

## **DYNAMIC MODEL OF MANAGING THE DEVELOPMENT OF THE BRANDS FOR INDUSTRIAL PRODUCTS**

*S. V. Yatsentyuk, SHEI «National Mining University», ysv65@ua.fm*

**Research methodology.** The formation and development of industrial products brands is based on the static optimization phase which involves the selection of the optimal type of brand architecture for each period  $t$  on the basis of maximization of brand portfolio profit; dynamic stage that involves the selection of the optimal strategy of brand architecture for enterprise based on maximizing the surplus in the company's value.

**Results.** On the basis of existing theoretical and practical approaches to building brand architecture in B2B market the system-dynamic approach to rationing the brand architecture by maximizing a firm's market value as a basic criterion of business success was developed and substantiated.

During static optimization it is advisable to use a step-by-step optimization: to optimize products portfolio within the family of brands, to optimize the brand architecture for a defined period  $t$ .

In forming a dynamic optimization model for brand architecture it is appropriate to submit the selection process of optimal brand architecture as d-stepping one. Managerial decisions to change the type of brand architecture should be taken at the beginning of each period as a choice between three alternatives:  $w_1$  - keeping in period  $t+1$  the current brand architecture of the company formed in the period  $t$  after determining its optimal composition;  $w_2$  - transitional solution when brand architecture formed in the period  $t$  should be gradually replaced by another, chosen as optimal for period  $t+1$ ;  $w_3$  - a conceptual decision to change the type of brand architecture and completely refuse from the previous operations. The objective of optimization is to increase the market value of the company as a component of total brand equity.

**Novelty.** Construction of managing model of formation and development of brand products for industrial use is based on a combination of systemic and dynamic approaches. Brand architecture of the enterprise is considered as a subsystem whose elements (brands) are interrelated and interdependent, and quantitative and qualitative

parameters of these elements depend on the strategic goals, tactical and operational objectives, environmental effects and domestic economic conditions.

**Practical value.** Due to implementation of the proposed system-dynamic approach company can get a set of operational, tactical and strategic decisions that will enhance the efficiency of enterprise branding opportunities and maximize the business capital of the brand. In conjunction with measures to control the brand gap the company will be able to build consumer brand equity also, which can lead to sustainable growth of aggregate brand capital of the company.

**Keywords:** brand, brand architecture, brand portfolio, dynamic model, structural and logical model.

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