The Brand as a Tool for Agricultural Products Promotion in the Region

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Abstract—Strengthening of positions in the agricultural products market creates additional opportunities for the socio-economic development of the Krasnoyarsk territory. In turn, the increase in agricultural production of the region, the expansion of the products range is possible only through the marketing technologies involvement. The brand is the main tool in the promotion of agricultural products, and the branding process is a necessary condition in achieving the goals. The subject of the study is the organizational and economic aspects of the formation of the regional brand of agricultural products in the region. The subject of the research is the organizational and economic aspects of the formation of the agricultural products regional brand in the territory. The object of the research is the food market of the Krasnoyarsk territory, considered at the meso-level. Special attention is given to the analysis of the state and strategic prospects of agriculture development in the Krasnoyarsk territory, to the food brands analysis in the region, to the typology of producers by product and raw materials used. The novelty of the research lies in the development of the authors’ approach to creating the agricultural products brand of the Siberian region, which will distinguish it among a wide range of similar products from other manufacturers through the use of effective tools and marketing technologies.

Keywords—brand, region, marketing, promotion, agro-industrial complex, agricultural products, rural areas.

I. INTRODUCTION

In recent years, the development of the country’s agricultural sector took place in a rather difficult socio-economic situation due to a number of emerging new factors of internal and external nature. Increased competition in the domestic and global agricultural food markets creates a powerful impetus for the industry development.

Since 2014, the Ministry of industry and trade, and in the current conditions, the Russian export center is working on the project “Made in Russia” – the system of marking and identification of goods produced in Russia. According to the Ministry, the presence of this emblem on the products should increase the consumers’ loyalty. In the future, it is planned to create a whole family of signs: “Grown in Russia”, “Russian design”, “Handmade in Russia”, etc., the implementation of the program is scheduled for 2017-2018 and the period up to 2025.

Food corporations have created their own global “food division of labor”, guaranteeing them a dominant role in the world market, which allows to slowly absorb local producers in local markets. Corporate products are positioned not so much as food, but as unique brands, and associations with emotions and social status are created with the help of mass media [1]. Thanks to huge profits and regular advertising campaigns, these food stereotypes are maintained from generation to generation [1].

Among the systemic problems of product branding in Russia the following ones can be identified:

• regional products are available, but their popularity is usually limited to the territory of presence, the best scenario when they are presented in the market of nearby regions;
• lack of mass practice and industry branding of regional products;
• lack of an official register of regional brands with the ability to control, verify and test their products;
• presence of trademarks on the market that are not Russian, but belong to the foreign TNCs and are adapted to the cultural “code” of our country.

The latter determines the strategic course for:

• the domestic market saturation with high quality goods of regional production, on the basis of regional industry standardization;
• assessment of the regional brands strength, their stability, the speed to overcome geographical boundaries and cultural barriers to enter the markets of BRICS, EurAsEC, etc.

Today, Russia consists of 85 regions. All of them have different history and traditions; they have different resources and crafts. In the context of pervasive markets, regional brands can be considered to be a vital necessity.

The creation of regional brands will help to optimize the structure of the regional economy, create a recognizable system of the regional unique features through the development of its product specialization and expansion of potential markets for regional products and services. It will also lead to the maximum and balanced use of the regional

The project “Development of the formation and promotion model of the Krasnoyarsk territory regional brand in the category “processed products of oilseed crops” was funded by Krasnoyarsk Regional Fund of Science.
resources and will help to obtain a product with a high share of added value [2].

The Krasnoyarsk territory is rich in raw materials. However, it is not enough to be the main exporter of natural resources for the successful development of the economy and the formation of the territory positive image. It is necessary to become a highly developed industrial region of Russia through the production of competitive goods by local producers, providing import substitution and increasing the export potential of the region.

Among the international brands of the Krasnoyarsk territory one can name: Krasnoyarsk economic forum, the XXIX World Winter Universiade 2019 in Krasnoyarsk, International youth forum: “Territory of initiative youth “Biryusa”, Krasnoyarsk international music festival of the Asia-Pacific region (ATF). However, there are no well-known product brands in the domestic market of the region.

The aim of the research is to develop the authors’ approach to solving the problems of forming the agricultural products regional brand in the territory, to build an algorithm for the implementation of this process, to justify marketing effective tools and technologies.

The object of the study is the food market of the Krasnoyarsk territory, considered at the meso-level.

II. LITERATURE REVIEW

The theoretical basis of research was formed by theoretical and applied developments and methodological solutions formed in the field of strategic and brand-oriented marketing.

A. Definitions of “brand” and “branding” concepts

Currently, there are many definitions of the “brand” concept. For example, the American Marketing Association (AMA) interprets the “brand” as “a word, sign, symbol or design solution, or a combination thereof, for the purpose of designating the goods and services of a particular seller or group of sellers to distinguish them from competitors”. In this sense, the brand is a certain way of communication, establishing trusting relationships with the consumer [3].

Brands and their personalities constitute the basis upon which consumers identify and bond with various products or services [4].

In fact, consumers often develop salient schemas linked to the brand in memory, which facilitate the establishment of emotional bonds with the brand [5].

Hence, for customers to fully understand what a particular brand stands for, the brand needs to communicate its intended identity unambiguously [6].

In modern perception, the concept of the brand, as a rule, is an abstract form and is used to refer to services, products, manufacturers and is a component of the trade mark.

The process of creating and implementing the brand is called branding. Branding is one of those areas of knowledge that requires new approaches, theoretical principles, practical knowledge, and consideration of relevant marketing factors [7].

Nowadays, there are various methods, means and techniques that can be used to bring the developed brand to a potential buyer, to form the image of a product or service in his mind, as well as to help in the perception of goods [8].

B. Formation tools and conditions for brand development

The initial stage in the brand development is the analysis of the market and the positioning of the product in relation to competitors. Competent positioning can not only determine the necessary niche in the market, but also provide advantages in relation to competing goods and services. The choice of brand positioning depends on the specific product or service.

The choice of the brand positioning type directly depends on the specific product or service. The effectiveness of positioning is achieved due to the benefits, advantages and quality characteristics of the competitors. Otherwise, the brand will not be able to compete in the market and will disappear after a while. The brand artificiality, according to G. Shatalov, “implies the management of its creation and promotion, the presence of a customer, the presence of a qualified development team” [9].

Branding embodies a special technology of creating symbolic associations and informal ties based on consumer experience and trust, which expand the possibilities of the relationship marketing. Brands serve as a guide for consumers among competing products and firms, reducing market uncertainty and saving time on purchasing decisions [10].

Special attention is given to the problems of rural branding. The necessity to create a village brand is explained by the inclusion of rural areas into the competition for infrastructural, touristic and investment attractiveness [11].

According to the authors, one should primarily talk about the branches of rural areas specialization, which have traditionally been responsible for the production and provision of food to the population within the country in order to achieve food security, and in some cases with an export orientation. At the same time, one of the most important tasks in the organization of any economic system is to increase the production of high added value, which will allow to obtain known social and economic effects (growth of social production, increase of the tax base and employment, increase of the household income, etc.).

Assessing the prospects of the rural areas “promotion”, it is necessary to take into account the existing socio-economic condition (situation) of these territories, as well as the possibility of the agricultural products production, which subsequently should become “points of growth” of the village well-being. In this regard, the rural areas branding will be included into the process of creating food brands with appropriate regional affiliation.

In relation to certain regions of the Russian Federation there is a stable opinion about a certain production system established orientation. At the same time those opportunities in the organization of the economy, which the territory possesses are left without due attention. Taking into account the principles, factors and patterns of distribution of productive forces on the one hand and the existing resource provision on the other hand, the introduction of new industries for the region, subject to state support at the stage of their formation, can subsequently demonstrate significant positive effects in the direction of economic and social development of the territorial system.

Thus, the stereotype formed over several decades about the specialization of the Siberian regions continues to exist today, influencing both business and regional management structures, which, with certain efforts, are able to change the
situation. These entities are as a rule associated with such areas of economic activity as mining and processing, electricity, logging and woodworking. At the same time, large subjects in the territory, having a significant agro–climatic potential, can be considered as regions-producers of agricultural products, capable of providing not only domestic needs, but also to be competitive in interregional and international markets.

### III. MATERIALS AND METHODS

The methodological basis of the research was formed by the analytical and research arsenal of methods and techniques: logical, situational analysis, diagnosis and monitoring, grouping and comparison, tabular and graphical methods of factual information interpretation. Analysis, synthesis, deduction and induction, analogy were used as the general scientific methods. The use of the above methodological tools allowed to enrich the scientific apparatus of the problem development, contributed to the expansion of its capabilities due to the effect of including complementary approaches to the study.

#### A. 3.1 State and prospects of the agro-industrial complex development in the Krasnoyarsk territory

In the socio-economic development of the Krasnoyarsk territory there is a positive stable dynamics, which is confirmed by the growth of the gross regional product. Relative to the Russian regions, the Siberian region shows consistently high positions in such key areas of competitiveness as natural resources, markets, investments and financial capital [12]. At the same time, in the structure of the economy of the region according to the data for 2016, the main share falls on such sectors as industrial production (31,8%) and mining (19,0%), as well as services (19,1%) [13]. While the share of “Agriculture, hunting and forestry” in the structure of the Krasnoyarsk territory GRP by type of economic activity for the period 2015-2018 amounted to 3,8-3,9% annually of total production [13]. The volume of shipped goods of own production, works and services performed by own forces in 2016 amounted to 909625,6 million rubles [13]. Of these, “food production, including beverages, and tobacco” accounted for less than 5 % [13]. In the volume of the Krasnoyarsk territory exports in 2018, which amounted to 6785,8 million us dollars, the share of food products and agricultural raw materials (except textile) is characterized by a value of 0,6% [13]. Low indicators characterizing the production and processing of agricultural products really do not place the region into the group of leaders in the agro-industrial sector development.

In turn, the Krasnoyarsk territory, possessing considerable resources (in some cases unique), can become the territory of the agro-industrial complex production with high added value.

In the field of food in the catalog of the Krasnoyarsk territory manufacturers are organizations specializing in meat products, sausages and delicacies, dairy products, confectionery, ice cream, snack products, tea and herbs, honey, wild plants, fish products, bakery products, juice products, etc. Specialization and commodity structure of agricultural products of Krasnoyarsk region is presented in figure 1.

![Fig. 1. Specialization and commodity structure of agricultural products of the Krasnoyarsk territory [14].](image-url)
The Krasnoyarsk territory has a high self-sufficiency in foodstuffs.

![Fig. 2. The level of self-sufficiency of the Krasnoyarsk territory with agricultural products, % [14].]

According to data for 2017, self-sufficiency in grain is 126.5%, eggs – 104.6%, potatoes – 100.0%, milk – 100.5%, vegetables and melons – 68 %, meat – 63.7% (fig. 2).

However, there exist some problems. For example, the traditional line on milk and dairy products – drinking milk, sour cream, cottage cheese, oil is completely closed in the Krasnoyarsk territory. The listed assortment on it comes to an end. Krasnoyarsk manufacturers don’t produce baby food at all, and there is a very weak dessert group. Wild plants deserve attention, and can become the hallmark of the region. Of interest are the Northern territories of the region, where there are unique products – venison, Northern fish, etc.

According to experts and regional trade networks, the share of sales of local agricultural producers, depending on the network is from 30 to 40%.

The enterprises of the Krasnoyarsk territory such as JSC “Kraskon” (confectionery and pasta), JSC “Milk” (“Moloko”) (dairy products), JSC “Meat” (“Myaso”) (meat products, sausages and delicacies), LLC “Krasnoyarsk vodka plant” (alcoholic products) repeatedly became winners of the all-Russian competition “100 best goods of Russia” in the period from 2013 to 2018.

According to the strategic analysis results, the key direction of agribusiness development is to ensure the production growth of environmentally friendly products with high added value by increasing the share and degree of processing of agricultural raw materials in the Krasnoyarsk territory due to:

- the production diversification and changes of the complex specialization from raw materials production to the manufacture of unique, safe products “Produced in the Krasnoyarsk territory from local raw materials”;
- concentration on the production of environmentally friendly products;
- promotion of products to high-margin federal and foreign markets through the creation and promotion of agricultural products regional brands;
- coordination and synchronization of sales logistics and marketing costs of various enterprises, the production of branded products and the expansion of market niches and economic growth opportunities.

B. Analysis of the Krasnoyarsk territory product brands

There are about twenty largest local manufacturers in the Krasnoyarsk territory whose brands are recognizable, mainly among the residents of the region. These include brands offering products in such areas as: dairy products, meat products, confectionery, etc. The most recognizable brands of food products producers include: TM Sibirzhinka (JSC “Milk” (“Moloko”)), TM “Nikolsk health” (Nikolskoye zdorovie) (LLC “AgroNik”), TM Zor’ka (JSC Agro-industrial holding “Agroyarsk”) TM Taiga source (Taezhny istok) (Breading plant “Taezhny”), TM Masloboevo (LLC “Krasmol”), TM Kamarchagskoe (LLC “Agromilk”), TM “Dymov”, TM “MaVR”, LLC Agro-industrial complex “Uyarsk meat plant” (“Uyarsky Myasokombinat”), Public corporation “Filimonovo milk-conservation plant” (“Filimonovskoye Molochno-konservnyy combinat”), Closed corporation “Nazarovskoe”, LLC “Iskra”, TM “Province” (“Provintsiya”) (JSC “Solgon”) [15].

Advantages of the local producer carrying out the production on the principle of “full cycle” (from production of raw materials to final production) are not always obvious. We propose to simplify the task of choice for the consumer and indicate the sign “Produced in the Krasnoyarsk territory from local raw materials” on the logo. In this case, it is necessary to apply the classification features, which make it possible to determine the production groups by the degree of involvement in the production process of raw materials of own production for the manufacture of finished products. This approach will allow to generalize the type of final production (meat, dairy, etc.) and information on the use of the raw materials type in the production (own production or acquired). This typology can be reflected in the formation of the product brand of the Krasnoyarsk territory.

**TABLE I. TYPOLOGY OF THE KRASNOYARSK TERRITORY PRODUCERS BY PRODUCTION TYPES AND USE OF RAW MATERIALS OF OWN PRODUCTION**

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Table 1 shows the names of the most famous food brands in the food market of the Krasnoyarsk territory according to the classification criteria presented in it. The most numerous of those represented in the typology are the groups of producers of milk and meat and dairy products. Unfortunately, among the well-known brands of local producers there were no enterprises for the production of cereals, confectionery and pasta, despite the fact that the region is a part of the Russian producers group for the grain production. With opportunities to expand and develop agriculture in the Krasnoyarsk territory, it is necessary to apply branding technologies that can improve the positions of local producers in the domestic market with the further prospect of presence and strengthening in the interregional and international markets.

This approach will expand the consumer’s information field in the implementation of his choice in the food market, as well as, help him to identify local producers engaged in the production of full-cycle products all other things being equal.

The uniform trademark “Native village” (“Selo rodnoye”) appeared in the Krasnoyarsk territory more than three years ago for the solution of marketing tasks of regional agricultural enterprises. Local dairy producers of the Krasnoyarsk territory: JSC Agro-industrial holding “Agroyarsk”, JSC “Milk” (“Moloko”) (TM Sibirzhinka), LLC Agro-industrial enterprise “Robin’s gifts” (“Dary malinovki”), LLC “Miller” (“Melnik”) (“Minusinsk gift” “Minusinsky dar”), LLC “Moment”, Public corporation “Filimonovo milk-conservation plant” (“Filimonovsky Molochno-konservny kombinat”), LLC “Bread House” (“Dom khleba”) “Dikkhleb” united under the unified trademark. The agricultural marketing cooperative was chosen as the organizational and legal form. The basis of the concept of the cooperative positioning is naturalness, environmental friendliness and freshness of products. Each partner-company has its own sales hits, so the best assortment items are produced under the brand name “Native village” (“Selo rodnoye”). At the moment, the cooperative has about 14 partners-suppliers. All of them work in different product categories – dairy, meat, vegetable products, cereals, flour. There appeared even a dessert group in honey. The general marketing task is to form a complete product basket from natural raw materials of regional producers.

As a result of unification under a single trademark, there was an optimization of the enterprises expenses, the increase of the production delivery volumes that allows to bring daily fresh production to outlets. Manufacturers distribute their products by a united logistics system.

The cooperative guarantees high quality and naturalness of production to customers; because except own strict control all production passes additional independent quality check in Krasnoyarsk center for standardization and metrology that is confirmed on packages by the special sign “Yenisei standard” [15].

The price policy of the cooperative is based on the best balance of “price-quality” relationship. Buyers have the opportunity to purchase fresh natural products of high quality from local manufacturers at a price lower than that of major federal brands.

However, at the stage of the cooperative formation, only local producers of dairy products united which in the current conditions, as well as the development of the Association and expansion of the product range necessitates the transformation of the brand, systematization and differentiation within product groups (categories) – sub-brands. Moreover, currently the trademark is known and recognizable only by residents of the city and the region.

IV. RESULTS

Work on the creation of the agricultural products brand in the Krasnoyarsk territory can be divided into two stages.

The first stage is connected with actions on the formation of the future brand ideology; the second is connected with the formation of the image answering to the expectations in consciousness of the potential consumer. In turn, each stage should be divided into a number of sub-stages (Fig.3).

Fig. 3. The algorithm of formation of the brand ideology [compiled by the authors].

The search for free space – the first stage in the algorithm of brand formation can be associated with determining the market niche, determining the weaknesses of competitors, etc. In the case of the formation of the agricultural products brand in the Siberian region, in our opinion, the growth point should be based on the understanding of the lack of strong brands of local producers and on the opportunities of local producers in terms of enhancing their products competitiveness.

Determining the poles of growth taking into account the opportunities of the Siberian region is associated with the formation of an “innovation basket”, which can include both agricultural products existing on the regional market and having export-oriented potential, and the organization of a new territorial products. The definition of differentiation policy can be achieved by meeting the complex needs, additional benefits, quality components of the proposed product. An important place in the positioning of the agricultural products brand should be given to the development of the advertising content concept.

We consider “umbrella” branding to be the most preferable approach to the brand development, which involves the use of one brand name for all agricultural products promoted by the Siberian region (Fig.4).
The brand strategy development at the enterprise level begins with the definition of guidelines that should be laid down in the regional ideology of product brands.

The formation of the “umbrella” brands concept in the conditions of the share increasing of products sold through large retail chains can be explained not only by marketing, but also by technical reasons, since large networks need to guarantee large deliveries of goods.

The second stage of works is connected with activation of efforts on the formation of the image relevant to vision of the producer in the potential consumer’s consciousness. To achieve this goal, one should use: a set of marketing communications (advertising, media, etc.), reinforcement through alternative channels (mobile marketing, “word of mouth”, etc.). The necessary component on this stage of works is to provide feedback to consumers and contractors in order to correct the activities and strengthen them.

Competent development and positioning of the product brand will unite the interests of the business community, authorities and the population of the region as a whole.

V. CONCLUSIONS

To date, the formation of agricultural products positive image in the Krasnoyarsk territory is connected with several challenges: the opinion about the region as a manufacturer of products primarily in the extractive sector (oil and gas extracting, ore mining and metal production); poor recognition of the Krasnoyarsk territory in the segments of goods of wide consumer demand, which makes it difficult to establish export-oriented relations, both in relation to foreign markets and in relation to the markets of other regions of our country.

In the process of designing product brands for manufacturers of the Krasnoyarsk region various specialists should participate: marketers, designers, PR-specialists, scientists, politicians and members of the public. In turn, in order to promote the products of the agro-industrial complex of the region, it is necessary, first of all, to provide a number of necessary conditions:

1) strengthening of state support for export-oriented agricultural production (subsidies, grants for the introduction of innovative approaches that increase productivity in the agro-industrial complex, as well as for enterprises engaged in complex deep processing of raw materials with high added value)

2) strengthening of the work on the formation of the territory positive image in the production of a certain group of products (strengthening of the information field to inform potential consumers about the competitive advantages of this territory in the production of certain goods).

3) intensification of efforts to bring information to potential consumers.

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