PECULIARITIES OF THE CONSUMER PERCEPTION OF UKRAINIAN AND FOREIGN BRANDS

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Abstract. Ensuring sustainable competitive advantages is the main goal of the company in a chaotic and unpredictable change in the business environment. Sustainable and long-term competitive advantages are formed mainly on the basis of the new combinations or new ways of using intangible assets: they give impetus to the company's development and innovation in a rapidly transforming environment. One of such unique assets of the enterprise becomes a brand. The brand is the bearer of the value of the product in the consumer perception, and is often more attractive to the consumer than the actual consumer value of the product. Consumer perception of the brand is determined by a large number of factors, including personal and psychological factors that reflect the patterns of human consumer behavior and order its coexistence habits. The study of these aspects of consumer behavior is an extremely important task of marketing. The subject of the research is *theoretical-methodical* and *practical aspects* of peculiarities and factors of consumer perception of Ukrainian and foreign brands. The *purpose* of the article is to form a theoretical and methodological basis for determining and comparing the characteristics of the perception of domestic and foreign brands by Ukrainian consumers with different socio-demographic characteristics. In line with this goal, the research *methodology* is based on the use of expert survey methods to determine the characteristics of consumer perception of brands using Google Forms. The sample size is 169 people. Respondents were asked to rate 14 foreign and 11 Ukrainian most popular clothing brands according to selected parameters. To confirm the hypotheses formed in the study, the calculation of the Fisher's angular transformation criterion φ was used. According to the *results* of the study of features and factors of consumer perception of Ukrainian and foreign brands by Ukrainian consumers, the hypotheses about the greater commitment of Ukrainian consumers to foreign brands was confirmed (consumer perception of the ZARA brand exceeds the perception of the H&M brand, consumer confidence in foreign brands exceeds the trust in Ukrainian brands). Fisher's angular transformation criterion is used to confirm the hypotheses.

Key words: brand, confidence, consumer perception, consumer behavior, brand quality, Fisher's angular transformation criterion, brand perception, consumers, trust to brand.

JEL Classification: D11, D19

1. Introduction

The modern world is a world of lightning transformations, the characteristics of which are volatility, uncertainty, complexity, and unpredictability of the business environment. Current trends in the business environment – globalization, internatio-nalization, transnationalization, digitalization, increasing competition for markets and resources – all determine the need for continuous development, only if modern companies can keep up with changes in the business environment. It is known that sustainable and long-term competitive advantages are formed mainly on the basis of the new combinations or new ways of using intangible assets: they give impetus to the company's development and innovation in a rapidly transforming environment. One of such unique assets of the enterprise becomes a brand. A brand is an intangible asset whose value lies in its recognition by consumers and the formation of the positive associations associated with it. A brand is often associated with a brand, but in reality, the brand has much more meaning than just a graphic image, logo, or melody inherent in the brand, as it includes the entire set of intangible assets used to create and promote a particular product.

If at the dawn of the commodity-money relations a person made a choice in favor of product characteristics

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in terms of quality, usefulness, and functionality, then modern motives for purchase are often made unconsciously, under the impulse influence and desire to get positive emotions and pleasure and cover almost all steps of Maslow's pyramid. One of the factors that significantly influence consumer behavior and encourages product consumption is the brand and its perception by the consumer.

In today's world, the brand is receiving more and more attention: open brand agencies, research conducted in this area. And this is quite justified because the main function of the brand – to establish an emotional connection between producer and consumer. The brand helps a person choose from hundreds of identical products the one that will best meet his expectations.

2. Analysis of the recent publications

Such scientists as O. Guseva, F. Kotler, M. Makashev, O. Melnikova, T. Primak, A. Demitriev, E. Sheregi, I. Shutanov, I.M. Lindstrom, I. Bablenkov, I. Vikentyev, O. Godin made a significant contribution to the study aspects of brand formation. Many studies by consumers and practitioners on consumer perception make it possible to identify factors, motives, and general patterns of consumer behavior, but insufficiently investigated issues of brand association and consumer preferences, which are generally hidden and often beyond their rational perception. Research on the irrational nature of the brand allows us to determine the boundaries of irrational consumer behavior, identify irrational factors of brand perception, and form an appropriate marketing communications strategy. This determines the relevance of the study to the peculiarities consumer perception of Ukrainian brands and foreign clothing manufacturers.

3. Presentation of the main research material

According to the known understanding, a brand is a set of ideas, thoughts, associations, emotions, value characteristics about a product or service in the minds of consumers; the mental shell of a product or service. The brand itself is an abstract concept. Its physical components (carriers) are the whole set of elements the corporate style: brand name (word, phrase), logo (trademark) with the principles of its construction, a palette of corporate colors that supports corporate identity, original graphics, a set of phrases, sounds, brand and other. Thus, the brand is a multi-valued and low component concept, which is difficult to define unambiguously.

In the mainstream of modern marketing, the brand is seen in the plane of inseparable relationship with the consumption processes and the psychology of consumer behavior of potential buyers: "Marketing is not a battle of products, but a battle of perceptions and the struggle of producers. In the process of interaction with the environment, through the filter of the human perception, we can assume that a person moves from needs to emotions through motives" (Kotler, Pferch, 2007).

The mechanism of the brand's relationship with the consumer is realized through consumer motives, which are derived from needs but have a more detailed and focused nature. Such relationships form the content of the brand through a rational combination and emotional relationships with the brand, which, in turn, create and implement behavioral relationships with the brand (Koval, Romanchuk, 2010). So the brand creates a strong connection between the consumer and the product, which is based on a certain associative series.

There are two types of associations in marketing: primary and secondary. Primary associations are a set of images and representations that are directly related to the brand (logo, product packaging, price, etc.). All these elements the consumer can see and quickly remembered, and just as quickly erased from memory if the brand did not interest the person.

Secondary associations form an emotional attachment, they remain in a person's consciousness for a long time. These are abstract concepts related to the basic values laid down in childhood, established principles, and people's ideas about themselves or the world around them. Marketers work hard to firmly link brand attributes to consumer needs, values, and principles, evoke the right emotional responses, and thus create the emotional attachment of the brand's consumer.

Associations that arise in the consumer about the product and brand are united in a kind of relationship. These connections are maintained through a system of marketing communications – the appearance of packaging, location, music, flavor, color, logo, advertising, etc. Each of these elements is designed to emotionally affect the consumer: to cause him positive emotions (fleeting) and stable associations (long-term). Accordingly, the consumer can buy the product only because he liked the song from the advertisement, product packaging, or remembered the original name of the manufacturer's site.

However, the consumer perception mechanism of the brand is not as simple as it seems at first glance. Everyone can have different associations with the same phenomenon, product, subject, and other elements of the brand. For example, people may react differently to a company name. In some, it can cause positive associations, in others – negative. And if the formation of primary associations can be influenced by prices or advertising, the secondary associations are formed purely individually, are very subjective, and can have huge differences for each individual consumer. This makes it extremely important to take a serious approach to the process of brand positioning

and elements of marketing communications, which allows us to predict, based on the structure and characteristics of the target audience, which will be associated with certain elements of marketing communications, and assess consumer perception of the brand.

It should be noted that the needs of consumers in a particular period of time do not necessarily coincide with those components that strengthen the brand as a strategic resource at the enterprise. For example, market orientation may conflict with a long-term brand development strategy, and ideally, the company should focus on market needs and the values of its own development, which are reflected in the brand and marketing communications system (Riley, Remizova, Kalafatis, Singh, 2012).

The main thing in this process is the delimitation of the brand. An example is the line of suits under Colin's brand, which was not accepted by the market. Meanwhile, the Gillette brand has successfully expanded into the field of aftershave skincare products. It turns out that even if the product category of expansion intuitively corresponds to the category of "parent" brand. Marks & Spencer, a clothing retailer, began providing financial services under its own brand. Despite the fact that the expansion was carried out in a fundamentally new market segment, it was perceived positively by consumers due to the trust in the company's brand. Thus, the basic characteristics of the brand and its emotional "anchors", which have a strong impact on the consumer, are transferred to the new product and form the commitment of consumers. This thesis is confirmed by the opinion of a well-known expert in the field of marketing and branding Philip Kotler, who believes that in addition to the rational component of the brand to a greater extent provides consumers with emotional benefits (Kotler, Pferch, 2007).

4. Description of research and calculations

We will conduct research and compare the peculiarities of perception the domestic and foreign brands by Ukrainian consumers with different socio-demographic characteristics, which will help to understand in which areas work is needed to change the image of domestic brands primarily to strengthen the image of domestic brands and increase consumer loyalty. For the purposes were selected of the study Ukrainian and foreign brands of a clothing manufacturer.

The sample consisted of 169 people different ages and social statuses, living mainly in Cherkasy and Cherkasy region. The following sample characteristics were taken into account: gender (82 men, 87 women), age (16-60 years; median 24.5 years). The review was conducted by survey (offline and online, using Coocle Formes).

During the research, it was found that the interviewed respondents prefer foreign clothing brands to Ukrainian ones. In addition, domestic brands are little known to consumers, so about 12% of respondents did not provide information on their use of Ukrainian clothing brands (do not use or do not know any Ukrainian brands). Data on consumer use of Ukrainian and foreign brands are shown in the Table 1 (each respondent could name several brands he prefers). The study revealed Ukrainian and foreign brands known to consumers, among Ukrainian brands dominated by "mass market" brands, and among foreign – brands of the mass market segment and the middle price segment.

Table 1

Distribution of Ukrainian and foreign clothing brands known to consumers

Foreign brands		Ukrainian brands	
Brand name	Number of informed consumers	Brand name	Number of informed consumers
Zara	63	Kachorovska	11
H&M	38	MustHave	9
NIKE	37	Dolcedonna	7
Pull&Bear	23	Folk moda	4
Stradivarius	21	Factory "Lesya Ukrainka"	3
Bershka	19	Andre Tan	2
Oodji	19	VOVK	2
Adidas	16	N&M	2
Colin's	14	Madgie	2
Mango	14	B`YurSe	2
Cropp	12	Charodeyki	2
Milavitsa	12		
Mohito	11		
Reserved	10		

Data analysis Table 1 shows that respondents are much better aware of foreign brands than domestic ones, and use them more often. The number of mentions the foreign brands is 7.5 times higher than the number of mentions of domestic brands. Among foreign brands, the most popular are ZARA, H & M, and NIKE, among Ukrainian – Kachorovska, MustHave, Dolcedonna.

Often Ukrainian brands use English names, "disguising" themselves, thus, under foreign brands.

For a more detailed study of Ukrainian and foreign clothing brands, several characteristics of brands were selected, which determine their quality and influence the perception of brands by consumers. These include quality, representation, trust, history, uniqueness, personification. The results of consumer surveys on the criteria perception of the brands by consumers are presented in Table 2 and in Figure 1 and 2.

Table 2
**Evaluation of the quality parameters
of clothing brands that affect the perception
of the brand by consumers**

Measured parameter	Foreign brand		Ukrainian brand	
	Number of respondents	%	Number of respondents	%
Quality	126	74,7	43	25,3
Representation	122	72,5	65	38,2
Trust	140	**83,2**	56	**33,1**
History	64	38,2	24	14
Uniqueness	74	43,8	35	20,9
Personification	105	62,4	29	16,9
Number of observations in the sample	631	63,0	252	25,0

To test the hypotheses presented in this study on a more positive perception of the quality of foreign brands compared to Ukrainian, the calculation of the Fisher angular transformation criterion was used (Lozhkin, Komarovska, 2014). To do this, we formulate two assumptions.

Assumptions 1. To test the hypotheses presented in this study on a more positive perception of the quality of foreign brands compared to Ukrainian, the calculation of the Fisher angular transformation criterion was used (Lozhkin, Komarovska, 2014). To do this, we formulate two assumptions.

Consumer perception of the brand Mango will always exceed the perception of the brand Kachorovska (Ukraine).

We form two statistically opposite assumptions: but – there is no discrepancy between the consumers' perception of the Mango brand and the perception of the Kachorovska brand (refutation of the hypothesis); H1 – there is a discrepancy between the consumer
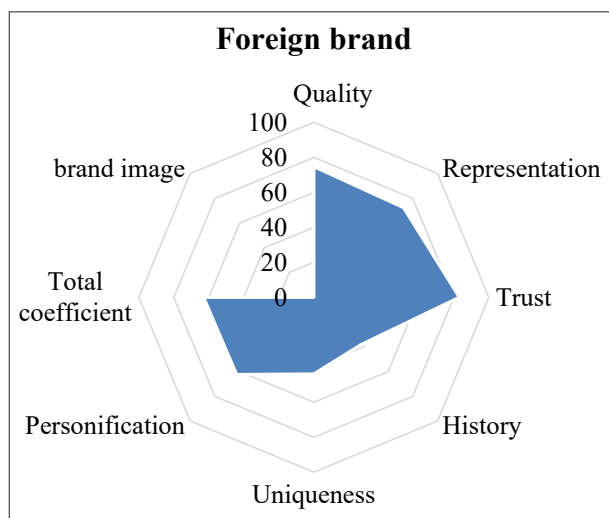
perception of the Mango brand and the perception of the Kachorovska brand (confirmation of the hypothesis). We calculate the empirical value of the Fisher angular transformation criterion (Lozhkin, Komarovska, 2014).

$$\Phi_{omv} = (\varphi_1 - \varphi_2) \times \sqrt{(n_1 \times n_2) \div (n_1 + n_2)}, \quad (1)$$

where φ_1 – an angle that corresponds to a higher percentage;
φ_2 – an angle that corresponds to a smaller percentage;
n_1 – number of observations in the sample 1;
n_2 – number of observations in the sample 2.

$$\varphi_{omv} = (0{,}584{-}0{,}516) \times \sqrt{(309 \times 46) \div (309 + 46)} = 0{,}46$$

The obtained empirical value of $\varphi_{omv} = 0{,}46$ is compared with the critical values of the Fisher coefficient $\varphi_{omv} = 0.4 \leq \varphi^*$ critical = 1.64 (Lozhkin, Komarovska, 2014). Since the φ_{omv} less than the critical value of the Fisher coefficient, the hypothesis of the predominant consumer perception of the Mango brand compared to the Kachorovska brand is refuted.

Assumption 2. Consumer confidence in foreign brands will always exceed trust in Ukrainian brands. We form two statistically opposite assumptions: But – there is no discrepancy between consumer confidence in foreign and Ukrainian brands (refutation of the hypothesis); H1 – there are differences between consumer confidence in foreign and Ukrainian brands (confirmation of the hypothesis).

$$\Phi_{omv} = (1{,}312{-}0{,}988) \times \sqrt{(631 \times 252) \div (631 + 252)} = 14{,}36$$

The obtained empirical value φ_{omv} compare with the critical values of the Fisher coefficient $\varphi_{cvc} = 2.31$; and ≥ 0.099 ($\rho = 0.01$) (Pachkovsky, Maksimenko, 2014); which means confirmation of the assumption of H1 on the difference between the perception of the quality of foreign and Ukrainian brands (empirical value of the criterion $\varphi_{omv} = 14.36$ more than the critical value
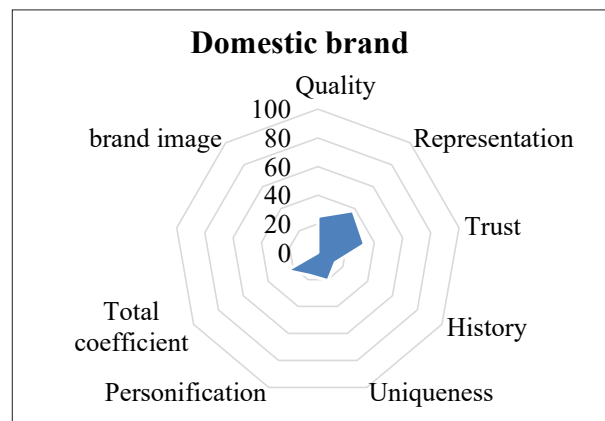

**Figure 1. Criteria for consumer perception
of foreign clothing brands**

**Figure 2. Criteria for consumer perception
of the foreign clothing brands**

φ_{cvc} = 2.31), the probability of assumptions is more than 0.999, the probability of error = 0.001, which confirms the hypothesis that consumer confidence in foreign brands will exceed confidence in Ukrainian brands.

5. Conclusion

The results of the study show that the perception of Ukrainian consumers of foreign clothing brands in all respects exceeds the perception of Ukrainian brands. The difference in the perception of brands in terms of "trust", "quality" and "personalization" is especially noticeable, which demonstrates the main advantages of foreign brands of clothing manufacturers over Ukrainian ones. Testing the hypothesis of the consumer confidence in foreign brands has shown that consumers trust foreign brands more than Ukrainian ones.

The profile of the perception the foreign clothing brands manufacturers shows a high level of trust in them, which indicates that consumers tend to automatically choose a foreign brand of clothing based on heuristics ("foreign – means good"), rather than making rational choices. This is partly explained by the concepts of behavioral economics and cognitive distortions of the consumers in the consumer decision-making process. Ukrainian consumers rate the quality of foreign brands as higher, and domestic clothing brands perceive them as low-quality, do not trust them, which also contributes to the choice in favor of foreign brands.

The last difference is particularly interesting: theoretically, Ukrainian brands should evoke a stronger personification, as there are significant opportunities to use the mechanism of brand identification: "own", "the same as me". Perhaps the lack of a victorious identification of Ukrainian brands by local consumers, with "uniqueness" is associated with the attempt of Ukrainian brands to "disguise" themselves under foreign brands in order not to emphasize their Ukrainian origin, which violates communication with Ukrainian consumers, reduces the strength of Ukrainian brands and opportunities to build effective brand communication.

The obtained results can be used in the construction of brand communication of the enterprises – clothing manufacturers, as well as a basis for the further socio-psychological study of the brands' perception mechanisms as objects of social cognition.

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