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# INNOVATIVE COMPONENT OF THE STRATEGY OF COMPETITIVENESS OF GLOBAL BRANDS

Urgency of the research. Innovations as the key process of the modern development of the world economy provide intellectualization of all processes of public recreation that are accompanied by the changes of basic trends of economic development and formation of the new global competition leaders. It stipulates the becoming of the special competition status of market subjects, where the result of innovation - creative activity is provided by the process of transmission of value and identity of company to the world consumer of global brands.

Target setting. The innovative component has become the key source of competitive edges, that allow the entities of the menage form the leading positions on world markets, using the special type of innovative culture, stimulating an innovation and forming potential global brands.

Actual scientific researches and issues analyses. The question of the selection of the innovative component of the competitiveness of global brands devoted the works of such well-known scientists, as N. Kapferer, F. Kotler, D. Bouen, and others. Problems related to the creation of successful brands are highlighted in the works of K. Verkman, G. Charmenson, A. Filipenko, V. Shevchuk.

The research objectives. The objectives of this article is the identification and justification of the role of the innovative component in the strategies of the software of the competitiveness of the global brands.

The statement of basic materials. In the article investigated the processes of the formation of global brands in the context of ensuring their competitiveness on the basis of their innovation potential

**Conclusions.** In the article conclusions are made about the necessity of designing and positioning of innovation brand identity by business entities in order of the software of their global competitiveness and attracting innovative development resources.

**Keywords:** innovative component; competitiveness; global brand; strategies.

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## ІННОВАЦІЙНА КОМПОНЕНТА СТРАТЕГІЇ КОНКУРЕНТОСПРОМОЖНОСТІ ГЛОБАЛЬНИХ БРЕНДІВ

Актуальність теми дослідження. Інновації як ключовий процес сучасного розвитку світового господарства забезпечують інтелектуалізацію всіх процесів суспільного відтворення, що супроводжується змінюю основних трендів економічного розвитку та формуванням нових глобальних конкурентних лідерів. Це зумовлює становлення особливого конкурентного статусу ринкових суб'єктів, де результат інноваційно-креативної діяльності забезпечується процесом передачі цінностей та ідентичності компанії світовому споживачеві глобальних брендів.

Постановка проблеми. Інноваційна компонента стає ключовим джерелом конкурентних переваг, що дозволяє суб'єктам господарювання сформувати лідерські позиції на світових ринках, використовуючи особливий тип інноваційної культури, що стимулює новаторство та забезпечує формування конкурентоспроможних глобальних брендів.

Аналіз останніх досліджень і публікація. Питанням виокремлення інноваційної компоненти конкурентоспроможності глобальних брендів присвячені роботи таких відомих вчених, як Ж.-Н. Капферер, Ф. Котлер, Д. Боуэн та ін. Проблеми, пов'язані із створенням успішних брендів висвітлюються в роботах К. Веркмана, Г. Чармэссона, А. Філіпенко, В. Шевчука.

Виділення недосліджених частин загальної проблеми. Незважаючи на вже існуючий вагомий доробок вітчизняних і зарубіжних вчених, слід констатувати наявність дискусійних питань щодо визначення пріоритетних напрямів стратегії забезпечення глобальної конкурентоспроможності суб'єктів господарювання особливо у контексті їх інноваційного розвитку

Постановка завдання. Метою даної статті є визначення та обґрунтування ролі інноваційного компонента у стратегіях забезпечення конкурентоспроможності глобальних брендів.

**Викладення основного матеріалу.** У статті досліджені особливості формування глобальних брендів у контексті забезпечення їх конкурентоспроможності на основі реалізації їх інноваційного потенціалу.

**Висновки.** У статті були зроблені висновки про необхідність конструювання та позиціонування інноваційної бренд-ідентичності суб'єктами бізнесу задля забезпечення їх глобальної конкурентоспроможності та залучення інноваційних ресурсів розвитку.

**Ключові слова:** інноваційна компонента; конкурентоспроможність; глобальний бренд; стратегії.

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**Urgency of the research.** Changes of the paradigm of global economic development increases the importance of the innovative component of ensuring the competitiveness of economic entities.

**Target setting.** At the present stage of the development of the world economy, it is important to study the innovative component of the strategy of development of the subjects-leaders of the world economy, which lie in the basis of their global competitiveness and brand identity.

Actual scientific researches and issues analysis. Significant contributions to the development of the theory and methodology of international branding were made by such scholars as S. Anholt, D. Traun, D. Heide, D. Lukianenko, E. Panchenko. To the problems of innovative intellectualization of the economy and the formation of global leaders of the world economy devoted the fundamental works of such economists as F. Kotler, D. Jargenson, P. Romer, R. Lucas, A. Postavnik, T. Tsygankova, O. Shvidanenko.

**Uninvestigated parts of general matters defining.** At the same time, there is a lack of systematic studies of global branding as an instrument of competitive advantage based on innovative development imperatives.

**The research objective**. The purpose of the article is to solve the problems of ensuring the competitiveness of global brands on the basis of innovative strategies of their development.

The statement of basic materials. At the turn of the second and third millennia, the paradigm of global economic development is significantly changing. Globalization stimulates overall economic progress through the intensive dissemination of innovations in the technological sector, the large-scale exchange of products, services, human resources, and capital. Absolutely natural, that a series of transformations take place in the world social economy structure. On the basis of the post-industrial paradigm of global economic growth, the models of economic development of leading national economies, such as "knowledge economy", "new economy", "creative economy", are rapidly developing. That is, the modern post-industrial economy has a pronounced innovative character, when new discoveries, inventions, technologies, goods and services appear not sporadically or spontaneously, but have become a constant and most important component of the economic progress. This tirelessly leads to the significant transformations of global competition: its significance, scale, conditions, factors, methods, degree of exacerbation. This requires from the subjects of the global economic community the objective need to develop and implement completely new powerful competitive strategies, the formation of new unique highly competitive advantages and mechanisms for ensuring international competitiveness. Solving such complex tasks is possible only in a highly intellectual and innovative plane, with a quick and qualitative change in the technological structure of global entities, which in turn requires both large-scale investment and the introduction of new business development models.

Economic theory, which for many decades has studied the laws of the development of the industrial economy, proves that its main driving forces are entrepreneurship and innovation. Recent research from leading foreign and domestic scientists suggests that in a new economy of the 21st century, which is based on knowledge, or as it is called the "knowledge economy", innovation work and intellectual capital have become more and more significant.

This refers to the intellectual resource of the society as the basis of socio-economic progress, which is a totality and combination of information, knowledge, intelligence, innovation, and is so important that it is legitimately called the imperative of modern economic development.

Consequently, according to the prevailing number of both domestic and foreign scientists in the twenty-first century, not natural wealth, not territory, but high technologies, knowledge, intelligence have become the basis of economic development, a source of well-being and quality of life. This is confirmed by the experience of the economic growth of the developed countries and the leading TNCs of the world, where over the last decades pass the intensive replacement of fixed assets, material inventories and other tangible assets with intangibles.

Being the key process of the development of the world economy, the intellectualization of the economy transforms the national and international markets that operate in the modern world economy into a single, inclusive global market. All this is accompanied by an aggravation of competitive relations and the development of global competition processes. Such competition is bound to become over intensive, requiring from the members of the world community continuous improvement, progress, strengthening of competitive positions oriented on global leadership, which cannot be realized without the implementation of innovative development strategies in the process of ensuring their competitiveness.

At the macro level, total innovations include the ability of state and company executives constantly create the necessary conditions that stimulate the generation and commercialization of innovation. At the same time, success can depend on the efficiency and effectiveness of the achievements of individuals and business groups that transform their own achievements into a global phenomenon of success. That is, the subjects of the modern world community, which adhere to the principle of the development of total innovations, form a special type of innovation culture, competitive status and brand identity. Under such conditions significant transformation acquire the essence, significance and the role of such process phenomena as "brand" and "branding", namely in the context of their dualistic nature of manifestation in ensuring the global competitiveness of the subjects of market relations.

Despite the general commitment to the underlying principles of innovation development, which are largely followed by many of the world's leading companies, each participant in the global market has its own peculiarities, which determine its competitive status, innovation policy and brand identity in the global economic system. In most companies, this policy adopts specialized programs aimed on the development of innovation in general and the achievement <sup>1</sup> of the competitive leadership in innovation with the appropriate branding of their own achievements. In addition, some enterprises create specific tools to support their own brand, with the distinction of features of innovation development and the formation of the corresponding brand identity [1].

This is also due to the fact that the brand of the XXI century provides the implementation of various goals and objectives on a global scale. According to the scientists, with the beginning of the 2000s, branding is not considered solely as an element of marketing activity [1, 35-37]. This is confirmed by D. Lukyanenko and G. Hamel, who believe that a successful and powerful global brand is the result of a complex purposeful activity that embodies the reliability, reputation of goodness, uniqueness, established traditions, their particular perception by the world's "consumers" global positioning, competitiveness, specific innovation-image status and identity. That is, in their opinion, the modern branding process, on one hand, is a significant component of the processes of ensuring global competitiveness, on the other hand, confirms the opinion of the consumer on the high competitive status of a market entity.

According to the results of the conducted research it can be argued that under the influence of globalization the system of elements of the brand, its levels, features of formation of strategic landmarks, spheres of manifestation and content characteristics are also changing. If at the end of the last century in the works Philip Kotler initially gives the following definition: "Brand is a word, expression, sign, symbol, or design solution, or a combination of them to designate the goods and services of a particular seller or group of vendors to distinguish them from competitors, the modern interpretation divides the brand definition into two categories: first, the brand is symbolism and ideology of the company, and secondly the brand is a complex imagination of you (as a subject of the world economic space) perceived by society in terms of its own brand identity [2, 35-37]

The innovative component of the global competitiveness strategy of global brands can be interpreted as a strategic set of solutions for providing an innovation process in companies at all

<sup>&</sup>lt;sup>1</sup> Leading leader companies such as Apple, Google, Tesla, IBM, Microsoft position themselves as innovative companies that focus on accumulating innovations, technologies and new developments to deliver intelligence and information leadership.



levels and for all the components of their business activities by creating new values for consumers and stakeholders in order to achieve global competitive advantage.

In general, the innovation process consists of obtaining the result of the introduction of inventions, new technology, product, services, management decisions and other results of intellectual activity already in the global coordinate system.

Thus, characterizing the innovative component of the strategy of ensuring the competitiveness of global brands should be noted such features of its manifestation as: 1) goal-setting based on the development of global innovation; 2) consolidation of intellectual potential in unified corporate research centers; 3) change of corporate governance system in accordance with innovative determinants of global development; 4) the formation of the status of a global innovator; 5) the design and positioning of the innovation brand identity of a competitive leader in the global economic system.

It should be emphasized that the transformation of the essence of the brand has led to the changes in the levels and forms of the process of branding. So well-known scholars (D. Aaker, S. Philips, K. Kristensen, A. N. Urasova) and business community leaders singled out the local, regional and global levels [3, 21-23]. The specifics of this classification are due to the new global scales of conduct business, target audience of consumption and forms of competition. According to the scientists, the most controversial is global branding, due to the emergence of such phenomena as branding of innovation, competitive, geocultural and geoterritorial branding.

Among scholarly schools there is the idea that global branding is common to all actors in the global economic space. In the modern context of the development of the world economy, it relies on the processes that link the strategic vision, organizational culture, the formation of innovation identity and consumer value, integrating them into a single economic system of global competitive leadership.

According to the results of the conducted research it can be argued that the application of global branding strategies makes it possible to introduce in the practice of ensuring the competitiveness of business entities is a global competitive position, which determines the formation of their leadership positions, mainly on the basis of innovation and technological development.

So in the article "International Global Brand Branding Strategies: An Example of Sony Ericson" Robert Azuy gives a number of weighty arguments in favor of the practical use of the global branding strategy, namely:

- global brand allows to go beyond the boundaries of cultural differences, while taking advantage of a variety of cultural dilemmas;
- global brand creates a springboard for global competitiveness and the attraction of innovative development resources;
- global brand allows creating a special type of innovative culture, which leads to the commercialization of advanced technologies [4, 23-33].

Thus, we can conclude that in the world a new phenomenon of global innovation is emerging, which is provided by the synergistic effect of combining the individual image of leading corporations, transforming the advanced sectors of the economy and the innovative achievements of the companies they lead. As an example, Steve Jobs and Apple, Bill Gates and Microsoft, Ilona Maska and his company PayPal, X.com, SpaceX, Tesla, SolarCity, Neuralink, and others like that.

The same phenomenon of implementation of innovative global brand strategies can be traced in the processes of ensuring competitiveness through the integration between brands of well-known companies and countries. So in the article "The reputation of the country and business: many people - one strategy", the authors determine the main strategic objectives of economic development precisely in the area of the formation of dynamic competitive advantages. At the same time, the competitive strategies of the participants in the first place remain advantages based on innovative, technological and intellectual leadership.

Although it is commonly accepted that branding generally has a positive impact on economic development, there is no obvious unambiguous evidence that a company that employs a significant amount of innovation only provides a higher level of global competitiveness, since formula t-

ing a clear definition of innovation and measuring their impact on The effectiveness of business-activities of leading companies is a rather difficult task.

This postulate is confirmed in the absence of unified approaches to determining the impact of global branding on the competitiveness of leading global TNCs in the evaluation of the effectiveness of the innovation component of brand image. However, based on the aggregation of views on the innovative development and interpretation of global branding, we consider it possible to confirm our opinion on the effectiveness of the use of the innovative brand - identity for improving the competitiveness of world-class companies leaders to summarize the results of the modern methodology apparatus for brand indexation and ranking. Among the most representative in our opinion, such techniques as Interbrand, Brand (agency Millward Brown), European brand, Institute Eurobrand in Vienna, Finance, Fortune Magazines, Forbes and others. So according to the rating "Best Global Brands" by Interbrand, shown in the table. 1, top ten top global brands include 7 recognized companies from innovative leaders such as Apple, Google, Microsoft, Amazon, with a combined brand value of \$ 539.892 billion. USA, comparable to GDP of such leading economically developed countries as Sweden, Norway, Poland.

## Best 2016 Global Brands

Table 1

Dest 2010 Global Brailes						
Rating	Brand	Country	Sector	Trend	Cost of the brand bil. dol. USA	
1	Apple	USA	Technology	+5%	178,119	
2	Google	USA	Technology	+11%	133,252	
3	Coca-Cola	USA	Drinks	-7%	73,102	
4	Microsoft	USA	Technology	+8%	72,795	
5	Toyota	Japan	Auto	+9%	53,580	
6	IBM	USA	Business-services	-19%	52,500	
7	Samsung	North Korea	Technology	+14%	51,808	
8	Amason	USA	Retail	+33%	50,338	
9	Mercedes-Bens	Germany	Auto	+18%	43,490	
10	GE	USA	Diversified	+2%	43,130	

Source: created by the authors on the basis of [5]

Investigations of the Interbrand rating agency almost completely coincide with the ranking proposed by the World Bank in the context of brand-indexing of the most innovative global brands (Tab.2)

Table 2

The ranking of leading global brands

Rating	Company
1	Apple
2	Google
3	Tesla Motors
4	Microsoft
5	Amason
6	Netflix
7	Samsung
8	Toyota
9	Facebook
10	IBM

Source: created on the basis of [6]

Conclusion from the conducted research. Modern world-wide economic practice shows that the natural and manpower devoltage no longer determines the economic success of countries, regions and companies, that is, today the formation of a global environment of post-industrial information civilization takes place, where the role of the main production factor is played by information, and the decisive factor of competitiveness is new knowledge that, continuously accumulating, transform into fundamentally new dynamic development opportunities.

The efficiency of functioning of modern business entities is ensured by the formation of their innovative identity brand and the use of intellectual resources of strategic development integrating them into a single economic system of global competitive leadership.

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