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As a manuscript

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BRAND ORIENTATION OF RUSSIAN COMPANIES-PRODUCERS OF FOOD
PRODUCTS

PhD Dissertation Summary for the purpose of obtaining academic degree
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I. GENERAL CHARACTERISTICS OF THESIS RESEARCH

The relevance of research. In modern circumstances of economic development, the process of brand orientation formation is of high relevance since the constant improvement of production technologies forces companies to seek new sources of sustainable competitive advantage and focus on intangible assets among which significant place occupies a brand. The concept of brand orientation¹ builds all stages of the company's activities in accordance with the values of the brand, allowing on that basis to form sustainable competitive advantages of the company. At the same time, brand values are forming with confederation of the needs of various stakeholders, both external and internal, which is highly significant for food market companies, when several groups of stakeholders (employees, consumers, partners, retailers, suppliers of raw materials, means of production, etc.) are involved in the process of production and sale of products.

Food production in Russia is currently in the stage of active growth and over the past four years (after the introduction of the Russian food embargo) is one of the drivers of the agro-industrial complex². According to the researches of NRU HSE³, Russian food products for the range of positions have a competitive ability on the global market (for example, grain (wheat, barley), sunflower seeds, vegetable oil). Besides, the establishment of the Russian food embargo has led to the development of production and technological base, improving product quality, expanding the assortment and increasing the number of enterprises engaged in this industry.

International and domestic competition in the Russian food market is rapidly increasing. New brands appear, market conditions are changing significantly, market processes are accelerating and the level of uncertainty is growing. Increases the number of organizations, which products pass the research of quality control performing by “Roscontrol” and “Roskachestvo”, but at the same time food products have a narrow scope of differentiating characteristics and have a high level of similarity that encourages the attention of the companies-food producers to branding usage. At the same time, the

¹ Urde, M. Brand Orientation - A Strategy for Survival // Journal of Consumer Marketing. – 1994. –Vol. 11. – N 3. – P. 18-32.

² Data of RBC research «Production of food and beverages in Russia. Results of 2017».

³ Data from the document «Forecast of scientific and technological development of agro-industrial complex of Russian Federation until 2030 year».

introduction of the food embargo has caused the existing value chains in the Russian food market to be violated. Thus, Russian food companies faced the need to build new value chains, due to the consequences of the food embargo. In such circumstances, brand orientation becomes particularly important, since its realization the needs of several groups of stakeholders, both external and internal, are considered.

However, there are very few research in the academic literature on the mechanisms of implementing brand orientation in companies⁴. In addition, the Scopes of most of the existing studies on brand orientation are conducted on the basis of empirical data obtained in developed markets, such as, Australia, Finland, the UK, etc., therefore, the research on brand orientation in emerging markets becomes more important.

Thus, brand orientation is relevant both from a theoretical point of view, since there is a gap between theoretical models and mechanisms for implementing brand orientation in companies, and from a practical point of view, due to the lack of empirical research aimed at studying brand orientation in emerging markets.

The degree of the scientific development of the problem. The problems of brand development in the modern scientific literature remain relevant and are actively studied. In the works of foreign and Russian scientists, the issues of brand management are covered in details and the foundations of the modern theory of branding are formed. As the main works devoted to branding, are noted the works of both foreign: D. Aaker, J. Balmer, M. Beverland, R. Dokters, J-N. Kapferer, K. Keller, A. Krasnikov, M. McDonald, J. Murphy, L. de Chernathony etc., and Russian scientists: O. N. Alkanova, G. L. Bagiev, V. V. Gerasimenko, I. V. Groshev, E. A. Davidenko, V. N. Domnin, A. A. Krasnoslobodtcev, V. G. Kismereshkin, N. K. Moiseeva, N. N. Molchanova, M. M. Nazarov, M. S. Ochkovskaya, Y. K. Pirogova, E. I. Pochtar, I. Y. Rozhkov, K. L. Rozhkov, E. A. Rudaya, M. A. Rybalko, I. N. Skorobogatykh, S. A. Starov, O. A. Tretyak, etc.

The concept of brand orientation is revealed in the academic works of M. Anis-ur-Rehman, C. Baumgarth, K. Bridson, J. Evans, M. Ewing, J. Gromark, G. Hankinson, P. Hankinson, S. Hirvonen, C. King, T. Laukkanen, F. Melin, B. Merrilees, J. Napoli, H.

⁴ Anees-ur-Rehman, M., Wong, H., Hossain, M. The progression of brand orientation literature in twenty years: A systematic literature review // *Journal of Brand Management*. – 2016. – Vol. 23. – N.6. – P. 612-630.

Reijonen, H. Schmidt, S. Tuominen, M. Urde, H. Wong, etc. Scientists have different approaches to study the brand orientation from fundamentally different sides, including not only the basics of management, but also the theoretical approaches of other disciplines. In research of C. Baumgarth, H. Wong, M. Kim, B. Merrilees, S. Park, H. Reijonen, S. Hirvonen and H. Schmidt the problems of brand orientation effectiveness are discussed. C. Baumgarth, H. Reijonen, S. Hirvonen and H. Schmidt revealed the positive correlation between brand orientation and brand performance, at the same time H. Wong, M. Kim, B. Merrilees and S. Park, discovering relationships between brand orientation and company`s performance approved on empirical data that brand orientation had a positive impact on the company`s financial performance.

Emerging markets that are gained close attention among academic society impacted significantly the research in the field of marketing that led to the necessity to adapt the key marketing instruments to the emerging markets features. The questions of specificity of the emerging markets as well as the formation and development of the marketing instruments in them are examined in research of foreign: S. Burgess, G. Gao, T. Manolina, Y. Steenkamp, D. Tan, J. Tan, J. Seth, etc., and Russian researches: T. V. Vetrova, O. V. Gilakova, V. M. Panin, V. A. Rebiazina, M. M. Smirnova, O. A. Tretyak, etc. However, in both the foreign and Russian academic field, there is not enough research aimed at developing a mechanism for brand orientation realization in companies working on the emerging markets, including Russia.

The insufficient degree of scientific elaboration of mechanisms for the implementation of brand orientation, as well as the relevance of the problem for Russian food manufacturers led to the choice of the theme of the dissertation research, predetermining its main goal and objectives.

The research goal and tasks. The goal of the research is in the development of a mechanism of brand orientation realization in the Russian companies-food producers on the basis of an assessment of their level of brand orientation.

To achieve the goal of the research, the following tasks were set:

1. Identify the prerequisites of brand orientation formation as an independent concept in branding theory;

2. Develop classification of the existing approaches to brand orientation;
3. Identify the marketing features of the Russian food market;
4. Develop the scale of brand orientation in accordance with marketing features of Russian companies-food producers;
5. Highlight the features of brand orientation's appliance in Russian companies-producers of food products;
6. Develop practical recommendations for Russian companies-food producers on brand management.

The subject of the research is the techniques of brand orientation realization.

The object of the research is the activity of Russian companies-food producers on brand management.

The empirical object of the research: the Russian companies-food producers that sell their products under at least one brand.

Theoretical and methodological basis of the research. The theoretical base is based on the fundamental and applied works of leading Russian and foreign authors who have studied the theoretical foundations and practical features of strategic marketing, branding and brand management, as well as brand promotion: scientific articles, materials of scientific conferences and seminars. In preparation of the dissertation research were used General scientific methods: analysis, synthesis, induction, deduction, systematization, classification, comparison, comparison, formalization. In the analysis of secondary information was used meta-analysis, as well as methods of competitive and comparative analysis. During empirical study were used qualitative (in-depth interviews) and quantitative (survey) methods of marketing research. Graphical and tabular methods were used to present the results. The data obtained by the way of the empirical study was processed and analysed using the statistical package IBM SPSS 21 and the software product for building models of IBM SPSS 17 AMOS.

Information and empirical base of the research. Sources of information materials are published materials of academic research, research consulting companies (Nielsen, Deloitte, KMPG) and research groups (GFK, FOM), statistical data of ROSSTAT and analytical centres. Empirical base of the research is based on data obtained during a mixed-

empirical study of Russian companies, consisting of the qualitative method in – depth interviews (15 respondents, representatives of Russian companies-food producers) and quantitative survey (198 Russian companies-food producers, implementing the products even under one brand).

Scientific novelty of the research consists in the development of practical recommendations on the formation of brand orientation in Russian companies-food producers. The most significant results of the research characterizing scientific novelty can be formulated as follows:

1. The complex scale of brand orientation is tested on empirical data considering features of the Russian companies-food producers.
2. The typology of Russian companies-food producers based on the concept of brand orientation has been developed.
3. Practical recommendations on brand management for Russian companies-food producers from all four clusters.
4. The scheme of formation of brand orientation was developed and tested on the Russian companies-food producers.

Arguments of the research to be defended.

1. As a result of the analysis of brand orientation studies, a comprehensive definition of brand orientation was formed, reflecting the fact that the brand orientation has a complex essence, which includes strategy and tactics. The disadvantages of the current approaches to the definition of brand orientation are highlighted.
2. The brand orientation scale was developed and tested on empirical data considering the marketing features of Russian companies-food producers.
3. A typology of Russian companies-food producers based on the level of brand orientation has been developed.
4. Practical recommendations on brand management for companies of each of the four clusters identified as a result of empirical research have been developed.
5. A scheme has been developed that allows to form brand orientation in Russian food companies: the scheme is based on the process of strategic management, that consisted of four areas, namely, the analysis of the environment, the development of the strategy, its

implementation, as well as the evaluation of the strategy implementation. The scheme of brand orientation formation is an attempt to close the gap in research aimed on the development of brand orientation realization mechanisms.

Theoretical significance of the research. The theoretical significance of the thesis lies in the expansion, supplementation and systematization of the basic concepts in the developing scientific approach to brand orientation, the development of a comprehensive definition of brand orientation, the classification of characteristics of brand orientation, the typology of the companies that differ in their features of brand orientation realisation, as well as in the scale of measurement of brand orientation. The results of the study represent a theoretical contribution to the development of the definition and methods of measuring brand orientation. The results presented in the study can be used in the process of teaching the course "Branding" and "Strategies in management: Marketing strategies".

The practical significance of the research. The scheme of brand orientation's formation in the companies-food producers was developed as well as practical recommendations for brand management companies were given including an example of the corporate structure which was relevant for brand orientation realization. The obtained results can be used by different companies and marketing agencies in developing strategies brand management, its implementation, measuring the orientation of the brand, identifying the weak points of the strategy of brand management and identifying the approach orientation of the brand, implemented by the company.

Approbation of the research results. The main results of the dissertation research were discussed at the meetings of the HSE Department of strategic marketing and presented at Russian and international scientific events.

2017 – 22nd CBIM Academic Workshop 2017 (Stockholm, Sweden, June 2017);

2016 – 9-th Academic conference «Modern management: problems, hypotheses, research» (Moscow, Russia, NRU HSE, November 2016);

International Research Conference «GSOM Emerging Markets Conference-2016» (Saint Petersburg, Russia, HSM SPSU, October 2016);

32nd Annual IMP Conference (Poznan, Poland, August-September 2016);

XVII April international academic conference on the problems of economic and society development (Moscow, Russia, NRU HSE, April 2016);

2015 – Scientific seminar among young researchers in management supervised by Prof. Igor Filatotchev, Cass Business School, City University London, UK Prof. Roger Strange, University of Sussex, UK.

The logic and structure of the dissertation. The total volume of the thesis research is 231 pages. There are 54 tables and 14 figures presented in the research. The list of references includes 245 items, 207 of which are in English.

The purpose and objectives of the study determine the logic and structure of the work. The first chapter presents an analysis of the theoretical foundations of the concept of brand orientation; the main approaches to the definition of brand, branding, brand management and brand orientation; were found out the prerequisites for the formation of brand orientation concept; the place of brand orientation concept in the context of strategic orientations of companies was defined. In the second chapter of the dissertation were analysed the existing practice-theoretical models of brand orientation; identified the evolution of the concept of brand orientation; analysed model of brand orientation in the context of behavioural, philosophical, and hybrid (behavioural and philosophical) approaches; identified the characteristics of the orientation to the brand and formed their classification by type of use. In the third Chapter is presented the methodology of the empirical research on brand orientation; the basic approaches to the operationalization of the concept of brand orientation; were highlighted the features of Russian market of food products; was formed the design of empirical research orientation to a brand of Russian companies-producers of food products considering features of the Russian market of food products. In the fourth Chapter of the dissertation practical recommendations on the formation of brand orientation are formulated; the results of empirical research on brand orientation taking into account the marketing features of the Russian food market are presented; a comprehensive scale of brand orientation is formed taking into account the marketing features of Russian companies; the typology of companies based on the application of brand orientation is presented; the scheme of brand orientation in companies is defined.

II. ARGUMENTS OF THE RESEARCH TO BE DEFENDED

1. Comprehensive definition of brand orientation, reflecting the strategic and tactical components.

As a result of different definitions of brand orientation was proposed the author's definition of brand orientation. The basis for the formation was the meanings laid by the authors in determining the orientation of the brand. There are two groups of definitions that consider the tactical and strategic components of brand orientation. Besides, none of their groups limits the attention to the brand at the top management level, the groups are divided depending on the definition of the role of the concept of brand orientation within a particular organization.

It is common for all definitions of brand orientation that it is not enough to use only the marketing mix to develop and manage a successful brand. It is necessary to restructure the whole organization, change it and transform it in accordance with the values of the brand and bring its values to all employees of the company. Therefore, within the framework of brand orientation, brands become an integral part of the value proposition of the organization, while the concept of brand orientation itself is crucial for turning the brand into a strategic resource. Therefore, the definition of brand orientation solely as a strategy or tactics is not sufficient for the company, for successful functioning it is necessary to introduce brand orientation at both levels. Accordingly, it is about orientation to the brand in the companies within the integrated approach, when the brand orientation plays the strategic role. The definition of brand orientation was formulated within the complex approach of brand orientation. According to it, the orientation of the brand is the concept not only management the brand, but also the business, in which:

- brand identity is created as a result of the ongoing and long-term process of interaction of the company with external and internal stakeholders,
- brand management becomes the main activity of the company, in accordance with which other functions of the organization are built,
- the brand is a strategically important asset and a source of competitive advantage for the company.

2. The scale evaluating level of brand orientation developed with regard to the marketing characteristics of Russian companies-food producers.

To create an approach to operationalizing the concept of brand orientation, scales were taken as a basis, reflecting both philosophical and behavioural approach to brand orientation, namely: orientation to the brand of industrial companies; orientation to the brand of retail companies RBO; brand orientation in the branding of DBO destinations; brand orientation in the context of social entrepreneurship.

The indicators of the four selected scales were combined, and language duplicating the meanings of the previous ones was deleted. As a result, a scale of 37 indicators was formed. In order to form and test the scale of brand orientation measurement considering the peculiarities of Russian companies-food producers, a mixed type of research was used, which consists in step by step conduct of qualitative (in-depth interviews) and quantitative (online survey) research methods.

As a result of in-depth interviews with 15 employees of Russian companies-food producers working at the time of the study in the marketing or brand management departments, or being the General or Executive Director of the organization, were adjusted some definitions of several indicators, and 6 indicators were excluded. The resulting base of quantitative research was 198 completed questionnaires, the analysis of which was carried out by analysing the reliability of the scale based on the Cronbach's alpha coefficient, factor and cluster analyses. As a result, a scale of 15 indicators characterizing four factors was formed, namely: management, communications, competitive behaviour and internal branding (Table 1).

Table 1 – Results of explanatory factor analysis

Rotated matrix of components ^a	Component			
	Management	Communications	Competitive behaviour	Internal branding
18. We believe that branding is the responsibility of the whole organisation and not just marketing	0,818			
28. The brand is an important asset for our company	0,744			
1. In our company brand decisions are discussed and decided at the top management level	0,702			
16. Today, the development of a strong	0,643			

brand is our top priority				
4. We also invest in our brand in times of scarce financial resources	0,570			
6. In all brand communications, we pay explicit attention to the integration of all communication methods		0,801		
23. We ensure that the meaning of our brand is represented consistently in all internal and external marketing communication activities		0,670		
11. Our employees display visual branding elements during all partner contact		0,574		
25 Our brand campaigns focus on the communication of brand values		0,565		
22. Our brand communications are aimed at a wide range of audiences (not just consumers)		0,561		
12. We invest in image advertising			0,735	
14. We conduct regularly market research studies of our brand			0,691	
10. We check regularly whether or not our brand is different from the profiles of competing brands			0,518	
19. There is good communication between marketing and other departments as regards branding				0,755
26. We ensure that all staff are aware of our brand values and support them				0,610
Factor extraction method: principal components method. Rotation method: varimax with Kaiser normalization. a. The rotation converged in 13 iterations.				

The source: made by author

The result of the confirming factor analysis was a 4-factor model, the Chi-square value of which at p-value $\leq 0,05$ is 0,634, which is more than 0,05, respectively, the model was adopted (figure 1).

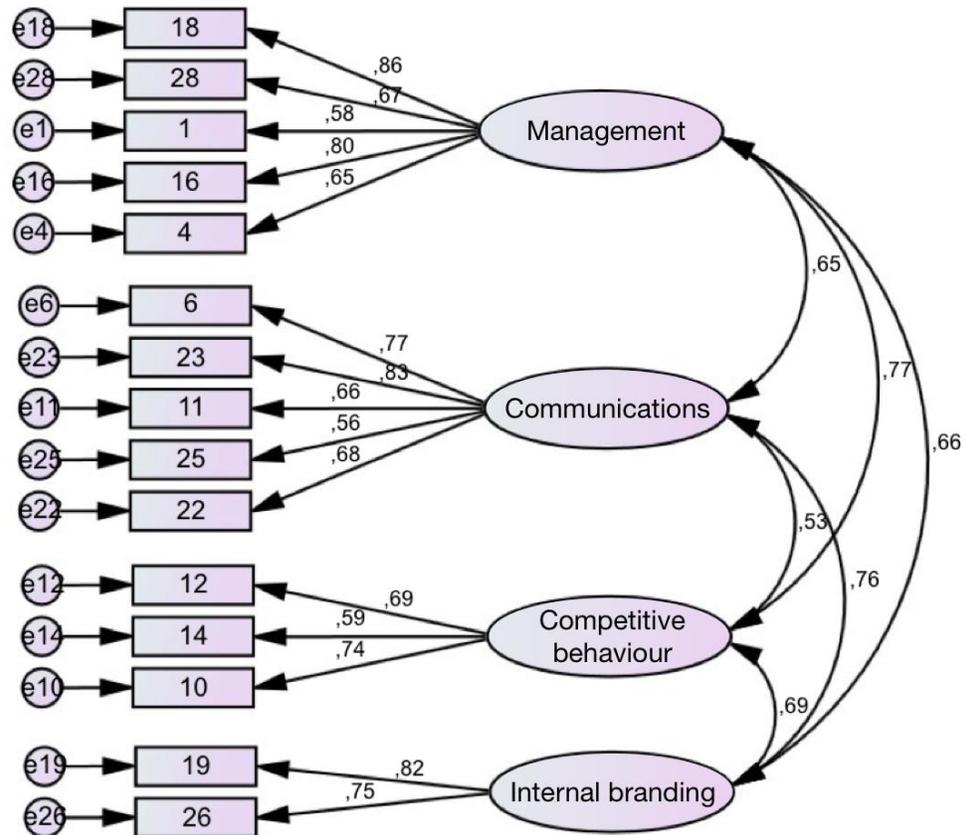


Figure 1 – The results of confirmatory factor analysis

Source: made by author

To confirm the high quality of compliance with the study data, tests were conducted: CFI, RMR, AGFI, RMSE. Since the obtained RMR is $0,093 < 0,1$, AGFI is $0,884 (> 0,8)$, and CFI is $0,919 (> 0,9)$, and RMSE is $0,106 (> 0,08)$, it is determined that the 4-factor model has an acceptable quality of compliance and can be accepted.

To determine the reliability of the model, the composite CR reliability index and the averaged extracted AVE variance are used to determine the validity. Since CR for each factor exceeded $0,8 (> 0,7)$ because in this study the same value was established for Cronbach's alpha), it was concluded that the model was of acceptable reliability. AVE for all four factors exceeds $0,5$, which reflects the validity of the developed model.

The resulting brand orientation scale correlates with the theoretical foundations of brand orientation (Table 2). Comparing the resulting scale with the definition of brand orientation, it can be seen that the scale translates and measures both components of brand

orientation, namely, strategy and tactics. The indicators included in the scale translate the tactical and strategic components of the brand orientation and combine the characteristics of both behavioural and philosophical approaches to the brand orientation.

Table 2 – Ratio of the developed scale to the theoretical basis of brand orientation

Factor's name	Indicator	Component of brand orientation	The approach to focus on the brand
Management	We believe that branding is the responsibility of the whole organisation and not just marketing	Strategy	A philosophical approach to focus on the brand
	The brand is an important asset for our company		
	In our company brand decisions are discussed and decided at the top management level		
	Today, the development of a strong brand is our top priority		
	We also invest in our brand in times of scarce financial resources		
Communications	In all brand communications, we pay explicit attention to the integration of all communication methods	Tactics	Behavioural approach to brand orientation
	We ensure that the meaning of our brand is represented consistently in all internal and external marketing communication activities		
	Our employees display visual branding elements during all partner contact		
	Our brand campaigns focus on the communication of brand values		
	Our brand communications are aimed at a wide range of audiences (not just consumers)		
Competitive behaviour	We invest in image advertising	Tactics	A philosophical approach to focus on the brand
	We conduct regularly market research studies of our brand		
	We check regularly whether or not our brand is different from the profiles of competing brands		
Internal branding	There is good communication between marketing and other departments as regards branding	Tactics	A philosophical approach to focus on the brand
	We ensure that all staff are aware of our brand values and support them	Strategy	

Source: made by author

The appliance of the developed scale will determine the level of brand orientation, as well as identify and analyse the strengths and weaknesses of both strategy and tactics of

brand management. In addition, the characteristics of the scale indicators can serve as a basis for comparing companies with competitors.

3. Typology of Russian companies-food producers, developed on the basis of the brand orientation.

As a result of cluster analysis, four clusters were identified, formed on the basis of the concept of brand orientation. The main characteristics of clusters are presented in the table (Table 3).

Table 3 – Characteristics of clusters

	High brand orientation	Middle brand orientation focused on communication	Low brand orientation focused on research	No brand orientation
Number of companies in cluster	45	49	69	35
Geography				
Moscow	46,7%	30,61%	49,28%	5,71%
Saint Petersburg	40,0%	32,65%	18,84%	14,29%
Novosibirsk	6,7%	6,12%	2,90%	2,86%
Krasnodar	6,7%	2,04%	1,45%	5,71%
Other cities	0,0%	28,57%	27,54%	71,43%
The origin of the capital of the company				
Only Russian capital	35,6%	81,63%	56,52%	80,00%
Russian and foreign capitals	64,4%	18,37%	43,48%	20,00%
Brand implementation of the company's offer				
Corporate brand	71,1%	26,53%	92,75%	91,43%
Product brand	13,3%	51,02%	1,45%	2,86%
Corporate and product brand	15,6%	22,45%	5,80%	5,71%
The example of the brand illustrated a cluster				
Brand	Brothers Cheburashkiny	Father Can	Miratorg	Red October

Source: made by author

The first cluster, defined as "**high brand orientation**", included companies whose representatives noted absolute agreement with almost all indicators of the scale. That is, in the organizations of this cluster, the brand orientation is embodied not only at the strategic level, but also at the tactical level. Accordingly, in such enterprises the brand, its meaning and values form the strategy of the company and at the same time on the basis of the

meaning and values of the brand all the activities of the company related to the functioning of the brand are developed.

The second cluster brings together companies with **middle brand orientation, focused on communication** of product characteristics. The feature of the group of companies in this cluster is the dominant role of communication activities.

Companies with low brand orientation focused on research have formed the third cluster, which is the largest in the sample of this study (34.85% of the total number of companies). The peculiarity of the companies in this cluster can be formulated as a constant, continuous monitoring of the market and the company's position in the market, as well as increased attention to analytics.

The fourth cluster brought together companies that are not characterized by a continuous approach to brand orientation. In this regard, the cluster was designated as **"no brand orientation"**. That is, companies united within the fourth cluster are characterized by the lack of a single brand management strategy, and that the activities associated with the brand are fragmented. That is why this cluster is characterised by unsystematic approach to brand orientation.

The place of the unsystematic approach in the classification of approaches to brand orientation is determined by the fact that it hides the potential for the development and strengthening of the brand in the market. Despite the lack of a clear brand management strategy, companies belonging to this type can build a business development strategy related to the brand and based on the decision on further actions in terms of brand management. That is, the company's business strategy will be based on the brand strategy. Thus, since the subsequent decisions of companies with a discrete approach to brand orientation will link the business strategy with the brand strategy, there is a potential transition of such companies to one of the other three clusters.

The main characteristics of the clusters, reflecting the peculiarities of the use of brand orientation by Russian companies-food producers, are presented in the table (Table 4).

Table 4 – Characteristics illustrating the features of clusters on the example of brands

Brand	Brothers Cheburashkiny	Farther can	Miratorg	Red October
Cluster	High brand	Middle brand	Low brand	No brand

	orientation	orientation focused on communication	orientation focused on research	orientation
Focus on brand management.	the company's activities are built around the brand; all processes are built in accordance with the meaning of the brand and its values	the name translates the idea of the brand; the management of the brand is to translate the ideas of the brand in various channels of communication	the company adheres to the approach to building the brand "outside-inside»; market analysis is aimed at finding opportunities to create a competitive advantage; the opportunities provided by the brand within the company are not used	brand is not a strategic asset; brand management takes place at the tactical level; brand management strategy not formed
Brand Identity	developed internally; represent at all levels of the company	Not developed	developed internally; has a nominal character, is not represented in communications	Not developed
Employees	share and represent brand identity in interactions with different stakeholders	represent the idea of the brand in communications with customers	employees do not share brand values	employees do not share brand values
Positioning	unique; different among competitors; based on rational and emotional values	unique; different among competitors; based on emotional values	Not unique; based on values common to the category	fuzzy; there is no unambiguous wording
Brand Values	combining rational and emotional values; combining values creates a unique offer	combining rational and emotional values; emotional values are unique, rational-common for the category	predominantly, rational; not unique to the market and common to the category	predominantly, rational; refer to the history and legend of the company
Communication	different methods are used; represent brand values equally and rational, and emotional; matched with each other and with the	different methods are used; represent idea of the brand; matched with each other and with the brand values	implemented, mainly at points of contact with own products; does not use the possibilities of communication in the space of	different communication activities; aligned with brand values; not agreed among themselves; associated with

	brand identity		retailers; represent brand values; aligned with brand values, but not aligned with each other; practically not used outside its own points of sale	current events (such as promotions) or historical events (such as holidays or anniversaries);
Visual identification	Represent values of the brand	represent idea of the brand	Represent common values for the category Focused on the identification among competitors	limited by logo; does not reflect the idea of the brand; focused on identity among the competitors
Evaluation of the activity	assessment of market and financial performance; a study on the compliance of the implemented actions to the values of the brand; internal audit of division of brand values by employees	assessment of market indicators; non-financial indicators of brand strength are not evaluated	assessment of market and financial performance; non-financial indicators of brand strength are not evaluated	the company does not use resources to check whether the brand is different from its competitors

Source: made by author

Cluster descriptions allow us to highlight the features associated with the brand activities of companies belonging to each of the four clusters. The selected characteristics provide an opportunity to understand one or another approach used in relation to the brand orientation, to identify problem areas and to formulate possible actions to overcome them.

The analysis allowed identifying the reasons for the divergence of the behaviour of companies included in the cluster analysis in different clusters. The identified causes are presented in the table (Table 5).

Table 5 – Reasons that determine the behaviour of companies in different clusters

Cluster	High brand orientation	Middle brand orientation focused on communication	Low brand orientation focused on research	No brand orientation
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Features of the cluster	functioning in the product markets, where the common practice of using various functions of branding; the importance of the brand is highly appreciated; there is an understanding of the strategic importance of the brand	highly competitive product categories; intensive communication activity of one semantic message (in different formats) is aimed at the formation of a certain image in the minds of consumers	operate mainly in b2b markets; sales of products under the corporate brand	the budget is aimed at improving the quality and development of distribution channels
Cluster constraints	high competition among homogeneous products contributes to the development of methods and tools to create a competitive advantage	the number of differentiating features is limited; there are no innovative technologies associated with the production and packaging of products or they are easily copied,	communications are reduced to the creation of a corporate website, participation in exhibitions and advertising in specialized publications; focus on the approach to building the brand from the outside-inside	tend to carry out certain activities in terms of brand management, rather than to create a long-term well-thought-out brand management strategy

Source: made by author

Each of the four clusters has some features and limitations, the totality of which determines the activities of the companies included in them. Depending on how the characteristics of clusters relate to the specifics of enterprises, further activities are built to achieve more successful positions in the market.

4. Practical recommendations on brand management for companies of each of the four clusters identified as a result of empirical research.

1. Companies of the first cluster build their activities on the basis of brand identity. That is, all the meanings that companies represent in communications are aimed at communicating and promoting the values of the brand. Accordingly, all direct and indirect interactions of the company with partners are focused on the brand identity. Therefore, companies should:

- a) constantly monitor the coherence of the messages communicated to different audiences through different communication channels (form key

performance indicators that reflect the coherence and relevance of the messages for main stakeholders);

- b) constantly interact with partners, identifying and accumulating information about the consumer behaviour characteristics and the values of different stakeholders (depending on the stakeholders' specific features it is needed to define the frequency and conduct research aimed at identifying the hidden needs and its changes, as well as to use systems that allow unambiguously correlate the information received with the existing data and constantly trace the differences);
- c) inform the whole company's personnel about the brand identity (use internal communication tools to educate and spread brand identity).

2. The feature of this type of companies is the intensive use of the branding communication function. At the same time, the communication component is sufficiently developed: integration of various communication channels is implemented, and communication messages are directed to different stakeholders. Accordingly, it is necessary to adjust the activity in such a way that communications work to strengthen the brand and increase its effectiveness. The companies should:

- a) develop a core and extended brand identity based on the results of the study aimed at the identification of the key external and internal stakeholders needs;
- b) bring all internal and external communications in line with the developed brand identity;
- c) align the business strategy with the brand management strategy and build a relevant organizational structure to accelerate communications within departments and interactions with senior management;
- d) involve a cross-functional team consisting of the specialists from key departments of the company in the implementation of the brand management strategy.

3. The companies of the third cluster understand the importance of the brand, perceive it as a valuable asset, study the situation on the market and analyse the competitive

position of the brand, but do not take practically any actions to promote their brand neither among external nor internal stakeholders. Thus, it's necessary:

- a) form the core identity of the brand, giving it a unique value for external and internal stakeholders (that is why the search for insights should be carried out by analysing not only the market, but also the brand and the company itself, that means, directly among the company's employees);
- b) form the expanded brand identity, focusing on the direction that is more relevant to the company;
- c) align the company's managing activities with the extended brand identity – instruct the key employees of various departments in the extended brand identity in order to coordinate the activities of the departments in accordance with the values of the brand;
- d) involve all employees of the company in the process of the realization of the brand management strategy, forming an organizational culture that stimulates the spread of brand values and commitment to them.

4. The fourth type of company is determined by unsystematic brand management. Brand management activity is reduced to displaying the visual component of the brand. Companies use to identify visual elements, not communicating on the certain points. Thus, all that stands behind the brand in the minds of stakeholders are associations with visual brand identifiers. Accordingly, companies should:

- a) define the nature of the partners` relationships to the visual elements of the brand (if the associations are negative – it is needed to abandon their further use), if the visual elements cause positive associations, companies should use them further;
- b) on the basis of added value for stakeholders develop the identity of the brand (conduct a study of different stakeholders and highlight their needs, on the basis of which additional value could be formed);
- c) bring the visual elements in line with the brand identity (eliminate the discrepancy between the semantic and visual elements of the brand).

The fourth type of companies has the potential to form a brand orientation. Despite the lack of a clear brand management strategy and the meanings inherent in the brand, companies belonging to this type can build a business development strategy based on the concept of brand orientation.

On the example of the company from the first cluster, the organizational structure necessary for the brand orientation realization is formed. The most relevant type of organizational structure that allows building a company around the brand is the team organizational structure, within which a cross-functional brand management team is formed. Since such teams are formed of specialists from different departments of the company it allows to use different skills of employees with different kinds of work experience to solve common problems, and also allows to accelerate the process of identifying changes in the needs of different stakeholders. It is important to note that the cross-functional team is formed to implement brand management activities, while the other departments remain in line with the functional organizational structure. In other words, the cross-functional team in the realization of brand orientation aims to develop a business strategy in accordance with the brand, and then build the functioning of all the departments in accordance with the developed strategy and instruct employees in brand identity. Thus, the proposed organizational structure is as follows (figure 2).

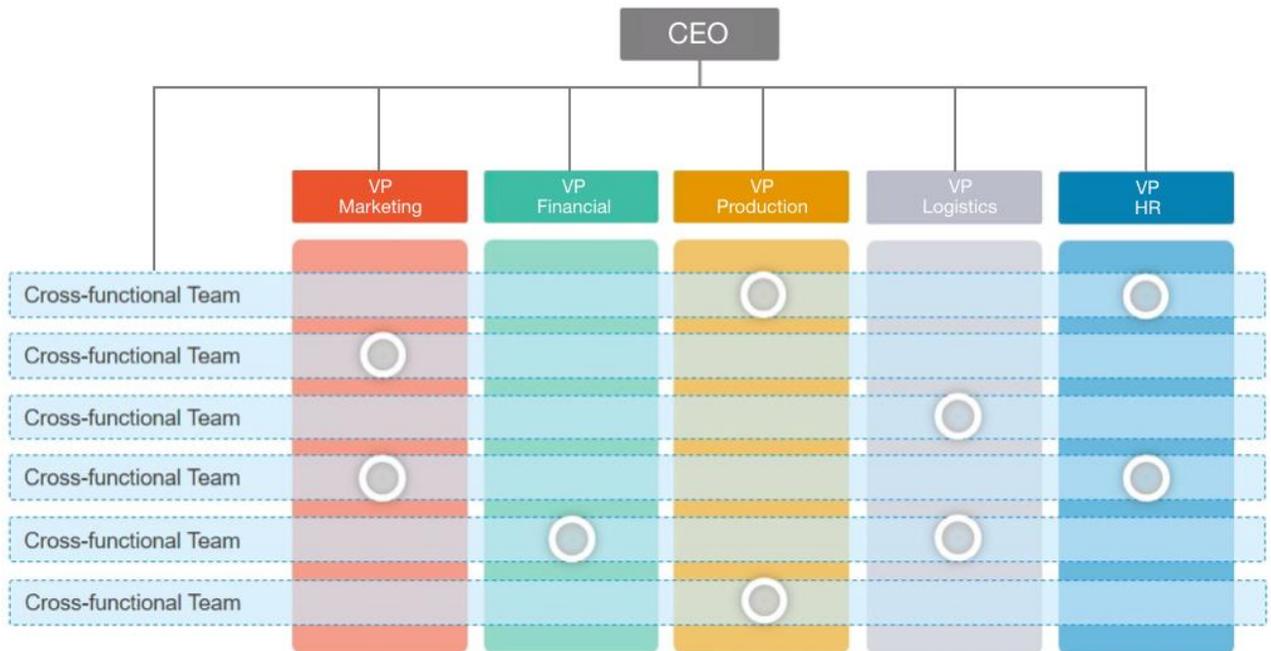


Figure 2 – Organizational structure for brand orientation realization
Source: made by author

As it can be seen from the figure, the cross-functional team is formed of employees with competencies of different functional departments and is characterized by different levels of work experience. As part of the brand orientation realization, the cross-functional team becomes a full-fledged division of the company, which operates constantly, and its employees perform tasks assigned to the team, not to different departments. In addition, employees that form a cross-functional team could be replaced by both external and internal applicants. Regarding the interaction among cross-functional teams and the other departments, it can be carried out with heads of departments or any other employee of the department, keeping in mind that the key link between the department and the team is a team member with department appropriate expertise.

In the case of brand orientation, one of the functional directions of a cross-functional team is brand identity instruction, which stimulates the spread of information within the company and accelerates the speed of processes implementation. It is important to note that one of the disadvantages of the team organizational structure, which consists in the possibility of conflicts of team decisions with the interests of the departments and the

organization as a whole, is less applicable for companies realizing brand orientation, because the brand acts as a unifying element and all the goals of the organization and all departments formed in accordance with brand identity. The company's business strategy forms in accordance with the brand management strategy, and the process of its formation includes the company's top management and the cross-functional team. Cross-functional teams interact directly with the top management of the company, forming tasks in accordance with the brand strategy.

5. The scheme of formation of brand orientation in Russian companies-food producers.

Comparing the results of the qualitative and quantitative phases of empirical research orientation to the brand, considering features of the Russian food market with the theoretical basics of positioning for the brand, was formed and tested scheme for the formation of orientation to the brand in the Russian companies-food producers (figure 3).

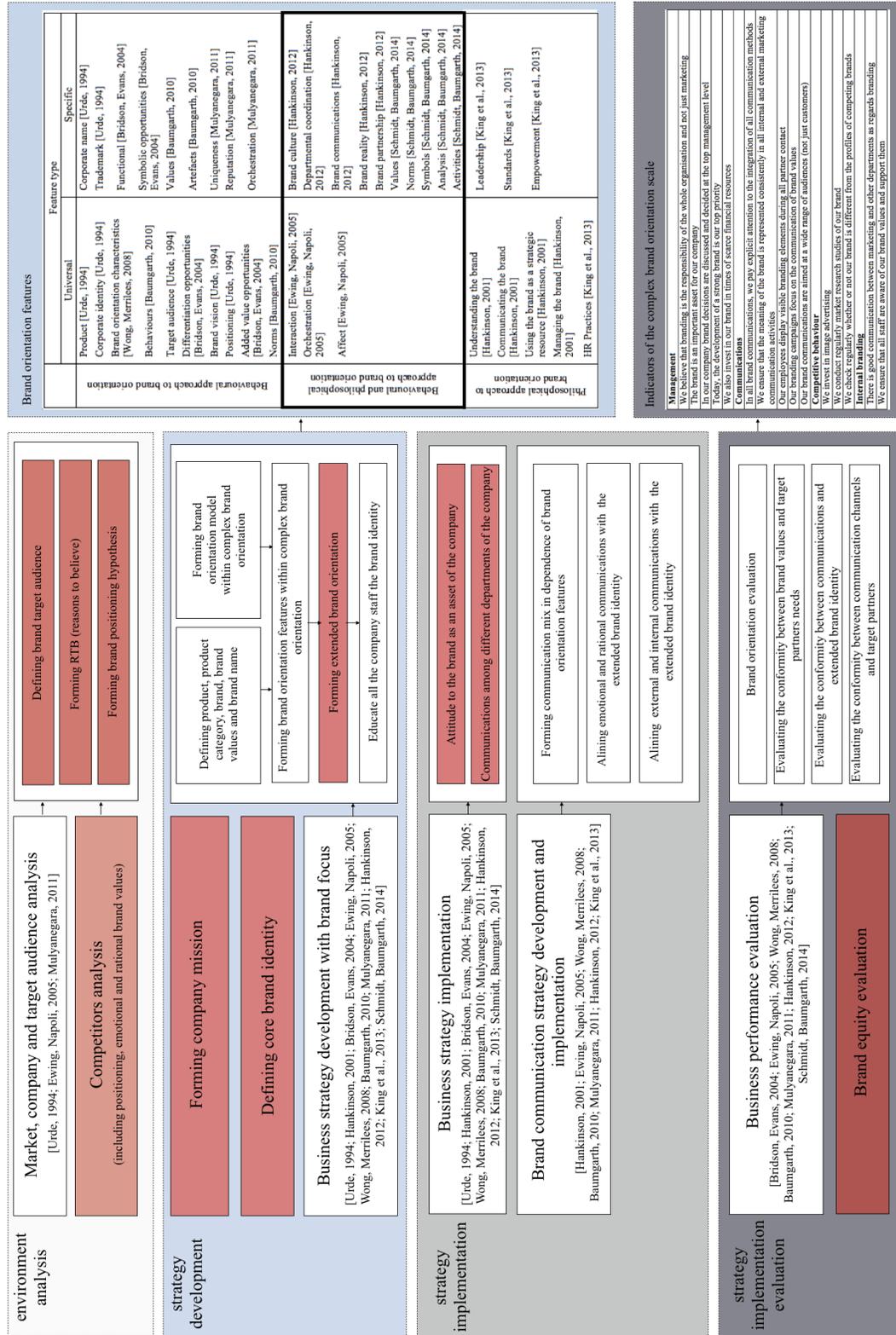


Figure 3 – The scheme of formation of brand orientation
Source: made by author

The basis of the scheme of formation of brand orientation in Russian companies-food producers is the process of strategic management, which defines four stages: analysis of the environment, strategy development, its implementation, as well as evaluation of strategy implementation. At the same time, the content of each stage is specific and requires special tools that have also been developed in the work (classification of characteristics of brand orientation; scale of brand orientation). The developed scheme clearly describes the list of principles and actions necessary for the formation of brand orientation and gives an idea of what activities of the company will affect the implementation of brand orientation. In this case, the scheme is cyclical, that is, the results of the fourth stage are correlated with the company's goals and return to the first stage of the formation of brand orientation.

The first stage of the formation of brand orientation in the company is the analysis of the market, the company and the target audience, as well as the analysis of competitors, which is considered as a separate area because it involves a deeper analysis of competitors' brands. The purpose of the stage is to form an understanding of the special features of the market, the specifics of the companies' supply on it, the characteristics of the demand of different stakeholders and the company's capabilities in creating the offer. The result of this stage should be a map of the positioning of different companies in the market, the features of different groups of stakeholders, the hypothesis of positioning, as well as a list of the real advantages of the company, through which the company will be able to provide functional and emotional benefits.

Developing a company strategy with a focus on the brand involves aligning the company's activities on the basis of the company's goals and core brand identity. That is, the developed strategy is aimed at achieving the company's goals, but in the context of the core brand identity. The model of brand orientation and its characteristics is determined, the choice of which is based on the core brand identity, mission and goal of the company. And already on the basis of the characteristics it is possible to form an extended brand identity. Thus, at this stage, all activities that are necessary for the company to achieve its goals are formed, while the model and characteristics of the brand orientation are formed depending on the designated areas of activity and, accordingly, the extended identity acts as a combination of the strategic goals of the company and the core brand identity.

Since all activities of the organization, one way or another, are associated with the brand, it is necessary that all employees are aware of the meaning and values of the brand, so you should train the entire staff of the company brand identity. Besides the fact that the knowledge of brand identity helps employees to adjust their activities, it also contributes to the promotion of the company's brand, as employees in contact with stakeholders, act as bearers of the brand, reflecting its values.

The third stage is focused directly on the implementation of the strategy and is divided into two areas. The first refers to the implementation of the company's business strategy, which was developed in accordance with the core brand identity. Therefore, for its implementation, it is necessary to form an attitude to the brand within the organization as a valuable asset and achieve active interaction between different departments of the company. The second direction refers to the communication strategy, which is important for the formation of brand orientation, since communication means all brand activities at all points of contact, capable of forming a certain attitude to the brand among different stakeholders. It is important to note that the coordination of external and internal communications considers not only the correspondence of messages of external and internal communications of the company, as well as communications through various channels, but also the correspondence of all communications messages extended brand identity.

The fourth stage refers to the evaluation of the strategy implementation and is defined as: evaluation of the strategy implementation and evaluation of the brand capital. The second direction is important because it allows you to track the implementation of the activities carried out in the financial plan and to correlate the company's goals with the financial results of the brand. The evaluation strategy involves the measurement of the orientation to the brand, i.e. brand management from the perspective of the philosophical and behavioural approaches and their harmonious Union in the organization by using a designed scale. This stage is of strategic importance, as it is the basis of brand orientation, reflecting the essence of "measurement" through the indicators of the brand orientation measurement scale. In addition, the "assessment" stage allows you to identify different kinds of gaps in brand management and adjust them, referring, if necessary, to the first stage. Thus, the stages of forming the concept of brand orientation in companies are cyclical.

III. THE MAIN CONCLUSIONS OF THE RESEARCH

The results of the research confirm the theoretical abstracts on the formation of brand orientation, set out in the research, and the validity of the use of brand orientation by food producers.

1. Critical analysis of the literature allowed defining the basic concepts of brand orientation. The brand was defined as a unique and relevant set of values (functional, emotional, and symbolic) formed in the creation of various stakeholders, which is highly relevant to the needs of stakeholders. The concept of branding includes all the activities of the organization in terms of the creation, development, management and communication of the brand, as well as administrative and organizational activities related to the functioning of the brand in the company and in the market. Brand management is defined as administrative and economic activity on creation and management of a brand. Brand orientation is a concept of managing not only the brand, but also the business, within which:

- brand identity is created as a result of the ongoing and long-term process of interaction of the company with external and internal stakeholders,
- brand management becomes the main activity of the company, in accordance with which other functions of the organization are built,
- the brand is a strategically important asset and a source of competitive advantage for the company

As the main prerequisites for the formation of the concept of brand orientation were identified as: changing market conditions; development of ideas of the relational paradigm and the expansion of the functional component of branding. It was determined that brand orientation is a concept formed as a result of the transition from the focus on the product to the focus on the brand. In addition, the focus on the brand represents a comprehensive approach to the management of the brand, not limited to the creation and brand communication, and providing a specific framework within which to develop a strategy for brand management.

2. As a result of meta-analysis of materials on brand orientation models, a classification of brand orientation characteristics was developed, in which differentiation was based on two parameters, namely: the type of characteristic (universal, specific) and the approach to brand

orientation (behavioural, philosophical, behavioural and philosophical). Highlighted signs that allow defining a focused and integrated model of orientation to the brand.

3. It was found that the main models of brand orientation and scale formed on these models cover a different range of meanings that translate the characteristics of brand orientation. As a result of the analysis of the meanings inherent in the model and scale, formed on the basis of a model, it was determined that none of the main models reflect the complex nature of brand orientation.

4. The analysis of materials on the part of the characteristics of the Russian market of food products allowed determining how to change the situation on the Russian market after the introduction of the food embargo. It was revealed a change in the Russian scheme of food imports, changes in competition in the Russian market, determined the levels of competition and highlighted the change in the list of suppliers of goods under the food embargo.

5. As a result of the empirical research, a brand orientation scale was developed considering the characteristics of the Russian food market. The results of the qualitative part of the study, the wording of the indicators was adapted to Russian specifics, and also reveals the understanding of the representatives of Russian companies-food producers on the part of the: orientation to the brand; the advantages of using the concept of orientation for the brand; brand communication and business objectives of the organization; the identity of the brand and the role of communications. As a result of explanatory and confirming factor analysis, a brand orientation scale was formed, consisting of 15 indicators characterizing 4 factors: management, communication, competitive behaviour, internal branding.

6. Developed as a result of cluster analysis typology of companies based on approaches to brand orientation allowed to identify and describe in detail the four groups of companies that differ depending on the focus of activities on brand management. Selected groups of companies were identified as: companies intuitively using brand orientation; companies focused on communications; companies focused on research; companies with a discrete approach to brand orientation. The scheme of formation of brand orientation in companies was formed.

IV. PUBLISHED PAPERS

Papers published by the author in leading peer-reviewed scientific journals out of the list prepared by NRU HSE:

1. Kusraeva O. A. Brand orientation: the construct and position in marketing theory // Herald of the St. Petersburg University. Series 8. Management. – 2018. – Vol. 17. – N. 4. – P. 611 – 638. – 2 p.s.
2. Kusraeva O. A. Specific features of business models in Russian agribusiness companies // EKO. – 2017. – N. 1. – P. 63 – 71. – 0,5 p.s.
3. Kusraeva O. A. Contemporary branding theory: division of approaches according to functional perspective // Herald of the St. Petersburg University. Series 8. Management. – 2017. – Vol. 16. – N. 1. – P. 69 – 91. – 1,4 p.s.

Other works published by the author in scientific journals on the topic of dissertational research:

1. Kusraeva O. A. Russian market of agricultural products: branding opportunities for producers // Proceedings of Gorsky State Agrarian University Journal. – 2015. – Vol. 52. – N. 4. – P. 280 – 284. – 0,4 p.s.
2. Kusraeva O. A. Specific Features of the Relationships in Russian Agribusiness Caused by Food Embargo / In: GSOM Emerging Markets Conference. St. Petersburg: Graduate School of Management, St. Petersburg State University. – 2016. – P. 211 – 213. – 0,05 p.s.
3. Kusraeva O. A. Specific Features of the Relationships in Russian Agribusiness Caused by Food Embargo // 32nd Annual IMP conference: Poznan University of Economics and Business. – 2016. – P. 27 – 28. – 0,05 p.s.