

PRODUCT IMAGE IN THE ENTERPRISE'S MARKETING PRODUCT POLICY

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Abstract. A strong image of the organization and its products indicates unique business abilities (special skills, abilities) that allow you to increase the value of goods and services offered to consumers. Managers of any organization or eventually start building its image, and then the sequence of their actions will be as follows: image measurement, image assessment, development of an image-building program and its implementation. Each organization performs many roles, so its image formed at different levels: socio-cultural, industry, enterprise and product level. Based on this, it is necessary to study the formation of a positive image of Ukrainian enterprises and companies. The *purpose* of the article is to theoretically substantiate and develop scientific and methodological provisions and practical recommendations for the improvement of the product image in the marketing product policy of the enterprise. The *object* of research is the brand, LLC "Industrial and commercial company SHABO". The *subject* of the research is the influence of the image and its perception by consumers, namely: analysis of the alcohol market of Ukraine, the place of "SHABO" in it, determining the impact of the company's image on its profit. The *methodological basis* are general and special methods: the systematic approach, system-structural analysis, synthesis, comparative analysis, modeling, semantic analysis, and terminological approach. The *research results*: most of Ukrainian scientists define the brand as an image that arises in the mind of the consumer, is associated with certain advantages of the product (service) or company, and clearly differs from competitors. The image makes a huge contribution to the formation of the image of the brand in the mind of the consumer. The *practical significance* of the obtained research results is that the conclusions and recommendations are of practical importance and can be used to strengthen product image in the marketing product policy of the LLC "Industrial and commercial company SHABO". Therefore, it is necessary to study the importance of the company's brand, its impact on consumers, the company's profit and the competitiveness of the company's products on the alcohol market of Ukraine and the international market.

Key words: product image, brand, competitiveness, wine market, PEST, SWOT.

JEL Classification: M30, M31, L11, L66

1. Introduction

Product image is a stable, long-term and constantly maintained perception of consumers (buyers) about the quality of the product and the manufacturer (seller), its reputation, pre-sale and after-sale service. A positive image of the product and the manufacturer increases their competitiveness and chances of success. A negative image leads to loss of market position and business. If it has developed, then it is very difficult to overcome it, it will take a lot of money and time (Gavurova, Bacik, Fedorko, Nastisin, 2018).

A positive image is formed through the activities of the Marketing Communications Complex,

in which Publicity and Public Relations play a decisive role. Creating a positive image is a complex process of maintaining communication links with real and potential consumers, the purpose of which is to form at the subconscious level certain positive associations regarding the name of the product, trademark or name of the manufacturer (Consumer psychology). The effect will be greater if the image of the product is formed with the involvement of disinterested parties. Thus, the certification of products and enterprises, especially according to international standards (ISO 9000), significantly improves the image of the product.

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The image of a product, brand or company is an idea or association that arises in the buyer in connection with certain names. The main characteristic of the image is that, according to marketers, it captures those who personally know nothing about the product and do not have their own opinion about it, but are influenced by the image that has formed in the relevant environment. The image characterized by the "radiation" effect, when one of its components (positive or negative) perceived so strongly that it determines the consumer's attitude as a whole. The company should study this effect. With the help of appropriate questionnaires, information is obtained about the attractiveness of the image of the product and the company and the level of trust in it by buyers, about the assessment of the "quality-price" ratio, as well as about the consumers of the product. Special promotional activities help to create a favorable image of a new product or support a fading image of traditional products (Yan Shi, Laura Hjaltaso, 2016)

The concept of image is closely related to understanding the popularity of the product. There is a distinction between the so-called spontaneous (the answer to the questionnaire question: "Which soft drinks do you know in general?") and the awakened popularity (the answer to the question posed in a different way: "which of the listed names of soft drinks do you know?"). Popularity that has awakened, as a rule, needs additional confirmation. The company should strive not only to create a favorable image of its products, but also to ensure its maximum popularity. The latter is explained by the fact that the consumer always tries to minimize his efforts in the purchase process. In national markets and due to the growing trend of globalization of the world market, this leads to the fact that a small number of product brands (three or four) can interfere with the sale of other less well-known products. That is why we can conclude that advertising should contribute to the growth of popularity, since most people buy already known goods as "more reliable".

In today's competitive environment, an enterprise can only survive by constantly adapting to market requirements. In industrialized countries, markets are constantly changing under the influence of scientific and technological progress. New types of raw materials and production methods are emerging, there is an

unconventional use of traditional goods, and the pace of changes in the product range under the influence of fashion is accelerating. It is clear that manufacturers need to anticipate possible changes in the actions of competitors and consumer behavior, that is, to feel the "demands of the time". The latter is significantly facilitated by product testing. Such marketing actions are most widespread in relation to food, cosmetic products, and household care items. They test both already known products and new or modified products. In the first case, testing is carried out in order to determine the attitude of consumers to the goods on sale: the level of customer satisfaction with a particular product, their attitude to the services of competitors is determined. When developing new products or modifying old ones, the company tries to find out what positive qualities consumers see (would like to see) in a particular model, the reasons for their satisfaction or indifference, the opinion about the price and availability of use. In addition, testing allows you to find out how a particular product is evaluated against similar products produced by competitors. Therefore, preliminary testing makes it possible to make decisions on modifying a product that has already been mastered by production or switching to the production of a new product. The main market characteristics of a product are fundamental, but not the only ones for determining the competitiveness of a manufacturing company (Olexova, Chlebikova, 2020). Usually, when analyzing the competitiveness of a company, they take into account the market share controlled by it and the prospects for its content. And also the compliance of product properties with the needs of consumers, absolute profit per unit of production, profit as a percentage of production costs, the quality of the distribution network and the suitability for the market of the company's product promotion program, considering the actions of competitors.

2. Wine market of Ukraine and the image of LLC "SHABO" on it

The wine industry of Ukraine is represented by enterprises of primary and secondary wine-making. The main type of raw material for wine production is wine materials. In addition to powerful wineries that have about a thousand hectares of their own vineyards, small wineries are being created that contribute to the develop-

ment of the culture of wine consumption and production in Ukraine through the production of original wines, wine tastings, and wine festivals.

The main varieties in Ukraine are Aligote, Bastardo Magaratsky, Cabernet Sauvignon, Merlot, Muscat, Odessa black, Pinot, Riesling, etc.

Although there is a tendency to reduce the amount of wine produced compared to 2016, 119 million liters of wine were produced in 2020. In 2020, Ukraine exported 14.4 million liters of wine, which is twice as much as in 2019, although wine imports to Ukraine in 2020 increased by 22% compared to 2019. Despite this, the grape and wine industry is developing in Ukraine.

In the context of the globalization of the wine market and Ukraine's accession to the WTO, competition is becoming more acute, which requires restructuring the industry in such a way that its products meet the high requirements of the market (Jung Young Yun, Vyshnivskiy, 2019). In 2009, the industry program of viticulture and winemaking of Ukraine for the period up to 2025 was developed and approved; unfortunately, it is not fully valid. The aim of the program was to implement the state policy of Ukraine to regulate the development of this sector of the economy, concentration of financial, material, technical and other resources, production and scientific and technical potential to solve the main problems of the industry.

Although many of the most important concepts are not legally fixed at all, or the existing laws do not meet the modern requirements of the world wine production market. It is necessary to increase planting, restore and lay new nurseries of grapes, and most importantly improve the quality of wine from recognized international varieties that grow perfectly on the territory of Ukraine, as well as develop local Aboriginal varieties, of which there are quite a lot in Ukraine.

The family business – SHABO Wine Company, combines a powerful production complex with modern European equipment and almost two thousand years of winemaking traditions. It was founded in 2003 on the basis of the oldest wine production in Ukraine in the village of Shabo. The wine-making traditions of this region were laid down in ancient times, and cultural winemaking was developed by Swiss settlers, who founded a wine settlement here in 1822.

The company's structure includes "Shabo Wine House", "Shabo Sparkling Wine House", and "Shabo Cognac House". The production volume is 15 million liters per year. Today LLC "Shabo" is one of the leading Ukrainian producers a modern winemaking enterprise that operates according to Ukrainian and international standards (Official site of Shabo company).

Since 2012, the LLC "SHABO" company – the only one in Ukraine – received the right to create premium wines of "controlled designation of origin" (KNP wines) – the Ukrainian analogue of the French Appellation; output controlled.

Over the past 10 years, the production volume of Shabo noble drinks has almost doubled in 2008 – 533.5 thousand dal, in 2018 – 989.8 thousand dal. Since 2012, Shabo has been actively exported to 18 countries – Europe, the USA, Canada, Asia.

According to official statistical sources, the Herfindahl-Hirschman index can be determined, that is, an indicator of business concentration on the Ukrainian wine market (Zeman, Bogdan, 2019). The HHI is a commonly accepted measure of market concentration. It is calculated by squaring the market share of each firm competing in a market and then summing the resulting numbers. It can range from close to 0 to 10,000. This index is calculated using the formula:

$$HHI = s_1^2 + s_2^2 + s_3^2 + \dots + s_n^2$$

where:

s_n – the market share percentage of firm n expressed as a whole number, not a decimal.

According to calculations, in 2021 the Herfindahl-Hirschman index was 1413.75. Whereas $1000 < HHI \leq 1800$, this market belongs to moderately concentrated markets (medium market concentration).

The classification list of wines is very extensive. All products are divided into different categories, depending on the quality and aging period, production technology, as well as depending on the raw materials from which the wine is made.

Therefore, the amount of demand for wine products is influenced by a certain number of factors, knowledge and understanding of the needs of consumers of these products, and the correct positioning of the product. Equally important are the development of a productive and correct advertising campaign, the strengthening of market positions and the increase or preservation of market share, targeting the

Table 1

Features of demand for sparkling wines

Demand features	What is this characteristic?	Impact on the company's operations
1. Secondary	Wine products are not secondary, but act as an independent final product.	Since demand depends on end users, it is necessary to monitor changes in demand in the consumer market and stimulate it with various measures.
2. Extensibility	Demand for products may be slightly increased as a result of the growth of the sparkling wine consumption culture.	The company needs to gain a foothold in existing market segments, establishing long-term relationships with customers.
3. Elasticity, indicator of demand elasticity relative to price	Demand is weakly elastic – this is expressed in the fact that if prices are reduced or increased, demand will not change significantly.	The company needs to work on improving the quality of products, on ways to reduce prices in order to increase attractiveness for the buyer, as well as improve the quality of the company's products.
4. Cross elasticity, an indicator of cross elasticity	Cross elasticity partially exists. The role is played by raw materials-grapes. Enterprises partially purchase raw materials from foreign suppliers. If the dollar exchange rate increases or the cost of raw materials increases, the price of final products increases.	It is necessary to establish cost-effective relationships with suppliers of raw materials in order to get discounts, reduce inventory and get some privileges.
5. Rationality/Emotionality	The consumer's choice is mostly emotional. Rationality is influenced by knowledge of the style features and manufacturing technology.	It is necessary to position products in terms of quality for customers, as well as goods for everyday use, as a food product.
6. Seasonality	Seasonality is clearly expressed on New Year's Eve and during periods of women's and men's holidays. The demand for certain types of products may vary slightly by season.	It is possible to change the advertising campaign by season to increase demand in accordance with the needs of customers at this time, as well as take into account the amount of demand during periods of greatest consumption.
7. Instability	Demand is steady, especially during New Year's holidays and other celebrations. Also, the demand for products is growing in the summer due to the heat.	The company needs to limit the price of products as much as possible, increase the range and improve quality, and improve technologies.
8. Current state of demand	Falling (due to the economic crisis)	It is necessary to restore demand this can be done by reducing the price (looking at the current economic situation), improving quality, increasing the range, and increasing public awareness.

domestic supplier of raw materials, and most importantly, the formation of an assortment and quality that would satisfy consumers.

Among the domestic brands, Artemivsk Champagne Wine Factory has the greatest advantage in the segment of sparkling wines. The products of the Kyiv factory under the well-known name "Soviet Champagne" are no less popular. Next come producers from Odesa: "French Boulevard", "Shabo", "Odesa".

Among imported sparkling wines, the leader is "Martini" – a brand of vermouth produced in Italy, named after the Martini & Rossi distillery in Turin. Therefore, Martini Asti, and the second place by Martini Rose occupy the first place among the sold brands. In third place is the representative of Georgian winemaking TM "Bagrationi".

It should also be taken into account that due to the culture of wine consumption in Ukraine, with a significant increase in the price of goods, the consumer can replace the drink with another cheaper category. For example, the consumption of cider or other non-strong drink may increase.

PEST Analysis (political, economic, social and technological) is a management method whereby an organization can assess major external factors that influence its operation in order to become more competitive in the market. As described by the acronym, those four areas are central to this model.

PEST Analysis can assist an organization in recognizing and thereby capitalizing on opportunities offered by existing conditions in the business environment. It can also be used for

Table 2

Evaluation of LLC "SHABO's" characteristics for PEST analysis

Factor description	Influence of the factor	Expert evaluation					Average rating	Weight-adjusted score
		1	2	3	4	5		
<i>POLITICAL FACTORS</i>								
This year, restrictions on the import of raw materials will increase and higher customs duties on imports will come into force.	4	3	4	2	1	4	2,8	0,35
A new law has been adopted regulating advertising activities, tightening the requirements for advertising texts and prohibiting the use of doctors in advertising.	1	1	3	2	5	3	2,8	0,09
Growing tension in relations between our country and the country of the main exporter.	3	2	3	1	3	3	2,4	0,23
<i>ECONOMIC FACTORS</i>								
Next year, the country's GDP growth forecast is 3%.	3	5	4	4	5	5	4,6	0,43
The availability of loans will increase.	2	5	4	4	3	4	4,0	0,25
Inflation is projected at 7%, with unemployment falling to 10%	3	1	2	3	1	1	1,6	0,15
<i>SOCIO-CULTURAL FACTORS</i>								
People are more likely to buy imported goods.	3	3	5	3	2	4	3,4	0,32
The number of online purchases and mobile internet usage is increasing in the age category up to 35 years.	1	5	5	3	5	5	4,6	0,14
A positive attitude towards natural products is growing in society.	2	3	4	3	4	4	3,6	0,23
<i>TECHNOLOGICAL FACTORS</i>								
The market values design more than the technological properties of the product.	4	3	5	3	1	2	2,8	0,35
There is no technological breakthrough in the industry.	3	4	5	5	4	5	4,6	0,43
Players are in no hurry to import technologies used in more developed markets.	3	2	4	5	2	4	3,4	0,32
OVERALL SUMMARY	32						40,6	

Table 3

PEST analysis of LLC "SHABO" company

POLITICAL		ECONOMICAL	
Factor	Weight	Factor	Weight
A new law has been adopted regulating advertising activities, tightening the requirements for advertising texts and prohibiting the use of doctors in advertising.	0,09	Next year, the country's GDP growth forecast is 3%.	0,43
This year, restrictions on the import of raw materials will increase and higher customs duties on imports will come into force.	0,35	The availability of loans will increase.	0,25
Growing tension in relations between our country and the country of the main exporter.	0,23	Inflation is projected at 7%, with unemployment falling to 10%,	0,15
SOCIO-CULTURAL		TECHONOLOGICAL	
Factor	Weight	Factor	Weight
A positive attitude towards natural products is growing in society.	0,23	There is no technological breakthrough in the industry.	0,43
People are more likely to buy imported goods.	0,32	Players are in no hurry to import technologies used in more developed markets.	0,32
The number of online purchases and mobile internet usage is increasing in the age category up to 35 years.	0,14	The market values design more than the technological properties of the product.	0,35

Table 4

SWOT analysis of the LLC "Shabo" enterprise

Strengths		Weaknesses	
Rating	Parameters	Rating	Parameters
1	Availability of qualified personnel	1	Weak promotion of new products
2	Good employee motivation	2	Lack of branded stores
3	Modern technologies	3	Low representation in retail chains
4	Own raw material base	4	No ads in the premium segment
5	Discount system		
6	Well-established partnerships		
Opportunities		Threats	
1	Creating a branded trading network via franchising	1	Competition of imported products
2	Packaging production as feedback	2	Increase in packaging prices
3	Emergence of innovative technologies	3	Changing consumer preferences

identifying current or possible future challenges, allowing for effective planning of how to best manage these challenges. PEST Analysis can also be applied in assessing the in-house structure of an organization in order to identify strengths and weaknesses in its internal politics, economic outlook, social climate, and technology base. The results of this analysis can facilitate changes or improvements in areas identified as subpar.

PEST Analysis can be used in conjunction with other forms of strategic business analysis, such as the SWOT (strengths, weaknesses, opportunities, and threats) model, for an even more comprehensive result (Vyshnivska, Skorbahaty, 2022). Conducting a comparison between these completed analyses can provide a very solid basis for informed decision-making.

Based on the results of the analysis, it is proposed to use the strategy of reverse vertical integration, which is implemented by building a container, and packaging shop and building additional production facilities. It is also advisable to promote products for the target audience in the premium segment and focus on whether the company has international awards.

Thus, there is a need to increase plantings, restore and establish new grape nurseries, and most importantly, to improve the quality of wine from recognized world varieties that grow beautifully on the territory of Ukraine, as well as to develop local aboriginal varieties, of which there are quite a lot. a lot in Ukraine.

3. Problems of the wine industry of Ukraine

In recent years, the indicators of grape cultivation and export of Ukrainian wine have fallen. In

general, in 2020, Ukraine imported three times more wine than it exported (UkrBrand, 2020). Moreover, in 2021, the number of imports increased even more. After all, since January 1, the state canceled the customs duty on European wines, in accordance with the Association Agreement. At the same time, according to the results of the Tasting Commission, which checked 400 Ukrainian and foreign wines, 30% of imported wines and 90% of imported wine-based drinks have violations.

According to representatives of the industry, in order to develop, Ukrainian winemakers need state support. Small producers complain about the reduction of vineyard areas; lack of raw materials; difficulties with obtaining plots for long-term lease; unnecessary trouble with excise stamps and reporting; outdated state standards (for example, regarding packaging or wine production only from own grapes); lack of cheap loans. In December 2021, ten Ukrainian associations of winemakers signed a memo-randum of cooperation. The participants agreed to work together to create competitive conditions for the development of winemaking and support legislation to liberalize the industry.

Associations also advocate fair competition and countering counterfeiting. Among the goals of the memorandum is the approximation of domestic tax legislation to EU legislation on wine products. For example, exemption from excise tax on wine, other non-carbonated and sparkling fermented beverages.

In order for Ukrainian wine to become a real brand, targeted state policy and local initiatives are needed.

4. Material and methods

Modern theories of the formation of competitive advantages on the Ukrainian and international markets, scientific concepts, monographs and periodical publications of Ukrainian and foreign scientists on marketing, management, formation of mechanisms for managing the development of the enterprise are the theoretical basis of the research for the article.

The research information base: economic sources and periodicals, analytical data from various areas of business activity, materials of the state statistics bodies of Ukraine, enterprise development programs, as well as the results of research carried out by the author.

The following methods of scientific research were used in the article: historical and logical (to identify the categories "product competitiveness" and "market share of the main sparkling wine producers in Ukraine"); analysis and synthesis (summarization of the global experience of ensuring the competitiveness of products at the corporate and state levels, identification of potential, problems and contradictions achieving competitiveness of Ukraine on international commodity markets); system-structural analysis of economic processes (for the systematization of criteria, factors, typification of macro-marketing and corporate technologies for the formation of product competitiveness); methods of quantitative and qualitative comparisons (for a comprehensive assessment of marketing research methods).

5. Findings

LLC "SHABO" is a large-scale company that has expanded its business not only in the Ukrainian open spaces, but also abroad. This indicates a good image impact and status of the company in a variety of markets. Based on the analysis conducted, we can confidently say that Shabo occupies one of the first steps in Ukraine in the production of cognac and wine. Which is directly affected by the image (Vyshnivska, 2021). However, a competent rebranding and conversion of the company to more expensive and high-quality products, which will become a worthy competitor not only in Ukrainian markets but also in international ones, can affect the development and raising of status in all markets.

6. Conclusions

Creating a strong brand can have the following economic effect, which, as experience shows, is often underestimated by managers of enterprises:

- consumers are willing to pay a high price for it;
- it helps to expand market share, that is, increase sales, as retailers are eager to sell it and consumers are willing to buy it;
- it has more opportunities for further growth;
- due to consumer loyalty, it brings consistently higher profits, as it reduces risks, subsequent marketing costs, and successfully overcomes unexpected obstacles;
- provides a higher rate of return on investment, which is fundamentally important for investors;
- it has high protective barriers and high development opportunities.

It becomes obvious why a strong image of the enterprise and its products is the most important strategic advantage of the enterprise. Creating and maintaining a strong image requires a lot of money, a long time, and there is a contradiction between the need to constantly have a sufficiently high profit and long-term investments in the image that do not give a quick return. However, we have to understand that if once an enterprise gives up its market positions, it will be extremely difficult, almost impossible, to return to them.

Now it is necessary to determine the priorities for the development of viticulture, taking into account zonal and regional characteristics. Pay attention to the development of special state programs to preserve the best grape varieties. The government needs to restore the law of Ukraine "on collection for the development of viticulture, horticulture and hop growing" (587-14) until 2025 and improve the mechanism for providing state support to viticulture and ensure the development of winemaking taking into account the requirements of the WTO, develop a grape cadaster within the framework of the General Land cadaster. The regulation of land relations and rationalization of land use, the development of legal and technical registration of the right to lease land for vineyards, and the formation of an agricultural land market remain an open issue.

There are also ways to develop the wine industry:

- attracting large investments in the industry;
- choosing the right marketing policy;
- implementation of measures to ensure the development of the infrastructure of the wine market, diversification of sales channels and

quality assurance of products, regulation of supply and demand, protection of the market from imported wine products and low-quality raw materials;

– implementation of measures to increase the market capacity of grapes and processed products, taking into account the needs of the population, its purchasing power and maximum export opportunities;

– innovative and investment strengthening of the material and technical base of the grape and wine industry, introduction of environmentally friendly, resource – and energy-saving technologies;

– improvement of insurance and tax policy in the field of grape and wine production;

– increasing the role of Science and education, developing advisory services;

– improvement of the management system in the grape and wine industry;

– development of industry – specific regulatory and technological documentation that meets the regulations and requirements of the European Community.

Therefore, favorable soil and climatic conditions, excellent grape varieties, knowledge and many years of experience in wine production allow us to create Ukrainian wine with unique taste and quality indicators.

In addition, the potential capacity of the domestic and foreign wine market, the availability of intellectual and production capital for the introduction of innovative technologies, the reorientation of consumer preferences from strong alcoholic beverages to wines make it necessary to improve and develop viticulture and winemaking in Ukraine.

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