

## MARK - A PRIMARY ATTRIBUTES IN THE COMPANY

Corina MATEI-GHERMAN<sup>1</sup>, Vasile MATEI<sup>2</sup>

e-mail: corinavgherman@yahoo.com

### Abstract

Overall marks express the general architecture firm / organization / company relates to the market. There are four major types of architecture marks (Aaker, D., 2002) from the company / organization / company which is an umbrella for many brands for several companies operating until the company / organization / company itself which is a brand. Each of these four types of architecture, brand, brings benefits and risks with major implications for the survival of the market that brand because the brand can not be separated from the company in view of customers, it can affect the relationship with the consumers. Companies can change or modify the architecture brands by market requirements or when they deem it necessary. At the same time must remain open and flexible to the needs of consumers and brands to create new architectures more efficient and imaginative designs using different techniques. Most models for the analysis of portfolios of activities of firms have a number of limitations, which have prompted experts to challenge their practical relevance and applicability in a competitive environment imperfect and unstable, as in most markets. There are experts who believe that it is undeniable contribution of these methods to create a competitive analysis and decision algorithm and combat these methods do not understand the mission they have. The model asset portfolio analysis of a company can be in practice strategic benchmarks against which identifies concrete action directions competition but have a very mechanistic view of the competitive game and possible policy options.

**Key words:** brand architecture, strategy, patterns, competition and consumers.

A branding and brand strategy is based on well-built brand equity in the context of effective marketing communications and program strategy. A strong brand is an important asset, a significant competitive advantage; strategy adopted must ensure the development and efficient use of the mark.

### RESULTS AND DISCUSSION

Overall marks express the general architecture firm / organization / company relates to the market. There are four major types of architecture marks (Aaker D., 2002) from the company / organization / company which is an umbrella for many brands for several companies operating until the company / organization / company itself which is a brand. These four types of architecture are:

1. House brands;
2. Featured Brands;
3. Under Brands;
4. House branded.

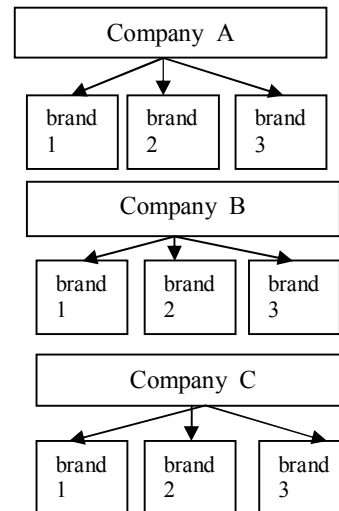


Figure 1 Architecture umbrella brand

This type of architecture allows a better identification of the brand for a company is a stock listed company, unlisted subsidiary companies cooperating with the bank and selling certain brands.

<sup>1</sup> Asociația Generală a Economistilor, Iasi

<sup>2</sup> S.C. Agicost S.A., Brăila

Recommended brands are those that a company sells without having relations with that company, but it uses the name or logo as a supporting element of "home" to have a safety in the minds of potential buyers, given name on packaging and in advertisements, highlighting the main brand.

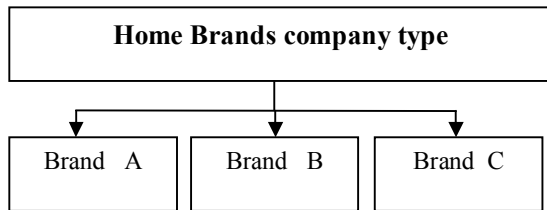
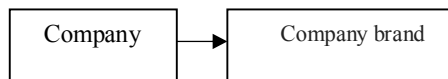


Figure 2 Umbrella brand architecture

Under Brands, is if the company itself is a brand sells its products under the same identity but under brands used to differentiate between the different production lines separated from each other structurally and financially. But this type of operation exposes the company to risk.

Branded home is where the company itself is the brand and the products / services are present in generic terms:



This brand brings the company full responsibility for maintaining and promoting the brand. Each of these four types of architecture, brand, brings benefits and risks with major implications for the survival of the market that brand because the brand can not be separated from the company in view of customers, it can affect the relationship with the consumers.

Companies can change or modify the architecture brands by market requirements or when they deem it necessary. At the same time must remain open and flexible to the needs of consumers and brands to create new architectures more efficient and imaginative.

Models currently existing strategic thinking for the longevity of a brand, a brand may endanger the existence of brands, if not used properly.

Brands should not have constraints or "bound" within the rules centric brand as "health" them may be affected.

Ansoff Matrix management is a key brand category. It is a structure for establishing a real strategy for market sizing and position the brand. Ansoff identified four options for business growth resulting from the combination of

existing products and services and new ones to existing markets, and new markets. Ansoff Matrix is a table that provides greater clarity on strategies with a higher or lower risk. According to this table, the safest strategy is to expand the existing market with existing products. In contrast, with the highest risk, are developing or getting new products to new markets.

M A R K E T S	We	Development market	Diversification
	Existing	Penetration on market	Development products
	Existing		We
	Products		

Source: Adapted after Pringle H., Field P., 2011

Withdrawal from the market one or more products is a rare strategy into reality. However there are situations when it is recommended decision for the company. It involves giving up a brand by selling it to another firm or sometimes may involve the sale of the entire business. It is a strategy often adopted by firms that have entered certain markets purely speculative or companies who have not achieved a turnover of enabling survival.

Strengthening position in the market is a strategy commonly adopted by companies that are represented stable market, even market leaders or leaders of major competitors in the market. Consolidation should be addressed according to the life cycle of the product and market.

Market penetration if we have a company that acts on the current market is reflected in the current product market developments and competitors position. Usually the current market penetration is if they are in a growth phase. If you already market is in a stage of

maturity that might be different, the company having difficulties as market leaders are very strong and in addition the same dynamic market knows no higher than in the past. If a declining market when the company can penetrate the market only "expense" of other competitors withdrawing from the market.

Developing new products for markets already firm/company acting is one of the most

used methods in business development. Companies/firms have R & D force can emitepretenții innovative market.

Developing markets refers to business strategy/company to refocus the current products in other markets - either local or developing markets fledged internationalization of business in the global market. Developing domestic markets Niche marketing requires specific actions. Internationalization refers to simple actions (export, distribution, foreign sales, etc.) Or complex (opening international branches, franchise business development etc.).

Boston Matrix invented in 1970 by Bruce Henderson of the Boston Consulting Group. Matrix Boston Consulting Group growth-share matrix or market groups existing activities in the portfolio of companies into four categories based on two criteria:

- The rate of market growth, showing the industry attractiveness;
- The relative share of the market (competitive position) held by a firm in the market. (Adapted from Sasu C., 2005).

		Relative market share	
		High	Reduced
Normal growth rate	20	<b>Stars</b> High profitability Large financial needs	<b>Dilemmas</b> Poor profitability Large financial needs
	0	<b>Dairy cows</b> High profitability Reduced financial needs	<b>Millstones</b> Poor profitability Reduced financial needs

Source: Matei, Gherman, C. 2010

From the perspective of BCG model, the main policy recommendations are:

Abandonment of the millstones or keeping them in their current position without making the investment;

The profitability of dairy cows so as to be able to continue to provide liquidity;

Depending on firm competencies, objectives and resource dilemmas, one can opt for the following strategy: abandon the work, increase the amount of the investment in an effort to turn them into leadership activities; market re-division and repositioning the company in relation to them (Ciobanu I., 1998).

Maintain leadership position to the stars, so the aging industry, they become cows.

A circuit suggests a market success of a product can be represented as (Crucieru A.F., 2006).

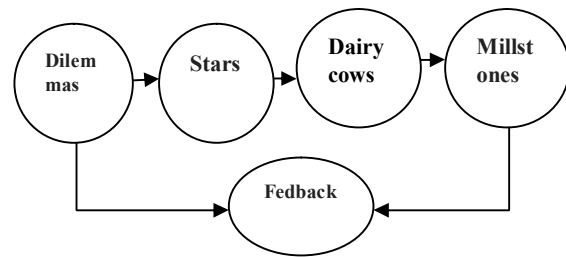


Figure 3 BCG matrix circuit

Present practical limits of this model:

- It is difficult to delimit fields identical for all competitors, which sometimes leads to a mistaken comparison;
- It is a statistical model, which tracks the evolution of competitive phenomenon and does not account for changes in the environment;
- Growth rate of the market has a different impact on profitability companies of the same size and financial flows;
- It is a quantitative model does not take into account the competitive variables such as quality, service, image, etc. strong competitive position of the firm does not automatically induce a return on all the activities that compose (Norman, Hart, 1998, pg.89.).
- Any theoretical model assumes perfect competition, which reduces the efficiency of the principles laid down strategic.

The managers must learn continuously in order to use in practice this model. The literature suggests (Jaba O., 1999).

- The model should be used to analyze competitors that previously identified strategic directions and objectives similar (focused on profitability and market share).

- The model is useful for plotting strategic directions of the business unit level for firms whose competitive advantage derives from the effect of experience;

- The model is useful for firms in product-market couples are well defined. Typically, confusions arise when a product is sold in several markets apparently homogeneous in terms of segmentation criteria chosen.

BCG matrix can undergo an adjustment intended to make it more useful analysis of the competitive process. The model can be combined with product life cycle, the business or view of evolution. Firms will need to consider the causes of failure from design, pricing, distribution mode, promotion techniques, target consumer segment characteristics, quality etc. In terms of profitability, activity take the following forms: dilemma, star, cash cow and millstone.

Signs question a weak brand	Stars upper trademarks recognized
dogs a moderate brand	Milking Cows brands that bring profit

Source: Adapted from Boston Consulting Group, 1970

Characterization of each type of activity may be associated with dynamic information on turnover, portfolio size, share advertising costs and distribution specific life cycle analysis of an activity or product.

But there was a new version of the BCG model, inspired by the work of Michael Porter. It introduced a new variable of the firm or strategic business can benefit premium differentiation. It is based on the principle that profit depends on two factors; price and cost, there are two ways to increase profits:

- To act on such costs: firms benefit from the effect of the activities of the experience (the problem of scale) can benefit from cheaper resources than competitors and can gain advantages in terms of cost;
- To have a first differentiation that consumers are willing to pay to obtain the desired products.

The premium varies according to the benefits they offer the product. So, is closely related to the essential factors that differentiate the product from competing products or substitutes (Luca P.G., Bacal L., 2003).

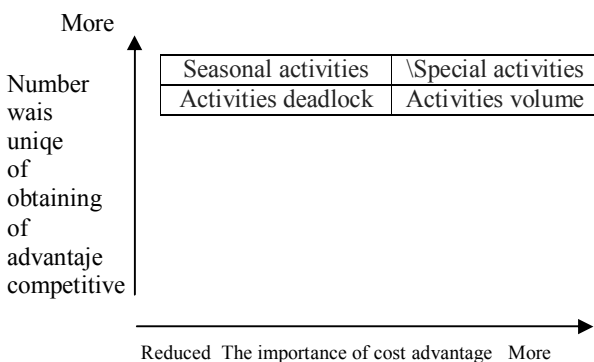


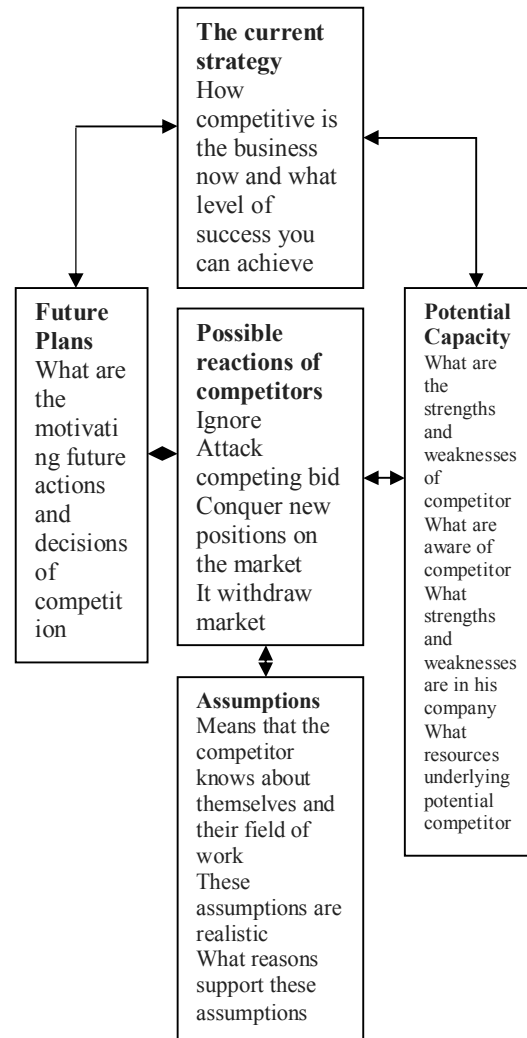
Figure 4 **New analysis matrix B.C.G**

This matrix has two dimensions corresponding to the two ways to increase profits above:

- On the abscissa, the importance of cost advantage: low - high;
- Ordinates, the number of unique ways to achieve competitive advantage (or first difference): low - many.

For volume-type activities, the effect of experience is important and significant cost advantage gives volume and price. It is the only category of activity or business where the market and profitability are closely related.

Specialized activities there are several sources of differentiation, allowing the creation of long-term strategic niches.



Adapted after Porter E. M., 2001.

Figure 5 **Porter's five forces**

Type activities impasse, neither volume nor differentiation does not provide a sustainable advantage decisively. Barriers to entry are low, the technology is readily available and profitability is low.

Seasonal activities, profitability is not disadvantaged by the market, but the size can be a negative source, if not multiplicative factors of differentiation and evolution.

Firms who want brands / brand to have longevity, you have to use the model of Porter's

five forces. It is a useful analytical tool for evaluating risks and opportunities.

But we must not forget the 4P model, product, price, placement, promotion. Most models for the analysis of portfolios of activities of firms have a number of limitations, which have prompted experts to challenge their practical relevance and applicability in a competitive environment imperfect and unstable, as in most markets. There are experts who believe that it is undeniable contribution of these methods to create a competitive analysis and decision algorithm and combat these methods do not understand the mission that they (Day, G. S., 1983, pp.51-58 ).

In conclusion, the analytical models of the brand / trademark practice benchmarks against Which May be Identifies strategic directions competition concrete action but have a very mechanistic view of the competitive game and Possible policy options.

## REFERENCES

- Boier A.R., Țimiraș C.,L., 2006** - *Cercetări de marketing*, Editura Performantica, Iași.
- Crucieru A.F., 2006** - *Marketing, strategii concurențiale*, Editura Universitară, București.
- Chiran A., Gîndu E., 2007** - *Marketing în agricultură*, Editura Alma Print, Galați, România,.
- Constantin M. et al, 1995** - *Marketing în agricultură*, Editura Didactică și Pedagogică, București, România.
- Donaldson B., 2001** - *Strategic marketing relationships*, Wiley, Chichester.
- Day G. S., 1983** - *Gaining Insights through Strategy*, Journal of Business Strategy, vol.4, nr.1.
- Elizabeth H., Tery O.S., 1996** - *Marketing*, Editura Antet, Oradea.
- Guy A., 1994** - *Marketing et action commerciale*, Editura Dunod, Paris.
- Guerguen N., 2007** - *Psihologia consumatorului*, Editura Polirom, Iași.
- Jaba O., 1999** - *Analiza strategică a întreprinderii*, Editura Sedcom Libris, Iași.
- Luca P.G.I., Bacali L., 2003** - *Managementul, Marketingului Ecologic*, Editura „Ghe.Asachi”, Iași.
- Matei Gherman C., 2010** - *Marketing Diferențiere și poziționare*, Editura Tehnopress, Iași.
- Matei Gherman C., 2014** - *Provocările cunoașterii*, Editura PIM, Iași.
- Matei V., 2012** - *Tendențe și particularități în distribuția produselor agroalimentare*, IEFS, Chișinău, Republica Moldova
- Norman H., 1998** - *Marketing strategic*, Editura Codecs, București.
- Porter E.M., 2001** - *Avantajul concurențial*, Editura Teora, București.
- Parpală O., 1995** - *Economia agriculturii sau Politica agrară la români*, Agroprint București.