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The Importance of Brand Equity in the Internationalization Process

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Abstract- In today's constantly developing and changing conditions, companies want to take part in international markets with the effect of many driving and attractive forces. Internationalization, business activities outside the national market limits bring strong competition. In fact, businesses create brands to distinguish their products from other products and to create loyal customers. The brands of internationalizing companies are also beginning to internationalize. This is the environmental, economic, legal, etc. for each international market. It is a continuous and important process that needs to be managed under different conditions. In other words, success in international markets requires effective brand management and brand equity. Within the scope of this research, it is aimed to explain the basic concepts about brand, brand value and brand management and to determine what should be done for successful brand management in the process of internationalization. Within the scope of the research, document analysis technique which is one of the qualitative research methods was applied. In the literature, related researches have been examined.

Keywords- Brand, brand management, brand equity, internationalization

I. Introduction

Aaker (1996), known as the brand guru, identifies the basics of brand literature and distinguishes the brand from one or a group of vendors, goods or services, and distinguishes them from competitors, such as logo, trade name or package design as defined.

This definition, also used by the American Marketing Association, is the most well-known and widely adopted brand definition. Brands, separated from the values such as patents, copyright and the expiry date (Klein, 2002).

The product is an asset with a functional purpose and the added value concept is the main difference of the brand from the product. The added value is the emotional value that is more than the functional value of the product, which is not functional but increases the value of the product and which consumers have difficulty in expressing. The value is loaded into the product through the marketing mix, and all elements of the marketing mix are used to achieve a distinctive position in the minds of consumers. Brand in terms of added value; The product itself is a synthesis of physical, aesthetic, rational and emotional elements that distinguish the brand from its competitors, consisting of packaging, advertising and presentation in an integrated manner with other communications. Therefore, while the product is produced in a physical production process, the brand is basically created through communication (Kotler and Armstrong, 2004).

Companies and organizations; use branding to distinguish products from other products in a competitive environment. Therefore, vendors are taking steps to develop their brands by going to work on creating awareness and being preferred by customers.

The successful brand; consumer needs to respond to the optimum level, meets and added to it fully fulfills the moral value of the product passes. Beyond the functional characteristics of the product, the concept of added value, considered as non-functional benefits, plays a key role in differentiation of brands, gaining competitive advantage and high pricing advantage.

In addition to its functional purpose, the brand includes more than just the features of the product. Therefore, it offers the consumer more value than a product. The brand constitutes the expression of emotions (brand personality, country specificity, organizational associations, symbols, etc.) after purchase and use (Aaker, 1996). Although products and services are temporary, brands are permanent and permanent. Brands; and impressions of consumers buying products and services (Bedburry and Fenichell, 2002).

II. Brand Equity

The concepts of brand equity and brand value are among the most important and complex issues of brand management. In the literature, these concepts are sometimes used in the same sense. In practice, brand value emerges as a result of brand equity. Brand equity is the value of brand name, symbols, associations and reputation. The financial expression of brand equity is called brand value and consists of assets on the balance sheet (Aktuglu, 2004)

At the same time brand equity; The importance of brand name, symbol, connotations in the minds of consumers, perceived quality level, brand recall skills, positive and different image they have about the brand, is a brand strength and structure that develops by entering new markets as a result of the reputation of brand loyalty (Seetharaman, Nadzir ve Gunalan, 2001).

Taking into account all these definitions, the factors that are important in brand equity are:

- Brand equity is based on consumer perceptions rather than objective elements.
- Brand equity is the global value of a brand.
- This general value related to the brand arises not only from the physical characteristics of the brand, but also from the brand name.
- Brand equity is relatively, but not necessarily, related to competition.
- Brand equity affects the financial performance of the company positively.

According to these characteristics, brand equivalence increases the benefit of a brand and the demand for that brand. Expresses the consumer's perception of the brand when compared to other brands.

Brand equity is a consumer-based approach that contributes to brand value. Brand value is a company-based concept that expresses the sales value of a brand. Consumers are not interested in brand value. They don't think about how much a brand they buy will be sold in case of transfer to another company and what the asset size of this company is. Instead, they are interested in the brand's quality, reputation, connotations and the image of the brand, which is the source of brand equity.

Brand value considers profitability in all sources, no matter whether it is directly related to customers. For example, cost elements such as patents, trademarks, tax incentives contribute to brand value. Brand equivalence is a customer and consumer centered

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approach. However, it ultimately affects brand value and can contribute significantly (Doyle, 2001). Brand equity creates brand value.

Brand equity consists of four main components. These; brand awareness, brand loyalty, perceived quality, brand associations (Quintana-Deniz, Beerli-Palacio, and Martin-Santana, 2007);

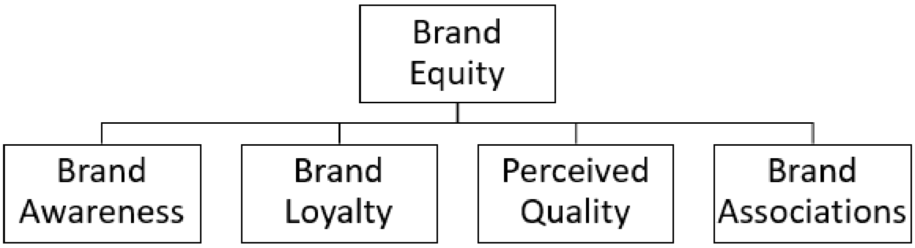

Figure 1: Brand Equivalence Dimensions

Although these key components will be handled separately, they must interact with each other in order to create a competitive advantage in the market. As a result of this interaction:

- With the processing and interpretation of the information provided by the brand, securing the purchase decision and creating a sense of satisfaction, the consumer is informed and a value is offered to the consumer.
- Competence and effectiveness of marketing programs, brand loyalty, prices, brand expansion and competitive advantage by providing value to the company (Czinkota and Ronkainen, 2002)

The most important point where the brand leaves the product; This is because the product is manufactured and the brand is something the customer buys. While a product can be imitated, the brand cannot be imitated. While the life of the products can pass quickly, the continuity of a successful brand is one of the most important reasons for creating a brand (Seetharaman, Nadzir ve Gunalan, 2001). The biggest part of the success of the big companies is the investment to create a brand. The recognition and reliability of the brand created in the eyes of the consumer is an important element that will take the position of the enterprise to the next level and enable it to maintain its position (Doyle, 2001

III. Advantage of Brand Equity

A registered trademark provides legal protection to the business. In terms of business, the use of brands has benefits other than legal protection. These; support, create demand, create consumer loyalty to the firm, and seek well-known brands by retailers and continuous customers (Mucuk, 1990)

Business Perspective: As brand strength, sustainable competitive advantage, increase market share and profitability, it is seen that it is a source of increase in business performance and facilitates the introduction of new products to the market (Seetharaman, Nadzir ve Gunalan, 2001).

Consumer Perspective: One of the most important functions of the brand is to make a difference in a similar group of products that can satisfy the needs of the consumer or to increase the sales of some products by perceiving them differently. A successful brand will increase product demand, thereby reducing the cost of advertising and promotion of new products to be added to the sub-groups of the brand. At the same time, as brand awareness increases, brand value and therefore company value will increase (Chernatony, 1993).

A strong brand; It positively affects all marketing tools and creates many marketing advantages for the business. Keller (2003) stated that the most important feature of a strong brand with a high brand value stems from the high loyalty of consumers to the brand. The researches also showed that brand awareness and positive connotations, which come from being a strong brand; consumer evaluation of products, positive attitude towards the brand, buying behavior and tendency, quality perception, increased confidence and reveals the negative effect of product testing (Keller, 2003)

The thinking of consumers includes what the brand has in minds of consumers, the brand value defined, concerns, feelings, experiences, pictures, understandings, beliefs and attitudes. The majority of different approaches and criteria are appropriate for creating value at this stage. However, there are five key approaches that are important to consumers' thinking:

- Brand awareness: the degree and convenience in which consumers remember and give the opportunity to recognize the brand and identify the products and services to which it relates.
- Brand associations: strength, suitability and uniqueness of perceived benefits and qualities for the brand.
- Brand qualifications: general improvements in the brand's own quality and satisfaction
- Brand loyalty: how loyal the consumer is to the brand
- Brand activity and experience: the degree to which consumers use the brand, talk to others about the brand, search for brand information, promotions and organizations, and so on (Ambler et al., 2002)

This mindset results in the face of a broad consumer, then how the performance of some of the results for the brand in the market results in the purchase amount of the individual customer activities and the price they can pay. It explains how consumers are affected and responded to in various ways on the market. The six key consequences of this are: price advantages (how much consumers are willing to pay for the same product comparable to their brand), price elasticity (how high or decreases their demand when price increases or falls), market share (success of marketing program to create loyalty) and brand sales), brand expansion (the success of the brand in the supported segment or category and the launch of new products in similar categories), price structure (the ability to reduce marketing program spending in terms of savings due to the prevailing customer mentality), brand profitability (Wilke ve Zaichkowsky, 1999).

IV. Internationalization

The term internationalization is used to describe the external movements in the international activities of businesses or large groups. It does not matter whether it is through export, in the form of direct investment or license agreements. As a result of general use can be defined as follows; internationalization: is defined as a method of increasing international activities (Welch, 2004).

The concept of internationalization, strategic, structural, resource, etc. as a process of adaptation to international environment. International enterprises affect the internal and external environment and are also affected by these environmental conditions. In the definition of internationalization, two significant changes are mentioned for an enterprise:

- An increase in the external activities of the entity or a fundamental change in the center of these activities (external change),
- It is a change that is sensitive to the international structure in management qualities such as management decision structure, value systems and perspective (internal change).

In another aspect, internationalization is a set of opportunities and risks for businesses that arise internationally. Opportunities and risks increase as internationalization increases. In this context, the internationalization process refers to efforts to increase and diversify opportunities for the enterprise, and in return, to minimize and distribute risks (Cateora, 2007).

In order to be successful in these markets, companies that have opened to international markets, where competition is intensified for internationalization, should adopt a modern marketing approach and carry out all activities according to this understanding. The most important feature that distinguishes the modern marketing approach from the traditional and old marketing approach is that the company's focus or in other words, the point of departure is the customers' desires and needs. The traditional focus is on goods or services, and the customer buys the goods or services that the firm produces.
The reasons for internationalization can be varied. But it is the snow that makes internationalization the most attractive. Profitability in new and undiscovered markets is a major attraction for many businesses (Bradley, 2005). Moreover, another feature of the profit is related to the tax facilities provided by the host countries to foreign investors. The second important reason is stability. Many businesses can produce more of the goods they sell in their own country. Foreign markets provide an important advantage in the evaluation of capacity. Therefore, enterprises can target internationalization, which is a stabilizing method in production and sales.

V. Brand Management in Internationalization Process

In today's markets where intense competition conditions continue, firms are in search of being able to survive and stand out from their competitors. Efforts to make a difference with the introduction of new products have evolved over time through lowcost production, total quality management practices, and customer service and customer relations.

In the mind of the customer, the consumer, which constitutes the target of marketing, the desire to leave the competitors back and to gain a special place in the products where the obvious and tangible differences are minimized has emphasized brand management. Brand Management; is a continuous process of planning, organizing, executing, coordinating and controlling for the creation of the brand, revealing the character traits, and achieving the highest level of efficiency and efficiency (Schmitt and Simonson, 1997)

In another definition; branding is defined as the systematic and consistent design, narration, relationship with the media and the application of technology for the customers' buying and using experiences throughout the life cycle (Moon and Millison, 2003)

It can be said that brand management includes two main areas of activity. The first of these, by realizing brand awareness (remembering and recognition); creation of brand image. The second is to make the brand resistant to time and other influences, ie to strengthen the brand.

Brand management must be compatible with the strategic management and the strategic planning and implementation of the company or businesses in both activities. Therefore, the brand management and structuring process cannot be considered separate from the general business strategies and policies (Uztuğ, 2003)

VI. Conclusion

Nowadays, many businesses are influenced by many driving and attracting forces from their local markets, both export and investment and so on. activities to open to international markets.

The competitive environment in national markets is exacerbated as the business begins to internationalize. In both national and international markets, it is necessary to distinguish the product from similar products in the eyes of the consumers in order to cope with this intense competition environment. This differentiation is only possible with the increasing importance of branding in recent years. In other words, the most important competitive power in terms of businesses is the brand. The brand has become a value that influences both the consumer and the consumer's purchasing decision process and enables the companies to differentiate from the others, and is one of the effective tools that ensure the realization and continuity of the communication with the environment of the enterprise.

The success of businesses in national and international environments has become equivalent to the value-added brand development. For this, there are strategic decisions that marketing managers should make on the way to become a national, international and global brand over time.

The business must invest in the brand to reach its consumers in its local market before starting the internationalization process. The choice of the target audience, the target consumer's perception of the creation of the desired brand position, identification of the brand, brand name, logo, slogan, even packaging, such as a summary to the consumer that provides a summary of the brand, and the appropriate communication activities, such as delivering to the consumer with a large number and variety marketing activities should be coordinated by experts in harmony with each other. The goal is to create positive qualities and benefits in the mind of the consumer; In other words, creating a strong brand image, price-sensitive and in every case to bring customers connected to the brand. The brand image, which is intended to be created in the mind of the consumer, not only shows the material quality of the product, but also indicates that it is aimed at a certain social status.

Companies with a strong brand in the national market want to enter different new markets because the local market is not enough for them. The process starts with the decision on which market to enter. At this point, environmental factors are the elements that need to be meticulously handled. Internationalization, which generally starts with export, develops in the form of license agreements, partnerships or acquisitions with the increase of political, economic, social and cultural knowledge and experience about the markets over time. The brands of the companies that are opened to international markets are also starting to internationalize with them.

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