

UDC 339.138

JEL Classification: M31

Oleksandr Zozul`ov*Ph.D., Professor, Professor of Industrial Marketing Department***Maria Globa****Ievgen Gnitetskyi***Ph.D., Senior Lecturer of Industrial Marketing Department**National Technical University of Ukraine "Igor Sikorsky Kyiv Polytechnic Institute"
(Kyiv, Ukraine)*

BRAND AUDIT: TYPES, APPROACHES, METHODOLOGIES

The paper examines approaches to defining the concept of "brand audit", areas of brand audit, types of brand audit, and the subject of brand audit according to the approach, methodology and model of a brand audit. The relevance of the research topic is due to the formation of the brand as the most valuable asset of the company. The brand audit appears as a preparatory step to develop or adjust brand positioning, refine its development strategy, and a tool for a comprehensive review of a brand or a system for monitoring its health and effectiveness. The result of the study is a composition of approaches to the definition of "brand audit", which are managerial, competitive, procedural and economic-managerial approaches; development of the brand audit process, which considers two areas: internal and external environment; determination of the type and the area of a brand audit.

Keywords: brand, brand audit, branding, methodology of brand audit, adjustment of brand positioning.

DOI: 10.15276/mdt.6.2.2022.7

Statement of the problem in general form and it's connection with important scientific or practical tasks. At the end of the XX century and at the beginning of the XXI century, the idea of brands could be identified as the hottest marketing trend.

The renowned phrase of advertising research specialist Larry Light in his interview with the Journal of Advertising Research, quoted in David Aaker's book, says: "The marketing battle will be a battle of brands, a competition for brand dominance. Business and investors recognize brands as the company's most valuable assets. This is a critical concept. It is a vision of how to develop, strengthen, protect and manage business. It will be more important to own markets than to own factories.

The only way to own markets is to own market-dominant brands". Indeed, there are several strategic assets available to any company that can give it a long-term competitive advantage. Brand is one of such assets. Creating a brand as a strategic asset requires significant amount of time and considerable management effort.

Branding is becoming a top priority for managers in all segments of the market: high technology, consumer goods, utilities, components, services, B2B interaction, pharmaceutical laboratories, non-governmental and non-profit organizations [1,2,3,4,10,11,16,20,26,32].

© 2022 The Authors. This is an open access article under the CC BY license
(<http://creativecommons.org/licenses/by/4.0>)

Analysis of the latest research and publications, which initiated the solution of this problem and on which the author relies. After studying the concept of "brand", it becomes clear how the understanding of the concept changes over time: from a legal category denoting a set of characteristics such as name, design, manufacturer, etc. to increasing integration into the concept of the ideological nature of the brand, its connection with consumer consciousness. More and more authors, defining the concept of "brand", emphasize the unique characteristics of the product that differentiate it from competitors in the minds of consumers. Having begun to note the role of the consumer, his perception, the associations formed in his mind, scientists recognize that this consciousness is the place where the brand exists. Their concepts are united in the fact that although the brand is inseparable from the material component of the product, there is essentially an ideological, intangible "superstructure" over it.

Highlighting the previously unresolved parts of the general problem to which the article is devoted. At the same time, the aspect of profitability and market power is often unfairly ignored. A brand that is not able to make a profit (regardless of how it is perceived by consumers) remains just a name.

Having identified common characteristics in the definitions given by different authors, we can describe several approaches to the definition of "brand", listed in table 1.

Table 1 – Approaches to the definition of "brand"

Approach	Generalized definition	Authors
Juristical	A brand is a name, term, design, symbol, or any other characteristic (or combination thereof) that identifies a product or service of a particular manufacturer and distinguishes it from the products and services of other manufacturers.	American Marketing Association (AMA), Kotler F. [4]
Economic	A brand is an intangible asset, a differentiated trademark, which in the minds of consumers is associated with certain advantages or benefits and is characterized by a certain level of customer loyalty.	Starostina A.O., Dowling G., Balabanova L.V. [12], [15], [5]
Managerial	A brand is a management tool that can be used to manage the work of the entire organization, the basis for strengthening the company's competitive position in the market.	Aaker. D., Zozulov O.V. [3], [32]
Instrumental	A brand is a set of objective and virtual parameters that combines the real characteristics of the product and its subjective imprint on the minds of consumers, provides a connection between the manufacturer and the consumer group.	Romat E.V., Temporal P., Studinska G.Y. [29], [30], [31]
Behavioral	A brand is a name that brings a certain added value of a product to the minds of consumers, which can meet certain needs, and becomes a criterion for purchase.	Kapferer J.-N., Jones J. [18], [19]

Table continued 1

Conative	A brand is a set of ideas, concepts and associations that arise in the minds of consumers or that are implanted in the consumers' heads.	Rice E., Keller K. L., Jevons K. [17], [20], [28]
Emotional	A brand is a consistent set of functional, emotional, psychological and social promises to the target consumer that are unique and meaningful to them and best meet their needs and are proven by product testing, repeat purchases and pleasant user experience.	Jacobi J., Pertia W., Ogilvy D. [16], [25], [27]
Social	A brand is a tool of social communication of the company with consumers, which is based on the emotional component and forms its social capital.	Authorial definition

In this way, the brand becomes a real object that brings value to its owners. The set of brand assets that create added value or have the power of marketing influence on the consumer, are sources of formation of "brand equity". D. Aaker defines brand equity as a set of assets (or liabilities) associated with a brand name and symbol that increases (or decreases) the value of the product to consumers and, consequently, to the company itself. According to him, the main assets of the brand equity are: brand awareness; brand loyalty; perceived quality; associations with a brand; other assets belonging to a brand (attitude to branded products in distribution channels, patents, etc.). In general, it can be stated that the added value brought by a brand has direct and indirect sources of formation. Among which the direct ones are market share, profitability, brand price premium, sales share (if not lower than the industry average), indirect ones are loyalty, commitment, recognizability, etc.

Formulation of the purpose of the article (statement of the problem). In modern socioeconomic conditions, the brand is seen as a strategic asset of the company, management of which allows to create a clear and attractive image of the brand in the minds of consumers and form a strong commitment to it, achieved by following a certain reasonable brand strategy. The key role in this process is given to the proclamation of values that correspond to the ideas and requests of the target audience. Thus, the basis of an effective brand strategy is the awareness of its consumers, the ability to anticipate changes in their moods and respond to them in a timely manner. Such a strategy is necessary if the company plans to stay on the market for a long time, and is usually implemented in combination with such marketing activities as sales promotion, expanding spheres of influence and investment in promotion. One of the stages of its development is brand audit.

Statement of the main material of the research with full justification of the scientific results obtained. Keller notes that a brand audit is a comprehensive review of a brand with a view to identify its sources of equity. Unlike general marketing audit, brand audit is a more consumer-focused process that aims to assess the state of the brand, reveal the sources of brand equity and suggest ways to manage it. Brand audit requires an understanding of the brand's sources of equity from the perspective of both the firm and the consumer. From a firm perspective, what products and services are currently offered to consumers, and how are they sold and branded? From the consumer's point of view, what deeply perceived ideas and beliefs create the true meaning of brands and products? A study of other scholars' approaches to defining the concept of brand audit and its role is shown in the table 2.

Table 2 – Retrospective analysis of approaches to the definition of "brand audit"

Author, source	Definition
Keller K.L. (Strategic Brand Management, 1998) [20]	A brand audit is a comprehensive review of a brand to identify its sources of equity.
Aaker D. (Building Strong Brands, 2000) [2]	A brand audit is a holistic management exercise that allows marketers to get a fundamental idea of the effectiveness of the brand today, compared to its stated goals.
Domin V.N. (Branding, 2004) [11]	A brand audit is a comprehensive, systematic, independent and periodic examination of the organization's activities in the field of brand management.
Dudnikova N.Y., Kuzmina E.V. (Approaches to brand value assessment, 2013) [13]	A brand audit is one of the methods to assess the value of a brand.
Koryagina S.V. (Marketing Audit, 2014) [21]	A brand audit is an analysis of the strengths and weaknesses of the brand, its current position in the market in relation to competing brands, a view of the brand "from the side".
Martasov D.A., Nevostruyev P.Y. (Brand management as an adaptive tool of differentiation in consumer markets, 2014) [24]	A brand audit is an element of the brand management system, which provides feedback from the brand to the market by conducting qualitative and quantitative marketing research, the main purpose of which is to provide the company's management with data to assess performance.
Baumgart K. (Brand Audit for Cultural Institutions (BAC): A Validated and Holistic Brand Controlling Tool, 2016) [6]	A brand audit is a comprehensive, systematic, independent and periodic review of the brand, which aims to identify problem areas and opportunities, and form a recommended action plan to improve brand effectiveness.

The analysis of the definitions above allowed us to identify four approaches to the definition of "brand audit" (Table 3).

Table 3 – Approaches to the definition of "brand audit" [author's development]

Approach	Definition
Managerial	A brand audit is a systematic process of evaluating brand equity in order to make management decisions to improve brand strategy
Competitive	A brand audit is a complex and comprehensive study of the company's brand portfolio assets, which aims to create a relevant marketing environment, market positioning of brands and optimize the brand portfolio

Table continued 3

Procedural	A brand audit is a process of analysis of market forms of the brand, its assets, socio-psychological and production-economic sources of their origin, analysis of internal and external environment of its operation, analysis of business processes and enterprise functions aimed at improving efficiency of equity use
Economic and managerial	A brand audit is a comprehensive study of the company's activities in the field of branding in order to assess certain indicators of brand effectiveness in comparison with the goals of brand management

Although some experts insist that the audit should be conducted by a specialist who is not directly related to the company, Keller emphasizes the importance of regular brand audits carried by the company itself, proposing an annual planning cycle of this type of control. He calls this procedure a particularly useful basis for marketers when making plans, which can have profound implications for the strategic leadership of brands and company performance.

Analyzing all the considered approaches to the definition of this concept, we can provide our own supplemented definition. Thus, a brand audit is a comprehensive, systematic process of brand monitoring, analysis of its strengths and weaknesses, and study of its metrics over time and by audiences in the market context in order to form recommendations for correcting brand strategy. Among the tasks of brand audit, which scientists determine, the following main ones can be distinguished: searching for the most optimal ways of brand development; expanding the target audience and/or range; determining the current position of the brand in the market relative to competitors; developing or adjusting positioning and promotion strategies.

In their work, most authors who have studied the topic of brand audit highlight the existence of two components of this process: external and internal audit [14, 21, 7, 8]. Thus, an internal brand audit means the study of parameters and processes occurring within the company. Such parameters include corporate culture, internal relationships and communications, marketing strategy, brand perception by employees and top management of the company.

External audit of the brand involves analysis of the global macroenvironment, market and its trends, competitive analysis and study of consumer behaviour.

The concept of these two components echoes that described by Keller [20]. It highlights the brand inventory process, which aims to provide an up-to-date, comprehensive description of all company-related marketing activities. He rightly calls external brand audit "research" - aimed at researching consumers, and their attitude to the brand, in order to better understand the source of brand equity, as well as possible barriers to development. In general, we can say that a brand audit is part of a more comprehensive marketing audit, the emphasis of which is to streamline all marketing activities of the enterprise. It aims to identify the strengths and weaknesses of the company, assess the potential and possible risks, and strengthen the company's position.

Figure 1 outlines two areas of brand audit: audit of the external and internal environment of the enterprise. Thus, the audit of the internal environment includes the analysis of all systems and business processes related to the brand (its creation and management), and the external - the study of the marketing macroenvironment in which the brand exists.

AREAS OF BRAND AUDIT

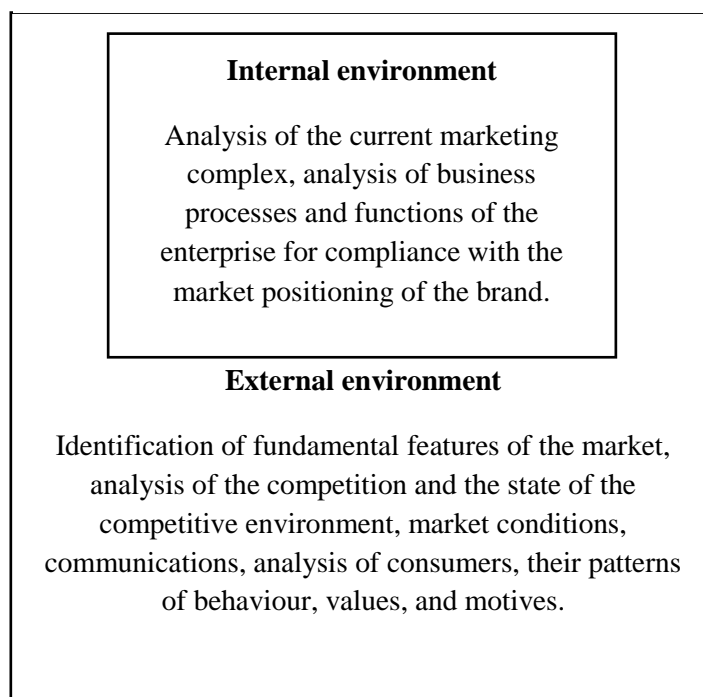


Figure 1 – Areas of brand audit [author's development]

We will also define the types of a brand audit by such characteristics as the level of decision-making, scale, aspect of time and regularity (Table 4).

Table 4 – Types of brand audit [author's development]

Criterion	Types	Characteristics
1. The level of decision making	Strategic	Conceptual consideration of brand portfolio, market positioning and targeting.
	Operating	Monitoring the current state of the brand, the effectiveness of communication processes and promotion strategies.
2. The scale of the event	Full-scale	Audit of all zones and components.
	Areal	Only internal or only external.
	Partial	Analysis of the selected component.
3. Time aspect	One-time	Rarely, to assess the current state of brand assets.
	Trekking	Often, in order to track selected indicators.
4. Regularity	Systematic	As part of the overall audit of the company.
	Periodic	Conducted at a fixed interval.
	Disposable	Carried out as needed, once.

The subject of the brand audit may differ depending on the chosen approach to understanding this process (Table 3). According to the approaches we have named, the subject of a brand audit can be: a portfolio of brands or each individual brand in accordance with the approach (Fig. 2).

Managerial approach	Competitive approach	Procedural approach	Economic and managerial approach
Current brand strategy, system of managerial functions for brand management.	Equity and brand communication process for market compliance.	All business processes of the enterprise in terms of compliance with the objectives and their effectiveness in creating brand equity.	The real market value of the brand's assets, the process of creating value.

Figure 2 – Subject of brand audit according to the approach [author's development]

Thus, from the point of view of the managerial approach, the subject of the brand audit is the current brand strategy, the system of managerial functions for brand management. From a competitive point of view – equity and the process of brand communication for compliance with market requirements. The procedural approach considers all business processes of the enterprise in terms of compliance with goals and their effectiveness in creating brand equity. In turn, the key to the economic and managerial approach is the real market value of the brand's assets, the process of creating value.

Several methodologies for conducting a brand audit can be found in the marketing literature (Lederer K. and Hill S., Kumar N., Aaker D., Chevalier M.). These methods and algorithms are rather recommendatory, as there is no universal formula, the authors offer different ways to evaluate brands and brand portfolios. Moreover, there is no evidence in the marketing and branding literature to apply these methodologies in a business context. However, there are general approaches that are increasingly used by brand managers, with considerable success.

Brand Portfolio Molecule [23], proposed by K. Lederer and S. Hill, although not intended to audit the brand itself, indirectly contributes to the study of the relative importance and contribution of brands to the portfolio. The authors emphasize the importance of moving away from the prejudices of traditional brand management that companies should focus exclusively on their brands and that each brand manager should work with only one brand at a time. This structure is a graphic representation of a brand portfolio, where brands are atom-shaped and grouped to reflect how customers perceive them. In practice, this procedure includes three main stages. In particular:

1) conducting an inventory of trademarks to determine what should or should not be included in the portfolio, by brainstorming, knowledge of managers or available market research;

2) classification of these brands, i.e. grouping them into "leading", "strategic" or "supporting" brands, and measuring their importance for purchasing, impact on procurement, positioning, relationships and degree of control;

3) mapping the molecule by designing the actual structure and organizing the portfolio using the molecule.

In his publication on the relevance of small and low-profit brands in large companies, Kumar N. also presents The Brand Audit Sheet [22], which includes some financial and other indicators of brand effectiveness. This technique is best suited for analyzing the brands of multi-

brand and multinational companies, streamlining their brand portfolio. The Audit Sheet includes the following steps:

- 1) a list of all brands in the company's portfolio, their market share, annual sales and profits, market positioning;
- 2) assessment of the market position of each brand as "dominant", "strong", "weak" or "not available";
- 3) classification of brand positioning using one of the words: "value", "high quality" or "fun";
- 4) defining the role of each brand in profit generation, indicating whether it is a "cash generator", "neutral" or "cash user".

D. Aaker, in his method of brand audit, offers a set of issues that need to be considered when developing a brand portfolio strategy [1]. His approach includes:

- 1) determination of the relevant list of brands, including all brands and sub-brands of the portfolio;
- 2) establishing context-sensitive evaluation criteria such as brand equity (awareness, reputation, differentiation, relevance and loyalty), business strength (sales, market share/position, profit and growth), strategic relevance (expandability and business relevance) and branding options (transfer of brand equity and merger potential with other brands);
- 3) assessment of brands using certain criteria and assessment based on the market knowledge of the brand team;
- 4) defining the role of brands such as "strategic", "power", "flanker", "silver bullet", and "cash cow";
- 5) development of an improved brand portfolio strategy;
- 6) change of strategy, suddenly or gradually, towards the target strategy.

This methodology represents an evolution of previous approaches, as it covers all dimensions of brand equity and prioritizes the brand itself, allowing companies to take corrective action. Moreover, this technique includes a step of transition and change of brand strategy, which was not taken into account in previous algorithms.

The methodology of brand audit, proposed by Chevalier M. and Mazalovo G., deserves special attention. This methodology takes into account three areas:

- 1) Chain of communications, which involves analysis of the sequence, consistency, effectiveness and relevance of communication.
- 2) Competitive context in which the chain of communications operates. Obviously, the brand competes not only with its reference competitors (those used as an aid in the search for differentiation of brand identity) but also with the "noise pollution" of all brands that are constantly fighting for consumer attention.
- 3) The consumer himself. All communication is based on the hypotheses of perception and reaction from consumers. In the context of the audit, these hypotheses need to be tested [9].

The scheme of the methodology consists of three stages:

- 1) First, a "snapshot" of the current state of the communication chain through the four states that make it up. It is the longest and most labour-intensive stage of the audit. It requires market research and analysis of large amounts of data, which are not always readily available. It includes three types of analysis, focused on the company, consumers and competitors.

- 2) Second, check what we call transitions from one state to another in the communication chain.

- 3) Finally, recommendations for change are divided into three functional categories: identity management, merchandising, and operational and organisational processes.

Each of the considered models can serve as a tool and reference point for conducting a certain type of brand audit, which we have defined above.

Conclusions from this research and prospects for further developments in this area. In general, we can say that a brand audit is part of a more comprehensive marketing audit, the emphasis of which is to streamline all marketing activities of the enterprise. It aims to identify the strengths and weaknesses of the company, assess the potential and possible risks, and strengthen the company's position.

The data obtained as a result of the audit will allow to form recommendations for further development, identify shortcomings that prevent the brand from being remembered by the consumer, to understand whether the price of the product is justified and whether the corporate style is effective. As a result, decide on the appropriateness of changing the positioning of the brand or strategy and management tools.

1. Aaker D. A. Brand Portfolio Strategy: Creating Relevance, Differentiation, Energy, Leverage and Clarity. Free Press. 2004.
2. Aaker D.A. Creating strong brands. Building Strong Brands. Publishing house: Grebennikov Publishing House. 2003. P. 119.
3. Aarker A. David. 1991. Managing Brand Equity: Capitalizing on the Value of a Brand Name. New York: The Free Press.
4. AMA. Definition of Brand (AMA Dictionary). URL: <https://www.ama.org/topics/branding/> (accessed: 01 October 2021).
5. Balabanova L.V., Rindina O.A Marketing product policy in the enterprise management system. L.V. Balabanova, O.A. Rindinao K.: *Professional*, 2006. 3336 p.
6. Baumgarth, Carsten, et al. Brand Audit for Cultural Institutions (BAC): A Validated and Holistic Brand Controlling Tool. *International Journal of Arts Management*, vol. 19, no. 1, HEC – Montréal – Chair of Arts Management, 2016, pp. 54–68.
7. Brand development strategies: The original practical tool for your brand leadership: prov. from English / J. Le Pla, S. Devis, L. Parker [Other]. Dnipropetrovsk: Balance Club, 2004. URL: https://stud.com.ua/143962/marketing/audit_brendu (accessed: 10 October 2021)
8. Chernyshova A.M., Yakubova T.N. Branding: textbook for bachelors: M. 2016. 504 p.
9. Chevalier M., Mazzalovo G. The brand audit. Pro Logo. Palgrave Macmillan. London, 2004. P. 165–199.
10. Chukurna O. Methodical Approach to Accounting Intangible Assets and Brand Values in Marketing Pricing. *Marketing and Digital Technologies*, vol. 4, no 3, 2020, pp. 72–63.
11. Domin V.N. Branding: new technologies in Russia. SPb: 2004. 352 p.
12. Dowling G. R. The art and science of marketing: marketing for marketing managers. Oxford University Press, USA, 2004.
13. Dudnikova N.Y., Kuzmina EV Approaches to assessing the value of the brand. Modern problems of science and education. 2013. №. 2. P. 376–376.
14. Egorushkina, T. N. Development of an effective commodity policy of an enterprise based on the use of a brand audit. T. N. Egorushkina. Science of Krasnoyarsk. 2017, no. 4-3. P. 146–159.
15. Industrial marketing: Theory, world experience, Ukrainian practice for general. ed. A.O. Starostina. K.:Knowledge, 2006. 764 p.
16. Jacoby J., Chestnut R. W. Brand Loyalty: Measurement and management. John Wiley & Sons Incorporated, 1978. 120 p.
17. Jevons, Towards an integrated definition of "brand". Thought Leaders International Conference on Brand Management. Birmingham UK, pp. 1–11.
18. Jones J. P. (ed.). How to use advertising to build strong brands. Sage, 1999. Kapferer J.N. Brand forever: creation, development, support of brand value . M. : top. Knowledge 2007. Knowledge T. 448. P. 124.
19. Keller Kevin Lane Strategic brand management: building, measuring, and managing brand equity. Prentice Hall Upper Saddle River. 1998, 686 p.

20. Koryagina S.V. Marketing audit. Teaching way. / S.V. Koryagina, M.V. Koryagin K.: "Center for Educational Literature", 2014. 320 p. URL: https://pidru4niki.com/1719080363067/marketing/brendaudit_audit_asortimentu_rozrobki_novih_tovariv (accessed: 10 October 2021).
21. Kumar N. Kill a brand, keep a customer. Harvard business review. 2003. Т. 81. №. 12. P. 86.
22. Lederer C., Hill S. See your brands through your customers' eyes. Harvard Business Review. 2001. Т. 79. №. 6. P. 125–33, 148.
23. Martasov D.A., Nevostruev P. Yu. Brand management as an adaptive tool for differentiation in consumer markets. Business. Education. Right. 2014. №. 4. P. 92–96.
24. Ogilvy D. Ogilvy on advertising D. Ogilvy. M.: Eksmo, 2007. 232 p.
25. Oklander M.A., Oklander T.O. Evolution of the marketing theory: genesis, conception, periodization. *Marketing and innovation management*, no. 4, 2016, pp. 92–105.
26. Pertsia V.M., Mamleeva LA Brand anatomy. M:SP.: Top, 2007. 231 p.
27. Rice, L. 22 Brand Building Laws / L. Rice, E. Rice. Top M.: AST, 2013. 149 p.
28. Romat E.V. Formation of corporate style in the system of marketing communications. *Marketing and advertising*. 1998, no 5, p. 14–18.
29. Studinskaya G.Y. Methodological approaches to defining the concept of brand. Scientific Bulletin of Kherson State University. Ser.: *Economic Sciences*, no. 8 (1), 2014, pp. 121–125.
30. Temporal P. Effective brand management. OLMA Media Group, 2003.
31. Zozulov O., Nesterova Y. Brand as an intangible asset in the post-industrial society. *Ekonomika Ukraine*. 2008, no 3, p. 4–11.

Олександр Зозульов, к.е.н., професор, професор кафедри промислового маркетингу, Національний технічний університет України «Київський політехнічний інститут імені Ігоря Сікорського»

Марія Глоба, Національний технічний університет України «Київський політехнічний інститут імені Ігоря Сікорського»

Євген Гнітецький, к.е.н, старший викладач кафедри промислового маркетингу, Національний технічний університет України «Київський політехнічний інститут імені Ігоря Сікорського»

Бренд-аудит: типи, підходи, методології.

У роботі досліджуються підходи до визначення поняття «бренд-аудит», зони проведення бренд-аудиту, типи бренд-аудиту, предмет бренд-аудиту відповідно до підходу, методології та моделі проведення бренд-аудиту.

Актуальність теми дослідження зумовлена становленням бренду як найціннішого активу компанії. Аудит бренду постає в якості підготовчого кроку для розроблення або корегування позиціонування бренду, уточнення його стратегії розвитку, може бути інструментом всебічного огляду бренду або системою спостереження за показниками його здоров'я та ефективності.

Результатом дослідження стала композиція підходів до визначення поняття «бренд-аудит», в якій, поєднано управлінський, конкурентний, процесуальний та економіко-управлінський підходи; розробка процесу бренд-аудиту, який розглядається в двох зонах: внутрішнього і зовнішнього середовища; визначення типу та зон бренд-аудиту.

Ключові слова: бренд, бренд-аудит, брендинг, методологія проведення бренд-аудиту, корегування позиціонування бренду

Received to the editor 30 December, 2021.