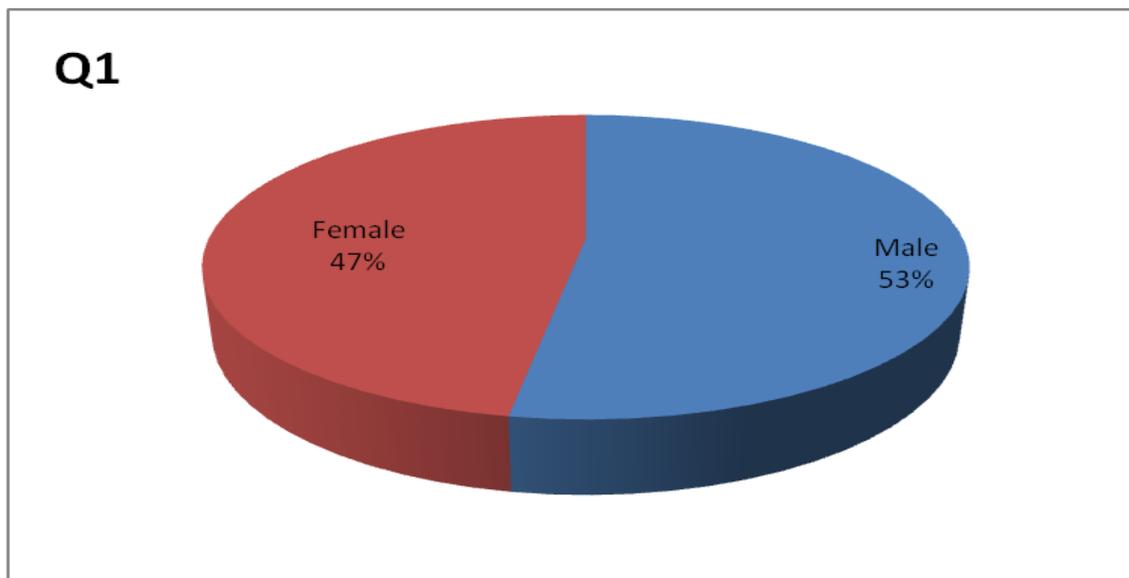
From information on monthly income, it is clear that 14% have a monthly income that reaches 6000 den, 29% have monthly incomes of 6000-15000 den, 21% have a monthly income above 15,000 den, while the rest 36% have no income.

Respondents who gave answers to survey questions is as follows:

**Table: 1 Respondents based on gender**

Gender	Male	Female	Total
	750	674	1424

**Chart 1 Respondents based on gender**



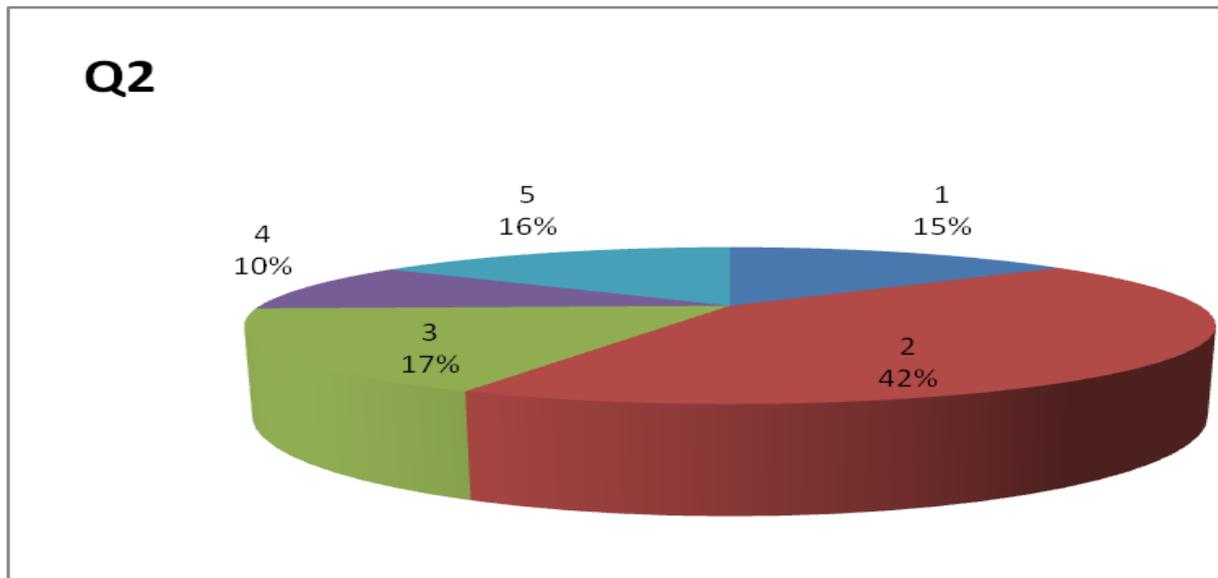
1. According to gender, 47%, or 674 respondents are females, whereas 53% or 750 respondents belong to male group.

2. According to age, 15%, or 212 respondents belong to age 16-18 years, 42% or 602 respondents belong to age 18 age-22 years, 17%, or 246 respondents are aged 22-26 years, 10%, or 144 respondents are aged 26-30, and 16%, or 220 respondents are over 30 years.

**Table: 2 Respondents based on age**

1) 16-18	2) 18-22	3) 22-26	4) 26-30	5) Over 30	Total:
212	602	246	144	220	1424

**Chart 2 Respondents based on age**



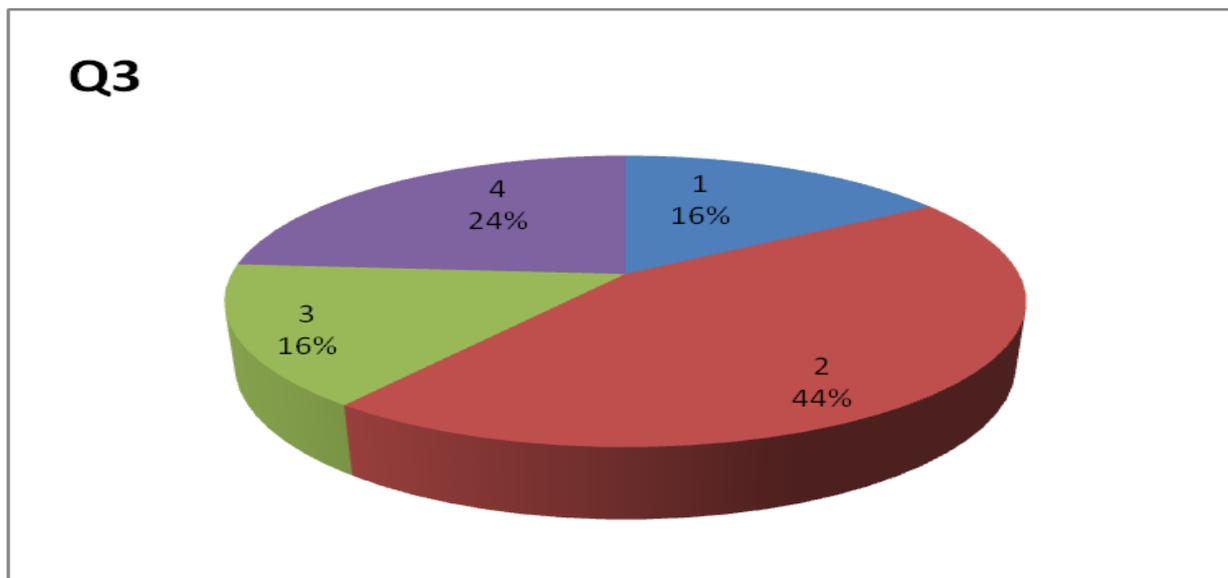
Results obtained from the second question show that 50% of consumers practice buying products with known brands, 39% do not buy this type of product, 11% sometimes buy famous brand products. From this we can conclude that the majority of customers are driven buying products with famous brands.

**3.** Regarding the percentage of respondents based on profession is as follows: 16% are pupils or 230, 44% are students or 630 respondents, 16% are administrative employees or 224, private workers 24% or 340 respondents. So the largest percentages of respondents represent pupils and students who rarely realize income independently.

**Table: 3 Respondents based on profession**

1)pupils	2)student	3)administrative employees	4)Private employees	Total
230	630	224	340	1424

**Chart 3 Respondents based on profession**



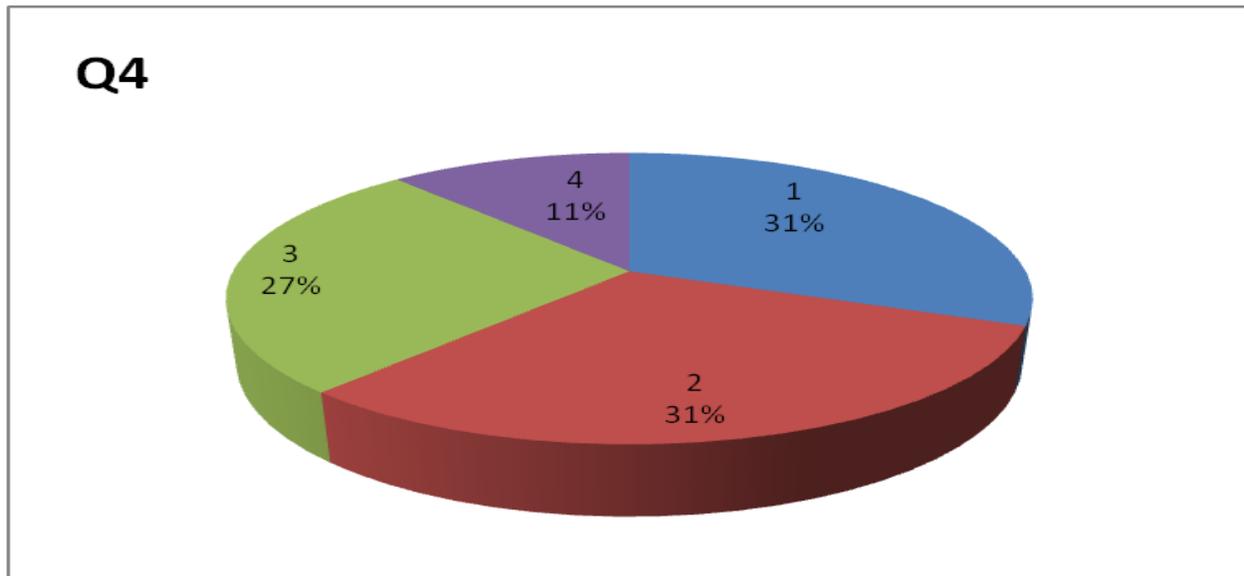
Consumers often face difficulties while deciding what brand of product to buy. From the obtained results of this survey questionnaire, 53% of customers buy products from popular international brands, 39% of them buy products from Macedonian brands, some of them buy the products of unfamiliar brands, 4% buy products without the brand, 4% of consumers do not pay attention or importance to product brands. Namely, consumers mostly buy products that are known as global brands.

4. The obtained results for monthly Income of the survey are as follows: 31% or 440 respondents have a minimum income to 6000.00 den. 31% or 438 respondents realize a monthly income of 6000.00 to 15000.00 den., 27% or 380 of respondents realize a monthly income of 15000.00 to 30000.00 den., and 11% or 166 respondents realize a monthly income over 30000.00 den.

**Table: 4 Respondents based on income**

a) to 6000	b) from 6000-15000	c) 15000-30000	d) over 30000	Total
440	438	380	166	1424

**Chart 4 Respondents based on income**



This question is submitted in order to understand how often customers buy products from known firms, and it can be concluded that 14% of consumers always buy the products of popular brands, 82% sometimes buy products of popular brands, 4 % of consumers never buy products with famous brand.

From this we can conclude that: the number of customers who buy products with no known market is very small compared with the number of customers who buy products with known market brands.

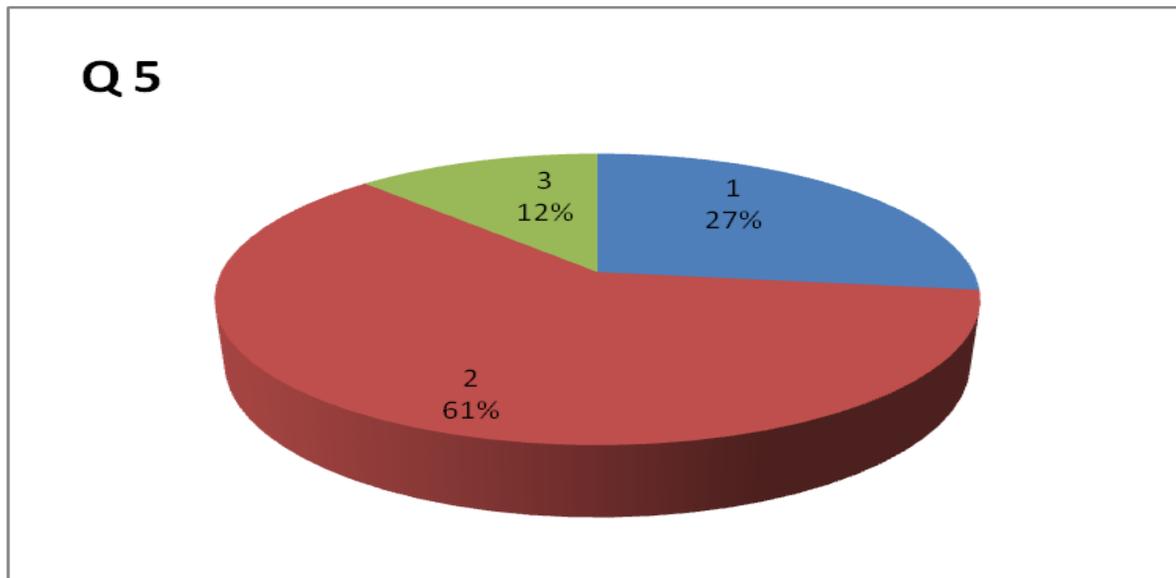
5. Concerning the question 5, how often consumers prefer to buy branded products, the results show that 27% or 384 respondents always prefer to buy products with the brand, 61% or 864 respondents answered that they sometimes buy products with the brand, while 12% or 176 of are surveyed responded that they never buy brand products

You buy branded products:

**Table: 5 Respondents based on frequency**

1) always	b) sometimes	c) never	Total
384	864	176	1424

**Chart 5 Respondents based on frequency**

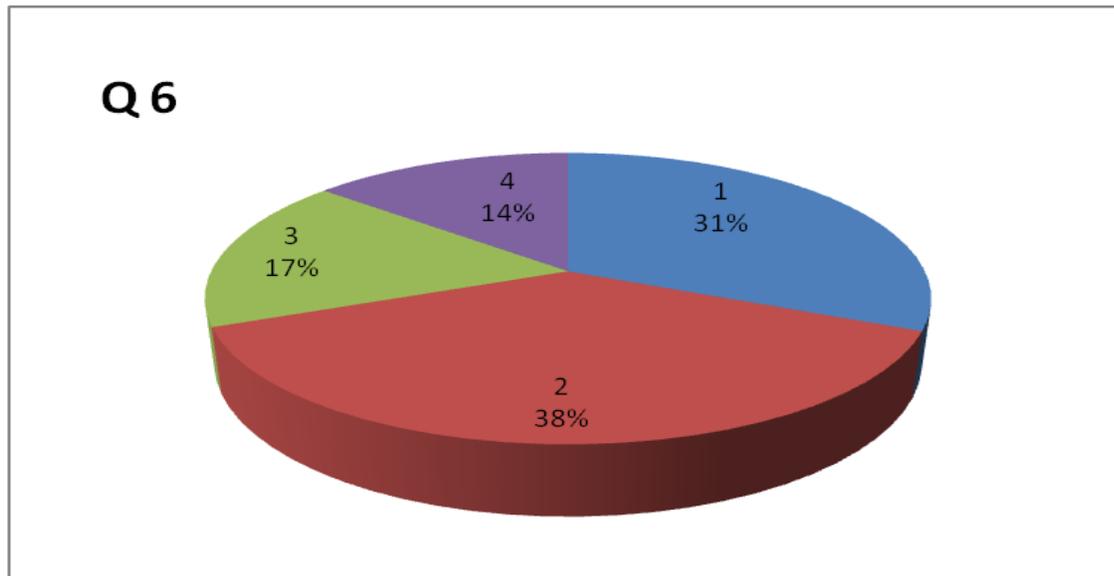


6. When asked when for the last time they bought a famous brand product, the results from this question show that: 31% or 448 respondents have purchased products with famous brands a week ago, 38%, or 534 respondents bought a month ago, 17% or 244 respondents purchased a product with the brand a year ago, and only 14% or 198 respondents ca not remember when the last time they bought a brand product or they have never bought.

**Table: 6. When did you for the last time buy branded products?**

1) a week ago	2) a month ago	3) a year ago	4)	Total
448	534	244	198	1424

**Chart 6. When did you for the last time buy branded products?**



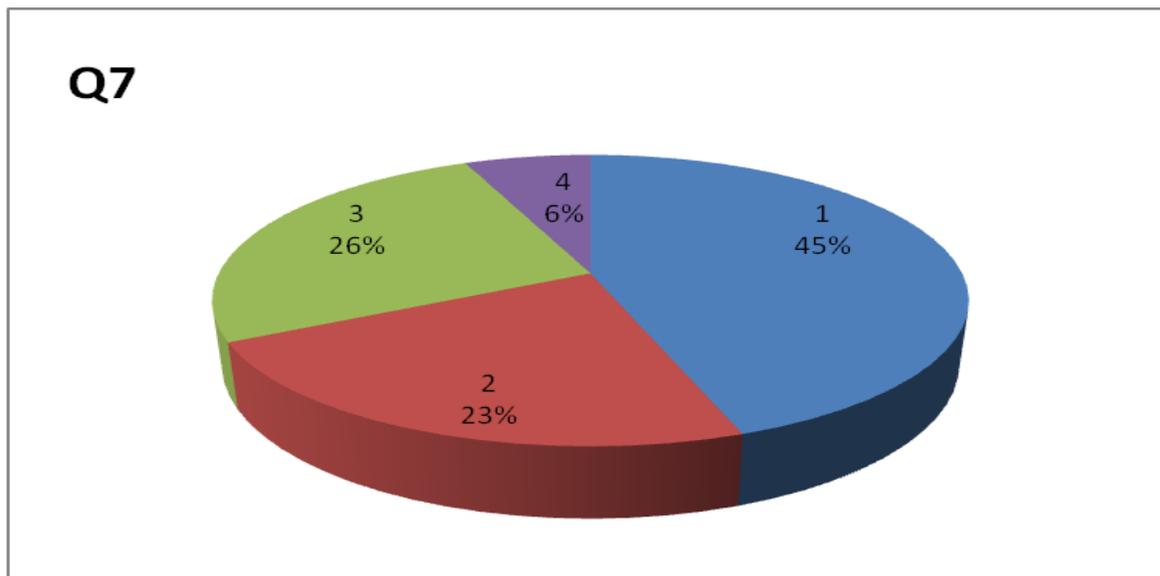
**7. When asked whether they donate recognized brand products?**

From the results by respondents for this question, we may conclude that: the majority of consumers, up 45% or 634 of respondents have responded positively, that donate products of famous brands to their relatives, 26% or 328 respondents donate brand products, 23% or 370 respondents do not donate brand products, while 6% or 92 respondents answered that they sometimes donate branded products.

**Table: 7 Do you give branded products as gifts?**

1) Yes, only to my relatives	2) Yes	3) No	4) sometimes	Total
634	328	370	92	1424

**Chart 7 Do you give branded products as gifts?**

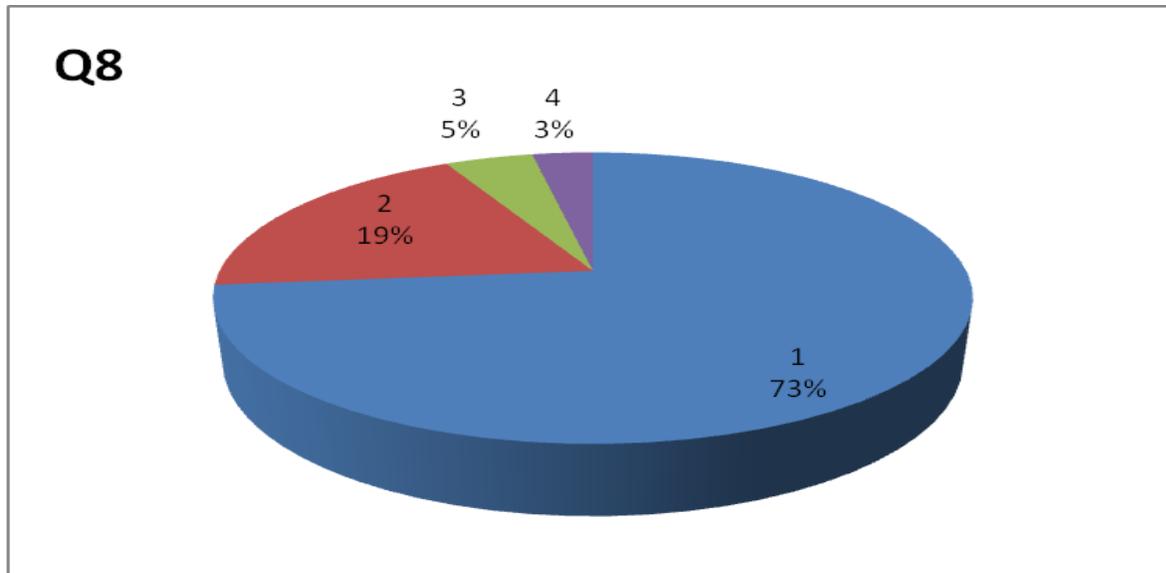


8. Regarding the evaluation of the brand, the question whether they think that products of popular brands are of different qualities from other unbranded products. Consumers often have opinions that the products of popular brands, unlike products with unfamiliar brands are with high quality and very expensive. This can be concluded from the results obtained from surveys, 73% or 1046 respondents felt that known brand products are with high quality and more expensive, 19% or 270 respondents think that they are with the same quality, no one thinks that they are with lower quality, 5% or 64 respondents think that they are with poorer quality, while 3% felt that the quality of products depends from the product itself.

**Table: 8 Do you think that branded products compared to products without brands are**

a) with higher quality	b) with similar quality	c) with lower quality	d) depends from the product	Total
1046	270	64	44	<b>1424</b>

**Chart 8 Do you think that branded products compared to products without brands are...?**

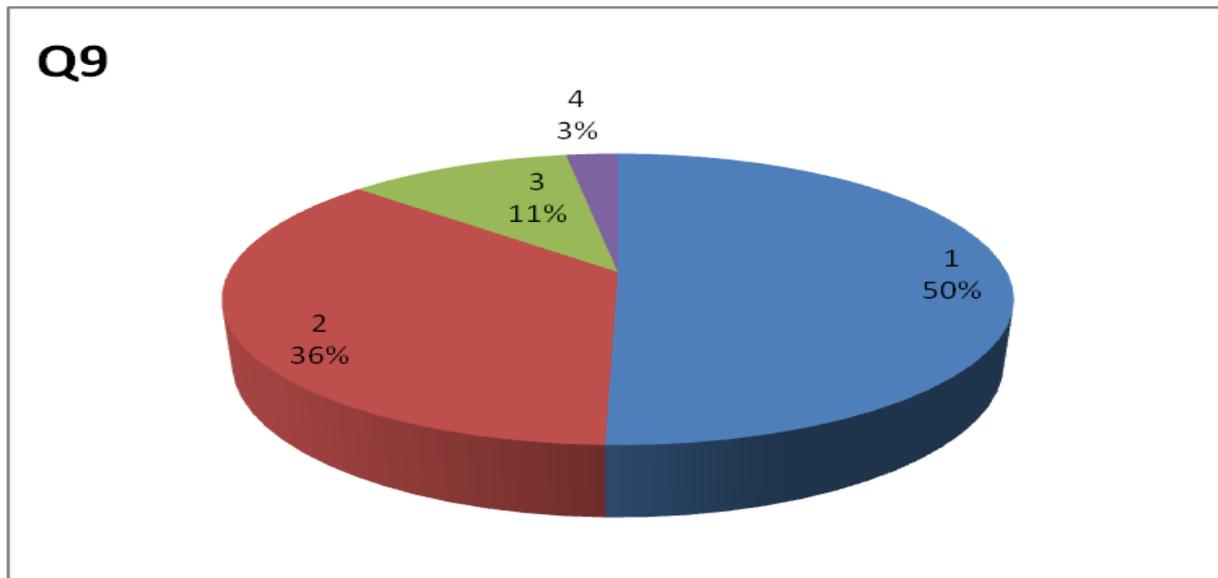


9. Concerning the question whether the price of well-known brand products are more expensive than other non brand products. 50% or 718 of respondents answered that they are more expensive, 36% or 514 respondents think they are relatively expensive, 11% or 156 respondents think that they are not very expensive, while 3% or 36 respondents felt that products of popular brands are not much more expensive products than no brand products. Therefore, we can conclude that most consumers think that products of popular brands are much more expensive than the unknown products.

**Table: 9 Do you think that branded products compared to non branded products are..?**

1) Far more expensive (718)	2) Relatively expensive ( 514)
3) Not so expensive (156)	4) not expensive (36)
Total=1424	

**Chart 9 Do you think that branded products compared to non branded products are**

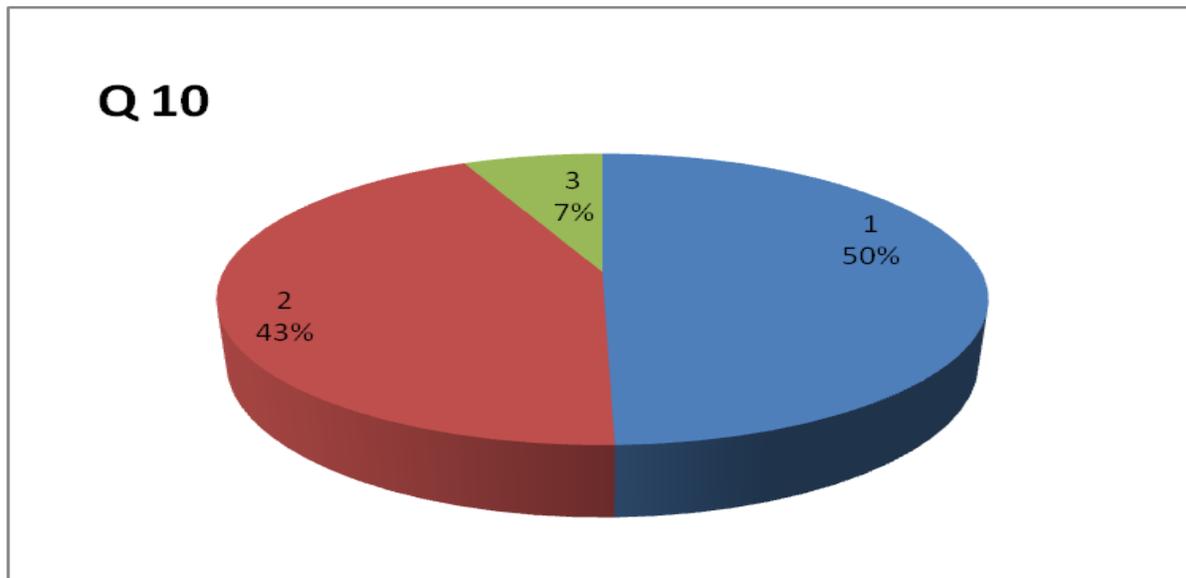


10. Concerning the question, whether the possession of a known product brand creates a higher status for the customers. The obtained results from this question show that 50% or 706 respondents having known brand products creates high status, compared to other customers in 618 respondents 43% does not create high status, while in 7% or 100 respondents sometimes creates high status, which means that brands do not create more influence in building a higher status to some customers.

**Table: 10 Tell us whether the possession of a branded product creates the feeling of a higher status?**

a) Yes	b) No	c) _____	Total:
706	618	100	1424

**Chart 10 Tell us whether the possession of a branded product creates the feeling of a higher status?**

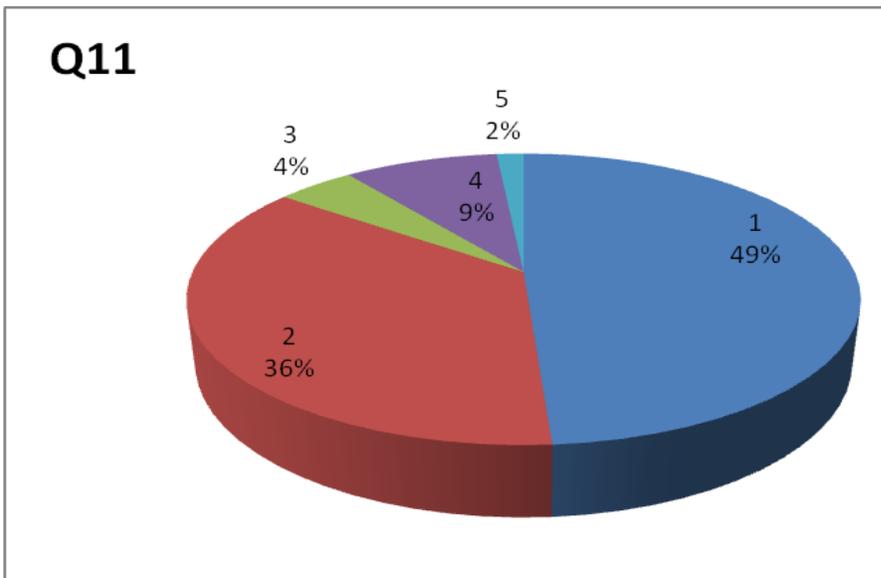


**11.** On the question of who can buy products with famous brand. This question is submitted with the aim of understanding of how consumers' income influences the increase of demand for products with popular brands. The results show that: 49% or 696 respondents felt that the famous brand products can be bought only by customers with a high income, 36% or 516 respondents felt that these types of products can be bought also by the consumers with medium-income, 4% or 64 respondents felt that these types of products consumers can be bought by the low-income as well, 11% or 148 respondents believe that all consumers can afford this type of products from known brands.

**Table: 11. Products with famous brands can be afforded by:**

1) high income 696	2) middle income 516	3) lower income 22	<b>Total</b>
4) all mentioned above 64	5) _____ 126		1424

**Chart 11 Products with famous brands can be afforded by**



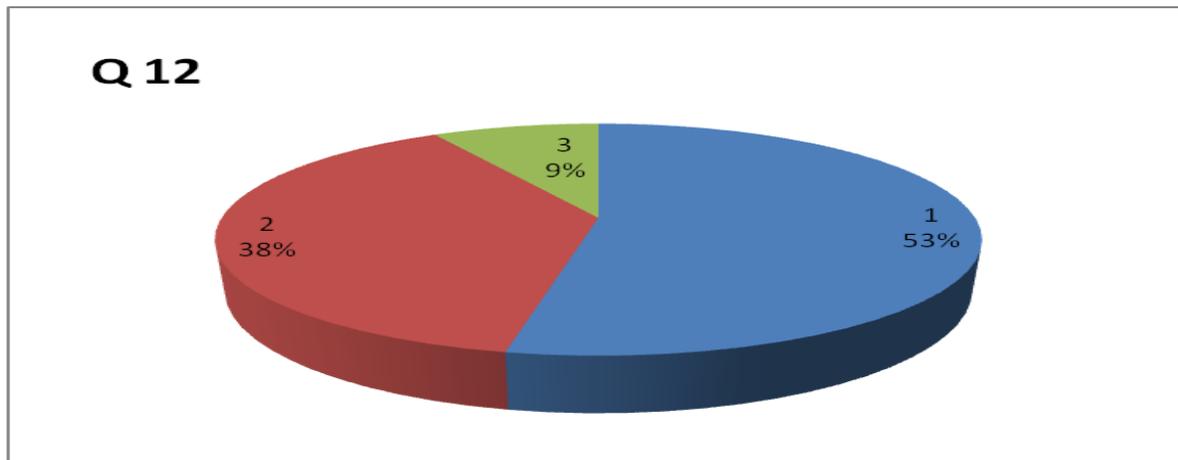
**12. Do you think that branded products facilitate the choice while buying products?**

We can conclude from the results concerning this question that brands facilitate the choice and the purchase of the product, because the majority of respondents answered positively about 53% or 758 respondents, 38% or 546 respondents had negative answer, while 3% or 120 of respondents are not sure whether it easy or not.

**Table: 12 Brands facilitating the choice**

1) Yes	758	2) No	546	3) 120 not sure	Total	1424
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**Chart 12 Brands facilitating the choice**

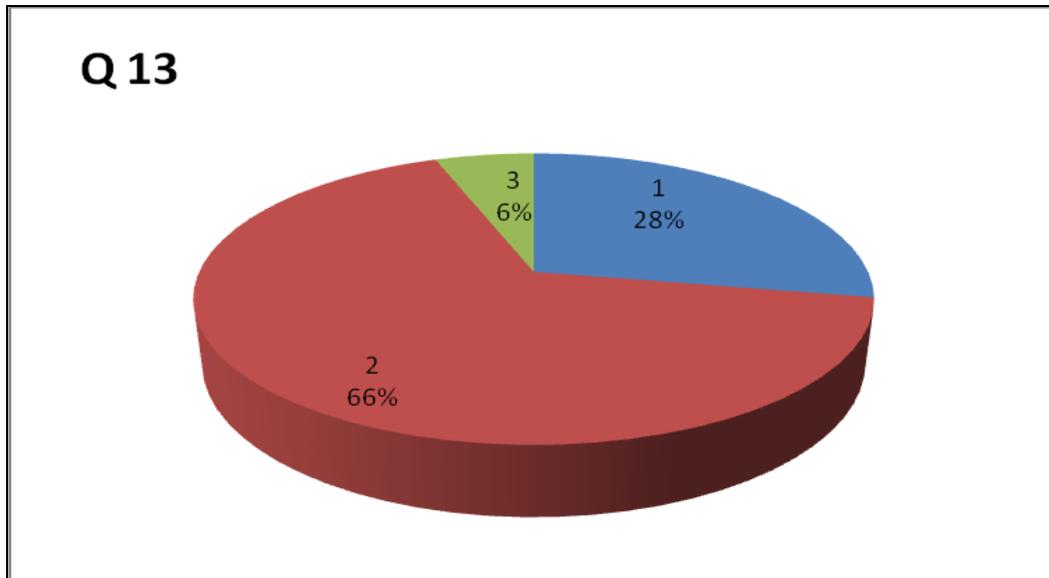


**13.** Concerning customer satisfaction with the quality of branded products, if customers were not satisfied with the quality of the product of a famous brand, would they continue to buy further just because of the brand is famous. Results, from this question are examined, because we think that while consumers are not satisfied with the quality of the product of a known brand, they do not continue to buy that brand, thinking that consumers during the buying process pay much more attention to the product rather than to the brand. But the results show something else, as 28% or 396 of respondents will continue to consume that product because of brand loyalty, 67% or 948 respondents will abandon that product, while 6% or 80 respondents are indifferent with the question.

**Table: 13** If you are not satisfied with the quality of a famous brand product, would you continue to buy that famous brand?

a) Yes	396	b) No	948	c) _____	80 indifferent	<b>Total: 1424</b>
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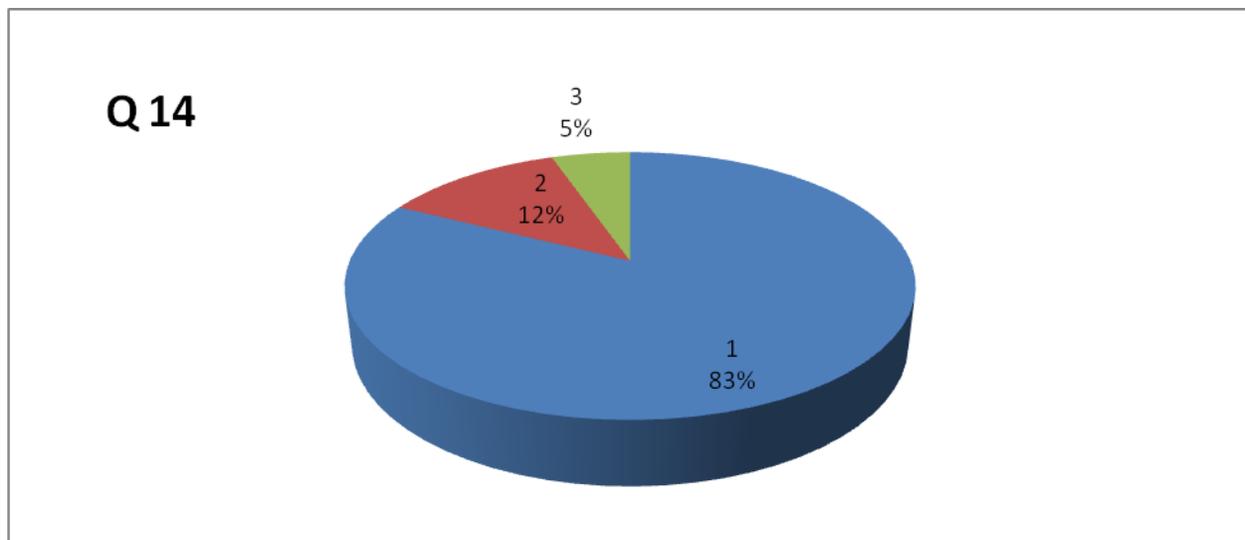
**Chart 13** If you are not satisfied with the quality of a famous brand product, would you continue to buy that famous brand?



**Table: 14** Are there fake of famous brands?

1) Yes	1174	2) No	174	3) _____	76	<b>Total: 1424</b>
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**Chart 14** Are there fake of famous brands?



14. When asked whether there are counterfeiting with branded products. The survey results show that 83% or 1174 of respondents state that there are counterfeited brands, 12% or 174 of respondents deny this phenomenon, and 5% or 76 of respondents think that maybe there are counterfeited brands but they are not sure.

## **Conclusions**

From the obtained results from the research carried out with 1424 respondents in Republic of Macedonia we can conclude that majority of respondents like international brands, especially younger generation who do not generate incomes, but whose desire is fulfilled by their family members. The research also revealed that many consumers buy products with brands that very often give to their relatives, because they think that the branded products are of higher quality and with higher prices. But, in the beginning they are drawn to the quality, then from price, and finally from the brand of the product.

50% of respondents think that buying branded products creates a feeling of higher status in comparison with others who do not think so.

We can also conclude that the brand itself facilitates the choice between products, but if the consumer is not satisfied with the quality of the product then the brand does not influence him/her for further purchasing of the same brand. But, a great number of loyal customers would continue to buy from the same brand, when most of customers would switch to other products thinking that those are fake products, as we saw from the obtained results from the research that 83% or 1174 of respondents think that there are fake brands of famous brands. A phenomenon that is also confirmed from the media and government institutions for permanent counterfeited international brands.

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