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FINAL QUALIFYING PAPER

on the topic:

“Brand Development in the FEA of the Enterprise”

(based on the data of LLC “DeLonghi Ukraine”, Kyiv)

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INTRODUCTION

In an environment of increasing competition and rapid change of the world economy, an important role is given for improving the efficiency of enterprise's brand management and development.

A brand is a name, term, design, symbol or any other feature that identifies one seller's good or service as distinct from those of other sellers. A brand represents the sum of people's perception of a company's customer service, reputation, advertising and logo. And when all of these parts of the business are working well together, the overall brand tends to be healthy. Branding was used to differentiate one person's cattle from another's by means of a distinctive symbol burned into the animal's skin with a hot branding iron.

In the modern era, the concept of branding has expanded to include the marketing and communication methods that help to distinguish a company or products from competitors, aiming to create a lasting impression in the minds of customers. The key components that form a brand's toolbox include a brand's identity, brand communication, such as by logos and trademarks, brand awareness, brand loyalty, and various brand management strategies. Many companies believe that there is often little to differentiate between several types of products in the 21st century, and therefore branding is one of a few remaining forms of product differentiation.

Business Dictionary, a leading online business resource, defines [1] a brand as a product with unique design, sign, symbol, words, or a combination of these, employed in creating an image that identifies this product and differentiates it from its competitors. Over time, this image becomes associated with a level of credibility, quality, and satisfaction in the consumer's minds. Thus, brands help harried consumers in crowded and complex marketplace, by standing for certain benefits and value. Legal name for a brand is a trademark and, when it identifies or represents a firm, it is called a brand name.

Marty Neumeier, author and speaker, defines [2] brand by first laying out what a brand is not: “A brand is not a logo. A brand is not an identity. A brand is not a product.” Neumeier goes on to say that “a brand is a person’s gut feeling about a product, service, or organization.”

David Ogilvy, the “Father of Advertising,” defined [3] brand as “the intangible sum of a product’s attributes: its name, packaging, and price, its history, its reputation, and the way it’s advertised.”

David Aaker conceptualized brand personality [4] as consisting of five broad dimensions, namely: sincerity (down-to-earth, honest, wholesome, and cheerful), excitement (daring, spirited, imaginative, and up to date), competence (reliable, intelligent, and successful), sophistication (glamorous, upper class, charming), and ruggedness (outdoorsy and tough).

But branding is nothing without proper management. In marketing, brand management is the analysis and planning on how a brand is perceived in the market. Developing a good relationship with the target market is essential for brand management. Tangible elements of brand management include the product itself: its look, price, and packaging, etc. The intangible elements are the experiences that the consumers share with the brand, and also the relationships they have with the brand. A brand manager would oversee all aspects of the consumer's brand association as well as relationships with members of the supply chain.

In 2001, Hislop defined [5] branding as "the process of creating a relationship or a connection between a company's product and emotional perception of the customer for the purpose of generating segregation among competition and building loyalty among customers." In 2004 and 2008, Kapferer and Keller respectively defined [6] it as a fulfillment in customer expectations and consistent customer satisfaction.

Brand management is a function of marketing that uses special techniques in order to increase the perceived value of a product, which now widely known as

Brand equity. Based on the aims of the established marketing strategy, brand management enables the price of products to grow and builds loyal customers through positive associations and images or a strong awareness of the brand.

Brand management is the process of identifying the core value of a particular brand and reflecting the core value among the targeted customers. In modern terms, brand could be corporate, product, service, or person. Brand management build brand credibility and credible brands only can build brand loyalty, bounce back from circumstantial crisis, and can benefit from price-sensitive customers.

Relevance of research.The brand is one of the company's most valuable asset, but far too often, companies skip essential brand research claiming they already know what their customers want and who their target audiences are. In addition, the global trends of globalization, rapid technical and technological upgrade of production to increase the rate of development of national markets has significantly increased competition among the companies.

The long-term success of a brand depends on the sustainable influence brands have toward the buying decision in a specific product category. If the influence of the brand on the buying decisions of consumers is low, a brand management that invests heavily to create a strong brand, in terms of customer-based outcome, is assumably inefficient as the brand investments will not lead to a high financial outcome.

Maintaining successful, efficient operation, especially in a foreign territory, without the development of proper balanced branding strategy in modern conditions is impossible. Branding in the international arena is very complex because it encompasses not only marketing but also other spheres of activity of the enterprise including production, R&D, logistics, finance, etc. you also need a deep understanding of the socio-economic and cultural conditions prevailing in the country in which the entity intends to carry out its activities. Though, the brand's FEA development has not much research associated with it.

The purpose of the study is to analyze the results of the brand export operations of LLC "Delonghi Ukraine" and to develop recommendations and proposals for improving the efficiency of brand development.

The tasks of the FQP are the following:

- To analyze the financial and economic activity of LLC "DeLonghi Ukraine";
- To provide the FEA analysis of LLC "DeLonghi Ukraine";
- To research the LLC "DeLonghi Ukraine`s" brand export efficiency;
- To propose ways for brand development in LLC "DeLonghi Ukraine";
- To develop a strategic brand portfolio for LLC "Delonghi Ukraine";
- To forecast the efficiency of proposed measures on the results of activity of LLC "Delonghi Ukraine";

The object of the study is the process of brand development of LLC "Delonghi Ukraine".

The subject of study is a set of practical aspects of brand development of LLC "Delonghi Ukraine".

Research methods. The research was conducted on the basis of the following general scientific and special methods of scientific knowledge: theoretical, comparative-economic, system-structural methods and methods of analysis and synthesis. Theoretical and methodological basis of research are works of domestic and foreign scientists, economists, experts in foreign trade, international management, enterprise management systems; practical experience of management of foreign economic activity at enterprises; methodological materials of scientific-practical conferences and seminars on the topic of research.

Significance of the study. Brand development research is a critical component of business success for a lot of reasons. Originally, it provides a business with hard data to make effective decisions. In addition, it gives a business deep insight into consumers' minds. This all means that redesigning an existing

brand or developing an identity for a new brand requires a sizable investment and, as with any investment, it's not without risk. In the case of a redesign, the existing equity and loyalty to the brand could be negatively impacted. Research, whether it's focus groups, surveys or ethnographic studies, helps to minimize these risks.

Contribution of the study. For effective operation in foreign markets the company needs to provide a very flexible use of various branding techniques taking into account market fluctuations and forecasts of brand development in foreign markets, trade customs, and features of the surrounding marketing environment. The brand is especially important to consider the specific social and cultural environment, as the goods are indifferent to buyers in one country can be quite important to buyers in another country.

The final qualifying paper consists is 71 p., Illustrations –7, Tables –21, Applications - 13, references – 30.

PART 1 RESEARCH OF THE BRAND DEVELOPMENT OF LLC

"Delonghi Ukraine"

1.1. Analysis of Financial and Economic Activity of LLC "Delonghi Ukraine"

De'Longhi Global is an Italian public limited group of companies, one of the largest manufacturers of household appliances in the world, founded in 1902 in Italy. In the world market it is known as a manufacturer of air conditioning equipment and home appliances. Headquarters are located in Treviso.

The Ukraine office was founded in 2011. During 2011 the De`Longhi group continued its strategy of building up Household division structures (for sales, logistics and administration) in high-growth emerging countries (in the Far East, Australia and the Americas, the Middle East, India and Africa) with the expansion/opening of new back offices to get closer to these important markets and be able to capture every available growth opportunity. The Household division has historically operated with a centralized business model that used a different approach for the various brands. In order to deal with even greater competition in emerging markets the group has changed its strategy by shifting from a global but centralized organization to a single "GLocal" approach for all the brands and transferring its operations closer to markets. This is where the De`Longhi Ukraine LLC story takes place.

Authorized person of the CIS block is Pokrovsky Mikhail, who concurrently is the CEO in this region. The size of the authorized capital contributed by De`Longhi Global to its subsidiary De`Longhi Ukraine is 549 843,20 UAH. Classification of economic activities De`Longhi Ukraine operates in:

- 46.49 Wholesale of other household goods;
- 82.99 Other types of business support services not included in other categories;
- 47.43 Retail sale of audio and video equipment in specialized stores;

- 47.54 Retail sale of electrical household appliances in specialized stores;
- 70.22 Advice on business and management;

De'Longhi Ukraine's volume of activity is quite significant as we can see the exponential growth in the recent 5 researched years. The growth is resulted in proper management within the company which created a field for nourishing and maintaining a fruitful customer-related service.

We can notice a big growth of income in 2015 which is associated to several events relating to new strategic and organizational initiatives, including the Eversys acquisition of De'Longhi Global, the acquisition of a real estate complex in Treviso in order to expand R&D department and headquarters. These actions resulted a 225% of revenue growth in 2015 comparing to 2014. The acquisition of the Swiss Group Eversys, active in the design and integrated production of espresso coffee makers for professional users, was finalized. This transaction marked the entry of the De'Longhi Group in the professional espresso coffee machine market, with a focus on the fully automatic models.

This company's acquisition brought a wealth of highly innovative technology and a management team with proven experience in the sector, that aims at a leading position in the global market for professional coffee makers, along with the technological, industrial and distribution synergies which De'Longhi is able to ensure.

This is why we can see a great boost of income in these researched years. Comparing 2019 and 2015 we see how De'Longhi Ukraine more than doubled its income due to a qualified market research which showed an enormous investment chance that eventually rocket-launched the company's efficiency (Application A.1).

Financial documents show us that the economic activity of the company has increased through the recent years. It is manifested by net income's growth of 149% in 2016 and 135% in 2017. That was reasoned by a purchase boom of

convection heaters, cold winter and high taxes for traditional ways of heating the environment.

Although, the increase of net income in 2017 didn't affect net profit prosperously as it has dropped down by 22% in comparison to 2016 because of risen expenses to cover information security that proved to be necessary after the 'Petya' virus struck.

After such actions management has reconsidered their expenses and focused specifically on lowering the expenses influence on the company which furtherly resulted in more than 70% cost decrease in 2015.

Meanwhile other sources of income have considered to be profitable and finished with 9612ths. UAH in 2018, when in 2015 the value equaled 78ths. UAH. The year of 2016 resulted in a 61% income from other operating expenses decrease compared to the previous year of 2015 due to a large portion of 146211 ths. UAH of selling expenses boost after two new contracts with counter agents Eldorado and Comfy were signed and launched into action covering a 2020-2025 five-year retail agreement.

It should be noted that the positive impact on financial dynamics result of LLC "DeLonghi Ukraine" had an increase in other operating expenses profit in 2015 and 2016 - over the past 5 years, it increased more than in 170%. This situation can be explained, on the one hand, by a reorientation of optimal sources of supply, as well as an increase in the share of design and installation work in the structure of the company's revenue. In general, due to the increase in the volume of activity of the enterprise and the increase in cost, the gross profit of the enterprise increased by approximately 300% (Table 1.1).

Through-out 2015-2017 years net profit of the company was plain with no growth as the country was in a harsh crisis during the Revolution of Dignity which started its path at the end of 2015 – start of 2016. After the local war started in the near East, as well as the Crimea annexation which altogether led to a huge currency depreciation, political and geographical instability – the country ended up

dangerously close to a default. Every aspect of these unfortunate events resulted in a big loss of profit as the currency fell down, retailer shops got closed (Crimea and the East where approximately 33% of the whole DeLonghi's share) and exporting to Russia (the biggest exporter of DeLonghi at that time) became a huge inconvenience. 2017 year had the most operating expenses of 33755 ths. UAH and the net profit was at its lowest rate during the observed 5 years period. The reason of this was a positive 2015 year forecast as a new product line was researched, developed and finally launched on the market after which the following years had a boost in net profit of 67473 ths. UAH in 2018 and 62226 ths. UAH in 2016.

Table 1.1 - Dynamics of Financial Results on LLC "DeLonghi Ukraine" in 2015-2019. in ths. UAH.

Indicators	2015	2016	2017	2018	2019	Absolute deviation				Relative deviation, %			
						2016 / 2015	2017 / 2016	2018 / 2017	2019 / 2018	2016 / 2015	2017 / 2016	2018 / 2017	2019 / 2018
Net revenue	179379	266853	361487	422054	531520	87474	94634	60567	109466	48,76	35,46	16,75	25,94
Cost of sales	99349	158193	214755	243874	292971	58844	56562	29119	49097	59,23	35,76	13,56	20,13
Grossprofit	80030	108660	146732	178180	238549	28630	38072	31448	60369	35,77	35,04	21,43	33,88
Operating profit	202	78	5538	9616	3784	-124	5461	4077	-5832	-61,4	7 001	73,61	-60,65
Administrative expenses	6118	10051	14589	16828	17078	3933	4538	2239	250	64,29	45,15	15,35	1,49
Selling expenses	38347	55117	76880	82972	146211	16770	21763	6092	63239	43,73	39,49	7,92	76,22
Operating costs	1723	10073	33755	8171	8001	8350	23682	-25584	-170	484,6	235,1	-	-2,08
Financial results from operating activities	34044	33497	27046	79825	71043	-547	-6451	52779	-8782	-1,61	-19,3	195,1	-11,00
Other financial income	148	119	200	3892	4444	-29	81	3692	552	-19,6	68,07	1 846	14,18
Non-financial income	119	-	-	-	821	119	-	-	-	-	-	-	-
Financial expenses	482	-	-	-	-	-482	-	-	-	-	-	-	-
Other expenses	-	-	-	1210	387	-	-	-1210	-823	-	-	-	-68,02
Earnings before tax:	33829	33616	27246	82507	75921	-213	-6370	55261	-6586	-0,63	-18,9	202,8	-7,98
Loss (Income)	7385	7029	6492	15034	13695	-356	-537	8542	-1339	-4,82	-7,64	131,6	-8,91

from tax on profit													
Net profit	26444	26587	20754	67473	62226	143	-5833	46719	-5247	0,54	-21,9	225,1	-7,78

Source: Internal data of LLC “DeLonghi Ukraine”

Based on the financial statements provided the indicators of liquidity, solvency, business activity and profitability have been calculated. The calculated values of solvency ratios show that the overall situation of LLC “DeLonghi Ukraine” is quite positive (Table 1.2). The dynamics of solvency and liquidity ratios tend to develop above the normative values (current ratio equals 2,19 in the 2018 year; quick ratio was 1,89; cash ratio – 0,48).

Table 1.2 -Solvency ratios and its dynamics on LLC “DeLonghi Ukraine” in2015-2019

№	Indicator	Years					Absolute deviation(+/-)			
		2015	2016	2017	2018	2019	2016 / 2015	2017 / 2016	2018 / 2017	2019 / 2018
1.	Current ratio	1,28	1,50	1,54	2,19	1,75	0,22	0,04	0,65	-0,44
2.	Quick ratio	1,01	1,28	1,43	1,89	1,52	0,26	0,15	0,46	-0,37
3.	Cash ratio	0,07	0,05	0,16	0,48	0,27	-0,02	0,11	0,33	-0,22
4.	Net Working capital, ths. UAH	26431	47037	70286	143489	116898	20606	23249	73203	-26591

Source: Calculated by author based on Table 1.1

These values indicate a positive developing strategy of the company. Although, the years from 2015 through 2017 had the lowest cash ratio coefficient of 0,07 in 2015, 0,05 in 2016, and 0,16 in 2017. Net working capital was constantly rising through the researched years. It rose by nearly 100% in 2016 compared to 2015 (26431 in 2015, 47037 in 2016), having the same tendency in 2017 compared to 2016 (47037 in 2016, 70286 in 2017) and even exceeding 100% in 2018 compared to 2017 (70286 in 2017, 143489 in 2018). The year of 2019 fell in coefficient value from 0,48 in 2018 to 0,27 because of a key counter-agent went bankrupt and the company struggled with finding a new one, in addition the net

working capital fell from 143489 to 116898. Current ratio had a positive rise being 1,28 in 2015, growing to 1,5 on 2016 and 1,54 in 2017, sky-rocketing to 2,19 in 2018 and dropping down to the medium value of 1,75 in 2019.

Liquidity ratios have a positive tendency as well (Table 1.3). Equity to assets ratio was below the normative value in all of the researched years due to DeLonghi Ukraine being supplied mostly by DeLonghi Global, the same rule is also applied for the debt to equity ratio being above the normative value.

Table 1.3 -Financial stability and its dynamics on LLC “DeLonghi Ukraine” in 2015-2019

№	Indicator	Years					Absolute deviation(+/-)			
		2015	2016	2017	2018	2019	2016 / 2015	2017 / 2016	2018 / 2017	2019 / 2018
1.	Equity to assets ratio	0,29	0,40	0,39	0,55	0,44	0,11	-0,01	0,16	-0,11
2.	Debt to equity ratio	2,43	1,50	1,57	0,81	1,26	-0,93	0,06	-0,76	0,45
4.	Debt to assets ratio	0,78	0,66	0,64	0,45	0,57	0,11	0,02	0,19	-0,11
5.	Maneuverability of equity	0,67	0,74	0,84	0,95	0,93	0,06	0,10	0,11	-0,02

Source: Calculated by author based on Application B

Equity to assets has risen in 2016 from 0,29 to 0,40 and remained that way in 2017. In 2018 equity to assets rose to 0,55 but eventually dropped to 0,44. Debt to equity was falling through the years starting from 2,43 in 2015, dropping to 1,5 in 2016 and 1,57 in 2017. The lowest debt to equity ratio was in 2018 with 0,81, but it has risen to 1,26 in 2019. Capital`s turnover rose from 0,67 on 2015 to 0,95 in 2018 and 0,93 in 2019.

Business activity of LLC “DeLonghi Ukraine” was improving through the researched years (Table 1.4). We can notice how asset turnover ratio was rising from 1,33 in 2015 by 48% equaling 1,81 in 2016. The asset turnover ratio fell under 1,91 through 2017-2019 only in 2018 being 1,73. Accounts receivables

turnover rose from 2 in 2015 to 2,63 in 2017 and remained that positive till 2018 with 2,52 finishing the researched years with the highest ratio of 2,92 in 2019.

Accounts payables turnover has grown from 1,88 in 2015 to a nearly 100% increase in 2016 with 2,79. After that the ratio rose to 3,19 in 2017 and bumped up to 3,85 in 2019. This all resulted in accounts receivables and payables turnover in days to greatly fall down in value. Accounts receivables in days fell from 179 in 2015 to 136 in 2016. Though the lowest rate was in 2019 with 123 days. Accounts payables dropped from 192 days in 2015 to 130 days in 2016 and to 94 days in 2019 with the last being the lowest

Table 1.4 -Turnover ratios (business activity) on LLC “DeLonghi Ukraine” in 2015-2019

№	Indicator	Years					Absolute deviation(+/-)				Relative deviation, %			
		2015	2016	2017	2018	2019	2016 / 2015	2017 / 2016	2018 / 2017	2019 / 2018	2016 / 2015	2017 / 2016	2018 / 2017	2019 / 2018
1.	Assets turnover ratio	1,33	1,81	1,92	1,73	1,91	0,48	0,11	-0,20	0,19	36,27	6,26	-10,38	10,80
2.	Accounts receivables turnover	2,00	2,63	2,59	2,52	2,92	0,62	-0,03	-0,07	0,39	31,09	-1,29	-2,67	15,63
3.	Accounts receivables turnover (days)	179,57	136,98	138,78	142,59	123,31	-42,59	1,80	3,81	-19,28	-23,72	1,31	2,74	-13,52
4.	Accounts payables turnover	1,88	2,79	3,19	3,35	3,85	0,91	0,40	0,16	0,49	49,32	14,65	4,70	14,41
5.	Accounts payables turnover (days)	191,92	129,15	112,92	107,37	93,59	-62,77	-16,24	-5,55	-13,78	-33,03	-12,78	-4,49	-12,59
6.	Inventory turnover ratio	3,97	6,92	12,29	9,72	8,17	2,95	5,38	-2,58	-1,55	74,20	77,73	-20,96	-15,96
7.	Fixed assets turnover ratio	10,28	11,31	14,86	16,56	29,30	1,03	3,55	1,70	12,74	12,64	0,18	13,21	20,22
8.	Equity turnover ratio	4,56	5,18	4,89	3,59	3,85	0,61	-0,29	-1,30	0,26	13,43	-5,61	-26,59	7,21

Source: Calculated by author based on Application J

Inventory turnover has risen from 3,97 in 2015 to 6,92 in 2016. It doubled the value in 2017 with 12,29, but eventually fell down to 9,72 in 2018 and 8,17 in 2019. Fixed assets were not so much of a large value in 2015 with 10,28 and 11,31 in 2016 but it found its raise in 2017 with 12,86 and 16,56 in 2018. 2019 greatly blossomed to 29,30 fixed asset turnover value. Although, the equity turnover is having not the best times. It rose only once in 2016 with 5,18 compared to 2015 with 4,56, but in 2016-2019 years it was constantly falling down to 4,89 in 2017, with the lowest 3,59 in 2018 and 3,85 in 2019.

As for the profitability ratios of the company - they indicate a stable growth through 2015-2019 years (Table 1.5). Though return on assets fell only in 2017 with 0,11, equaling 0,20 in 2015 and a little bit less in 2016 with 0,18. In 2018 return on assets were 0,28 and in 2019 with 19% less 0,22. Return on equity dropped down in 2017 equaling 0,28, but other years were prosperous: 2015 with 0,67; 2016 with 0,52; not much more in 2018 with 0,57; finishing the derby with 0,45 in 2019.

Table 1.5 -Profitability ratios on LLC “DeLonghi Ukraine” in 2015-2019.

№	Indicator	Years					Absolute deviation(+/-)				Relative deviation,%			
		2015	2016	2017	2018	2019	2016 / 2015	2017 / 2016	2018 / 2017	2019 / 2018	2016 / 2015	2017 / 2016	2018 / 2017	2019 / 2018
1.	Return on Assets	0,20	0,18	0,11	0,28	0,22	-0,02	-0,07	0,17	-0,05	0,92	0,61	2,50	0,81
2.	Return on Equity	0,67	0,52	0,28	0,57	0,45	-0,16	-0,24	0,29	-0,12	0,77	0,54	2,04	0,79
3.	Net profit margin	0,15	0,10	0,06	0,16	0,12	-0,05	-0,04	0,10	-0,04	0,68	0,58	2,78	0,73
4.	Product profitability ratio	0,25	0,19	0,18	0,23	0,16	-0,05	-0,01	0,05	-0,06	0,79	0,93	1,26	0,72

Source: Calculated by author based on Application D

Net profit margin remained approximately the same value through 2015-2019 years: 0,15 in 2015; falling to 0,1 in 2016; than to a catastrophically low value of 0,06 in 2017. 2018 and 2019 years rose to 0,16 and 0,12 return on debt ratio respectively. Product profitability ratio was the same value in 2015 till 2018, but fell down in 2019 with 0,16. In 2015 it was 0,25 sinking to 0,19 in 2016, than

to 0,18 in 2017, but increasing in 2018 with 0,23. In general, the analysis of financial statements of the company allows to say that today the financial condition of the enterprise is stable and growing. Nevertheless, we can see that LLC 'DeLonghi Ukraine' closed 2019 with good growth in revenues, higher profitability in absolute terms and good generation of operating cash flow, in a market environment characterized by a slowing world economy and increasing complexity.

1.2. Analysis of Foreign Economic Activity of LLC "DeLonghi Ukraine"

LLC "DeLonghi Ukraine" possesses three active brands: Braun GmbH in a segment of small kitchen appliances; Kenwood, which was acquainted in 2001 along with Areite, kitchen appliances; and DeLonghi – kitchen appliances, heaters.

Braun GmbH, formerly Braun AG, is a German consumer products company based in Kronberg. From 1984 until 2007, Braun was a wholly owned subsidiary of The Gillette Company, which had purchased a controlling interest in the company in 1967. Braun is now a wholly owned subsidiary of Procter & Gamble, which acquired Gillette in 2005. On 16 April 2012, De'Longhi bought perpetual rights to manufacture Braun branded products from Procter & Gamble in the small appliance segment. Procter & Gamble will continue to own the Braun brand. Application K represents the Braun's logo. Braun's products include the following categories:

- Shaving and grooming (electric shaving, hair trimming, beard trimming);
- Oral care (now under the Oral-B brand);
- Beauty care (hair care and epilation);
- Health and wellness (ear thermometers, blood pressure monitors);
- Food and drink preparation (coffee makers, coffee grinders, toasters, blenders, juicers);
- Irons;

- Clocks, watches and calculators;

The company was formerly a manufacturer of food processors, radios, slide projectors, Super 8 film cameras and accessories, and high-fidelity sound systems. Today, Braun focuses on its core categories (shaving and grooming, beauty and hair care). Household Small Appliances, Health and wellness category as well as clocks and watches are now run by other companies (De'Longhi, Zeon, Kaz) under licence.

Kenwood is a British kitchen appliances manufacturer which is owned by the De'Longhi Group. Kenwood designs, produces and sells kitchen appliances including stand mixers, blenders, food processors, kettles and toasters. The company was founded by Kenneth Maynard Wood in 1947 in the town of Woking at 79 Goldsworth Road. In 1962 the company moved to Havant where they currently maintain operations. Application L represents the Kenwood's logo.

These two brands along with the DeLonghi brand are the whole part of the LLC "DeLobghi Ukraine". Each of the brands are being managed by a brand manager (Figure 1.4). The role of a brand manager in LLC "DeLonghi Ukraine" is to develop a brand strategy for a company. Brand managers use different management and marketing methods to oversee a wide array of business functions including branding, communication channels, product development, online and offline promotions, and market research. They often conduct market research for the company. This involves surveying and polling demographics, determining demand for products, and other relevant field research.

For the full picture we will show the DeLonghi's logo as well below (Figure 1.3). We can notice how the logos are similar one to each other. This is a work called 'family design' in DeLonghi's group. Which means that every brand has its own identity, but with a droplet of a distinguishing design of the DeLonghi family group. Application M represents the DeLonghi brand's logo

The regular partners of LLC "DeLonghi Ukraine" are Baltic countries and Moldova (Table 1.8) in which the company distributes five main product groups

from each and every brand: kettles, convector heaters, coffee machines, grills and toasters.

During the reviewed period the export increased by all of the above groups and brands, with exports of kettles units increasing the most, and the smallest increase in exports of grills. The organization of export operations at the enterprises brands includes the following elements: planning export operations, gaining and revising all required documents for the product transfer, execution of transactions, control over the results of the operation and their regulation, elimination of the deviation reasons.

The operational director (Figure 1.1) is engaged in the planning of export operations at LLC “DeLonghi Ukraine”. Based on the information provided by employees from every company brand department – marketing, logistics and accounting the company is allowed to forecast price fluctuations and to determine if the planned indicators of foreign economic activity would be positive for the company and/or the particular brand.

Organization of export operations are entrusted to the logistics department. Logistic officers are organizing export of products by establishing contact with the supplier, agreeing details of future contracts, completing formalities related to the export operation.

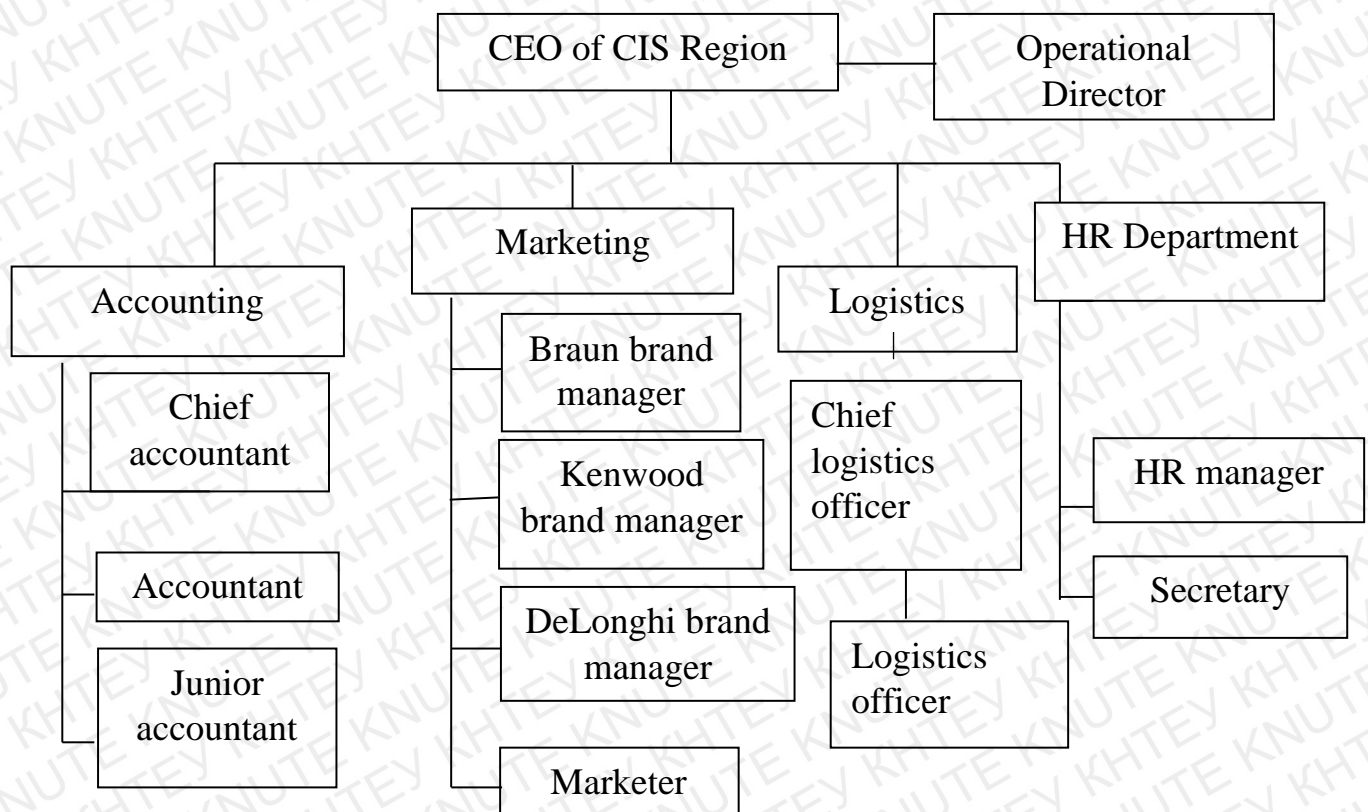


Figure 1.1 -Organizational structure of LLC “DeLonghi Ukraine”

The duties of the chief logistics officer and the logistics department are the following: declaring goods exported by LLC “DeLonghi Ukraine” in accordance to the concluded agreements, contracts and to the current legislation of Ukraine; checking the accuracy of commercial documents during export; ensuring timely notification of customs officials if damage to the container packaging was revealed or if inconsistency of these goods was determined.

LLC “DeLonghi Ukraine” is using EXW for export relying on services of a logistic company LLC “Zammler”. This means that the product is taken directly from the service providers storage located at Kyiv, Krasilivka.

Ex works (EXW)[7] is an international trade term that describes when a seller (LLC “DeLonghi Ukraine”) makes a product available at a designated location (Kyiv, Krasilivka), and the buyer of the product must cover the transport costs. LLC “DeLonghi Ukraine” is only required to safely package the goods, label them appropriately and deliver them to a previously agreed upon locations, such as the seller's nearest port. LLC “DeLonghi Ukraine” also helps the buyers to get export licenses or other required paperwork, although the buyers pay actual fees for the documents.

LLC “DeLonghi Ukraine” main export groups are: kettles, convector heaters, coffee machines, grills and toasters (Table 1.6).

Table 1.6 -Commodity dynamics of LLC “DeLonghi Ukraine`s” brands export products of for 2015-2019, Units

Brand products	Years							
	2015	2016	2017	2018	2019*			
Braun`s kettles	6586	7285	8552	10251	12368			
DeLonghi`s convector heaters	7324	6522	7542	8053	8965			
DeLonghi`s coffee machines	5462	5021	4589	4986	5230			
DeLonghi`s grills	2135	2978	3156	3968	4356			
Kenwood toasters	8970	9568	10478	11742	10230			
Total appliances	30477	31374	34317	39000	41149			
Brand products	Absolute deviation(+/-)				Relative deviation,%			
	2016 / 2015	2017 / 2016	2018 / 2017	2019 / 2018	2016 / 2015	2017 / 2016	2018 / 2017	2019 / 2018
Braun`s kettles	699	1267	1699	2117	10,61	17,39	19,87	20,65
DeLonghi`s convector heaters	-802	1020	511	912	-10,95	15,64	6,78	11,32
DeLonghi`s coffee machines	-441	-432	397	244	-8,07	-8,60	8,65	4,89
DeLonghi`s grills	843	178	812	388	39,48	5,98	25,73	9,78
Kenwood toasters	598	910	1264	-1512	6,67	9,51	12,06	-12,88
Total appliances	897	2943	4683	2149	2,94	9,38	13,65	5,51

Coffee machines remained approximately at the same export unit value as this product is related to the premium segment and is not financially justified to the end consumers (5230 units in 2019, 5462 units in 2015). Thus, the brand managers didn't conduct any promotions for this product. Convector heaters fell in unit value in 2019 as the winter was unusually warm in the Baltics ($-1,2^{\circ}\text{C}$ [8]). This unusual rise in temperature resulted in 10% less buy rate (Table 1.7). Though through the period of 2016-2019 the export of convector heaters rose by more than 3000 units.

Table 1.7 -Commodity dynamics of LLC “DeLonghi Ukraine`s” brands export products of for 2015-2019, %

Brand product	Years					Absolute Deviation, %			
	2015	2016	2017	2018	2019	2016/2015	2017/2016	2018/2017	2019/2018

Braun`s kettles	21,6	23,2	24,9	26,3	30,1	1,6	1,7	1,4	3,8
DeLonghi convector heaters	24	20,8	22	20,6	21,8	-3,2	1,2	-1,4	1,2
DeLonghi coffee machines	17,9	16	13,4	12,8	12,7	-1,9	-2,6	-0,6	-0,1
DeLonghi grills	7	9,5	9,2	10,2	10,6	2,5	-0,3	1	0,4
Kenwood toasters	29,4	30,5	30,5	30,1	24,9	1,1	0	-0,4	-5,2
Total appliances	100	100	100	100	100	0	0	0	0

Source: Calculated by author based on LLC “DeLonghi Ukraine`s” data

Grills had a positive growth in unit export (2135 units in 2015, 4356 units in 2019). Toasters had a minor growth in export through 2015-2019 (8970 units to 10230 units). The highest export amount in units were kettles in 2019 with 12368 units overall distributed. Which was nearly superseded by toasters in 2018 with 11742 units exported. Such high consumer rate for toasters and for kettles is explained by a discount affair that states the following: ‘Buy one and get 15-45% discount for the other’. The same affair didn’t affect grills and they remained with the lowest unit export amount during 2015-2019.

Looking at 2019 with total of 84355,4 ths. UAH exported in Moldova and the Baltic countries compared to 2015 with 62477,8 ths. UAH exported we can notice a solid export rate rise. The most massive export operation in profit was definitely the one that took place in 2016 for the total sum of 25726,6 ths. UAH in Moldova (Table 1.8).

Table 1.8 -Geographical dynamics of export of LLC “DeLonghi Ukraine” for 2015-2019

Country	Years, ths. UAH							
	2015	2016	2017	2018	2019*			
Latvia	9371,6	12863,3	10552,4	15990	21088,8			
Lithuania	18743,3	16079,1	17587,4	23985	25306,6			
Moldova	21867,2	25726,6	21104,9	23985	21088,8			
Estonia	12495,5	9647,5	17587,4	15990	16871			
Total export	62477,8	64316,7	66832,3	79950	84355,4			
Absolute Deviation, ths. UAH								
Relative Deviation, %								
Country	2016 / 2015	2017 / 2016	2018 / 2017	2019 / 2018	2016 / 2015	2017 / 2016	2018 / 2017	2019 / 2018

Latvia	3491,7	-2310,9	5437,6	5098,8	37,3	-18,0	51,5	31,9
Lithuania	-2664,2	1508,3	6397,6	1321,6	-14,2	9,4	36,4	5,5
Moldova	3859,4	-4621,7	2880,1	-2896,2	17,6	-18,0	13,6	-12,1
Estonia	-2848	7939,9	-1597,4	881	-22,8	82,3	-9,1	5,5
Total export	1838,9	2515,6	13117,7	4405,4	2,9	3,9	19,6	5,5

Source: Calculated by author based on LLC "DeLonghi Ukraine's" data
 This year was the most profitable for Moldova as much as for the Baltics
 *Data provided as of January-November 2019

Country	Years, %	Absolute Deviation (+,-)
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and equaled 40% of all the export. 2016 was that of a success because of the new contracts that were signed with the counter agents in Moldova which resulted in a massive consumer rate for cheap premium products rocket launching the distribution in this region. The least profitable export operation was performed in 2015 in Latvia with the total sum of 9371,6 ths. UAH. Through the researched years Latvia was the country with the least exporting profit. In 2019 Latvia left behind Estonia with 20% of all export (Table 1.9). The Baltic countries take up to 60% of export of the company. Through these years of 2015-2017 Moldova was in favor of export and equaled 35% of the whole export in 2015, 40% in 2016 and 30% in 2017.

The income from exporting operations to Moldova equaled 21867,2 ths. UAH in 2015, 25726,6 ths. UAH in 2016 and 21104,9 ths. UAH in 2017.

Table 1.9 -Geographical structure of products export of LLC "DeLonghi Ukraine" for 2015-2019

	2015	2016	2017	2018	2019*	2016/ 2015	2017/ 2016	2018/ 2017	2019/ 2018
Latvia	15	20	15	20	25	5	-5	5	5
Lithuania	30	25	25	30	30	-5	0	5	0
Moldova	35	40	30	30	25	5	-10	0	-5
Estonia	20	15	25	20	20	-5	10	-5	0
Total	100	100	100	100	100	0	0	0	0

Source: Calculated by author based on Table 1.8

Though in 2018 Lithuania caught up and equalized the exporting to 30% with 23985 ths. UAH. Becoming the leader in export income in 2019 with 25306,6 ths. UAH. Estonia and Latvia remained the least profitable and exportable countries with no more than 25% piece in 2017-2019.

In addition, the receivables from export have benefited from a negative currency effect, it has been affected by accelerated sales in the second half of 2015 year and longer payment periods in several markets. The export inventory benefited from the negative exchange effect and accelerated sales posted in the last quarter of 2016 year. The increase in export payables was not in proportion to the increased activity driven by the timing of transactions generated through 2015-2019.

1.3. Research of Export Operations Efficiency in the Priority Markets of LLC “DeLonghi Ukraine” Brands

Foreign economic activity analysis of LLC “DeLonghi Ukraine” brands is a part of the overall economic activity analysis of the enterprise, a necessary prerequisite for implementation of qualified brand management in new rising market conditions and integration of the enterprise to the world economic system.

The sphere of foreign economic activity is investigated in each of the brand departments of LLC “DeLonghi Ukraine” such as commercial, monetary, financial, transport, international payments etc.

Complexity means a structural study of the enterprise's activity as a business entity in the foreign market. This is achieved through the use of different sources of information and metrics, a combination of different methods and techniques of economic analysis. In order to optimize the geographical and commodity structure of exports it is necessary to carry out a continuous assessment of the enterprise efficiency.

De'Longhi manufactures and markets a wide range of small appliances: blenders, irons, ironing systems, coffee makers, heaters, toasters, kettles, multicookers, food processors, ovens, shaving utensils and many other appliances.

Only five product positions will be reviewed in this study: kettles, convector heaters, coffee machines, grills, toasters. The Baltic countries and Moldova are the locations that this research is covering. In order to provide brand efficiency comparison, we offer to review export operations of Braun's kettles export (Application F), Kenwood's toaster export (Application G) and DeLonghi's coffee machine export (Application H).

The uniqueness of this kettle (Application F) is that it can boil the water only in 45 seconds. It has a four-step security system that controls the operation of the kettle and automatically turns it off when boiling; when there is no water in the appliance; when the device is removed from the stand, and also when the lid is open.

This kettle is popular in Latvia for its cheap price, ease of use and durability. On the other hand, we have Kenwood's toasters that are popular in Moldova (Table 1.13) for their unique design, a wide broad of functions and reliability (Application G).

The form is what distinguishes this toaster from others (Application G): this device looks very non-standard and unexpectedly original. Toaster is powerful but quite economical with simple controls and several modes of operation. Toaster has two options for heating on a removable grill which allows toasting the toast on one side

and heating the muffin at the same time or actually toasting the toasts on both sides.

DeLonghi exports its coffee machines to Estonia as it has contracts with domestic offices for DeLonghi to provide them high quality and durable coffee machines with a 5 year warranty (Application H).

This coffee machine belongs to a premium segment as it has an automatic cappuccino system, a 3.5 "color TFT display with touch buttons, the ability to control the process of preparing a drink through a mobile device, and the pump pressure that was increased for better brewing coffee from 15 bar to 19 bar.

Let us review the Braun kettles export to Latvia (Table 1.10). This product was the most exported product in units in 2019. Braun`s kettles and Kenwood`s toasters are the main products that LLC "DeLonghi Ukraine" relies on. The year of 2015 in Latvia ended with a total cost of kettles equaling 1754ths. UAH along with the total net profit of 2024 ths. UAH.

2016 had the net profit increased by 47% compared to the previous year. Although 2017 resulted in 357 ths. UAH less net profit than in 2016. This happened due to a counter agent`s distributor going bankrupt at the start of 2017.

Bankruptcy of a valuable business partner lead to a supply chain disruption of LLC "DeLonghi Ukraine" which was resolved only in 2018.

Table 1.10 -Export efficiency of Braun kettles on LLC "DeLonghi Ukraine" in Latvia 2015-2019.

Indicator	2015	2016	2017	2018	2019*
Net profit from export, ths. UAH	2024	2984	2628	4205	6348
Cost of finished products, ths UAH	450	759	890	1236	1567
Transportation, ths. UAH	454	652	720	985	1385
Storage, ths. UAH	850	1080	1050	1290	1690
Total cost of finished products, ths. UAH	1754	2491	2660	3511	4642
Effect from export, ths. UAH	270	494	-32	693	1705

Coefficient of export efficiency	1,15	1,20	0,99	1,20	1,37
Indicator	Absolute Deviation (+,-)				
	2016/2015	2017/2016	2018/2017	2019/2018	
Net profit from export, ths. UAH	960	-357	1578	2142	
Cost of finished products, ths. UAH	309	131	346	331	
Transportation, ths. UAH	198	68	265	400	
Storage, ths. UAH	230	-30	240	400	
Total cost of finished products, ths. UAH	737	169	851	1131	
Effect from export, ths. UAH	223	-526	727	1011	
Coefficient of export efficiency	0,05	-0,21	0,21	0,17	
Indicator	Relative Deviation, %				
	2016/2015	2017/2016	2018/2017	2019/2018	
Net profit from export	47,43	-11,95	60,05	50,94	
Cost of finished products	68,65	17,32	38,88	26,78	
Transportation	43,61	10,43	36,81	40,61	
Storage	27,06	-2,78	22,86	31,01	
Total cost of finished products	42,01	6,80	31,99	32,21	
Effect from export	82,53	-106,57	-2239,66	145,65	
Coefficient of export efficiency	3,81	-17,56	21,26	14,17	

Source: Calculated by author based on LLC "DeLonghi Ukraine`s" data

*Data provided as of January-November 2019.

This bankruptcy event also made the price to fall down in 2018 (Figure 1.2) to the 2016 value of 307 UAH profit from selling a single Braun kettle.

Continuation of Table 1.10

The 60% net profit rise in 2018 with 4205 ths. UAH and 51% with 6348 ths. UAH in 2019 have derived from an extremely beneficial contract signed at the first quarter of 2018 with a new distribution counter agent.

This also made the profit from one kettle to rise in 2018 to the value of 410 UAH (307 UAH in 2017) and then to 513 UAH profit in 2019. The coefficient of export efficiency was above the 1.1 mark through-out the whole researched period

except 2017 with 0.99 but with a great rise to 1.37 mark in 2019. We can make a conclusion that Braun`s kettles are being efficient in exporting.

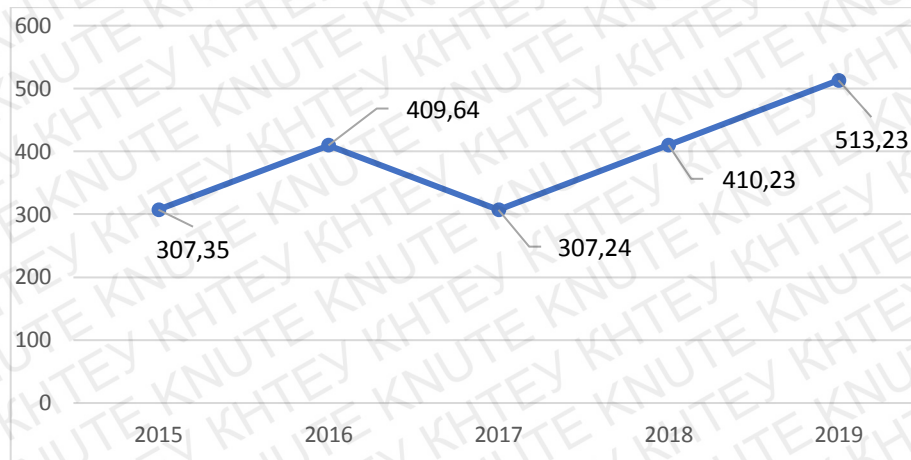


Figure 1.2 - Profit from a single kettle unit sale fluctuation in 2015-2019 in Latvia LLC "DeLonghi Ukraine", UAH

The next product line reviewed were Kenwood`s toasters exported to Moldova. During the researched period of 2015-2019 Moldova had the most share of exported units. Kenwood`s toasters are currently the second leaders in unit exported amount. 2015 year was with a 1.55 export efficiency coefficient with 64290 ths. UAH net profit (Table 1.11). 2016 had the most net profit of 7847ths. UAH and the biggest export efficiency coefficient equaling 1.72. 2017 fell back to the 2015 net profit with 6437ths. UAH and 1.29 export efficiency coefficient. This happened because of the above mentioned counter agent`s bankruptcy in 2017. 2018 rose by 12% in comparison to 2017 with 7219 ths. UAH and 1.41 export efficiency coefficient. But 2019 fell enormously by 27% with 5251 ths. UAH and the export efficiency coefficient equaling 1.00.

Table 1.11 - Export efficiency of Kenwood toasters on LLC "DeLonghi Ukraine" in Moldova 2015-2019

Indicator	2015	2016	2017	2018	2019*
Net profit from export, ths. UAH	6429	7847	6437	7219	5251
Cost of finished products, ths. UAH	857	1058	1390	1236	1567
Transportation, ths. UAH	1450	1650	1720	1983	1982
Storage, ths. UAH	1850	1860	1870	1890	1690

Total cost of finished products, ths. UAH	4157	4568	4980	5109	5239
Effect from export, ths. UAH	2272	3279	1457	2110	12
Coefficient of export efficiency	1,55	1,72	1,29	1,41	1,00
Indicator	Absolute Deviation (+,-)				
	2016/2015	2017/2016	2018/2017	2019/2018	
Net profit from export, ths. UAH	1418	-1410	782	-1968	
Cost of finished products, ths. UAH	201	332	-154	331	
Transportation, ths. UAH	200	70	263	-1	
Storage, ths. UAH	10	10	20	-200	
Total cost of finished products, ths. UAH	411	412	129	130	
Effect from export, ths. UAH	1007	-1822	653	-2098	
Coefficient of export efficiency	0,17	-0,43	0,12	-0,41	
Indicator	Relative Deviation, %				
	2016/2015	2017/2016	2018/2017	2019/2018	
Net profit from export, ths. UAH	22,05	-17,96	12,16	-27,26	
Cost of finished products	23,45	31,38	-11,08	26,78	
Transportation	13,79	4,24	15,29	-0,05	
Storage	0,54	0,54	1,07	-10,58	
Total cost of finished products	9,89	9,02	2,59	2,54	
Effect from export	44,31	-55,56	44,85	-99,43	
Coefficient of export efficiency	11,07	-24,75	9,32	-29,07	

Source: Calculated by author based on LLC “DeLonghi Ukraine`s” data

*Data provided as of January-November 2019

Continuation of Table 1.11

This is related to the supply chain rearrangement that started at the end of 2018 to optimize transportation and storage expenses that were growing constantly (transportation expenses grew from 1450 ths. UAH in 2015 to nearly 2000 ths. UAH in 2019). The optimization lowered the transportation expenses from 1983 ths. UAH to 1682 ths. UAH and the storage cost from 1890 ths. UAH to 1690 ths. UAH. Such fluctuations effected the profit from 1 unit sale (Figure 1.3), which fell from 820 UAH profit in 2016 to 614 UAH in 2017 and 2018 eventually falling to

514 UAH in 2019. We can see how the toasters rose in unit distribution in Moldova but fell in price through the years. This behavior shall be considered as a positive influence on the company's export as the consumers interest is only rising.

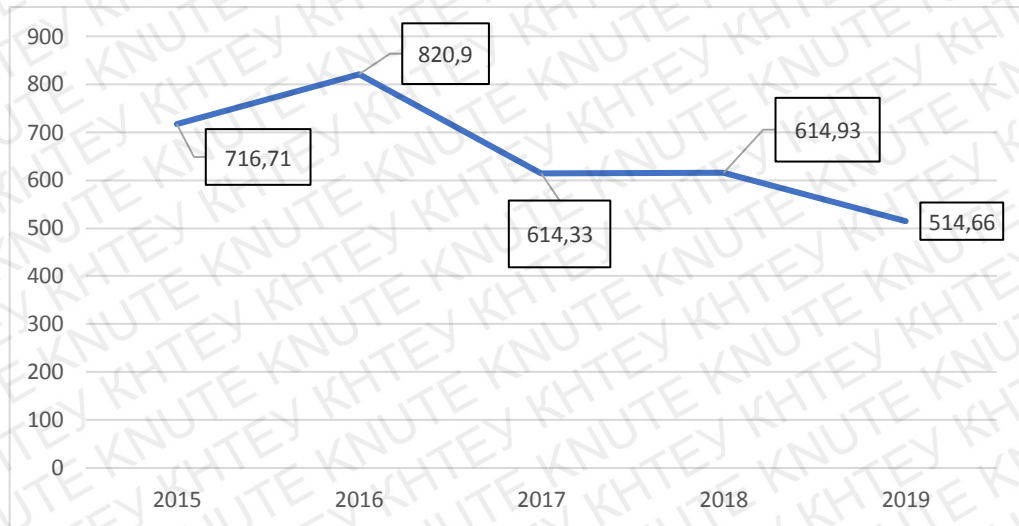


Figure 1.3- Profit from a single toaster unit sale fluctuation in 2015-2019 in Moldova LLC "DeLonghi Ukraine", UAH

The final product to review would be DeLonghi's coffee machine exported to Estonia. Estonia's export rate was not very high through the researched years except for 2015 and 2017 (Table 1.12). 2017 nearly reached a positive export coefficient but the consumer rate suddenly fell. The export coefficient of 2017 equaled 0.98. 2018 and 2019 remained with 0.79 and 0.77 export coefficient

Table 1.12 Export efficiency of DeLonghi coffee machines on LLC "DeLonghi Ukraine" in Estonia 2015-2019

Indicator	2015	2016	2017	2018	2019*
Net profit from export, ths. UAH	2237	1544	2357	2047	2143
Cost of finished products, ths. UAH	999	1099	1199	1299	1399
Transportation, ths. UAH	500	550	600	650	700
Storage, ths. UAH	500	550	600	650	700
Total cost of finished products, ths. UAH	1999	2199	2399	2599	2799

Effect from export, ths. UAH	238	-655	-42	-552	-656
Coefficient of export efficiency	1,12	0,70	0,98	0,79	0,77
Indicator	Absolute Deviation				
	2016/2015	2017/2016	2018/2017	2019/2018	
Net profit from export, ths. UAH	-693	813	-310	96	
Cost of finished products, ths. UAH	100	100	100	100	
Transportation, ths. UAH	50	50	50	50	
Storage, ths. UAH	50	50	50	50	
Total cost of finished products, ths. UAH	200	200	200	200	
Effect from export, ths. UAH	-893	613	-510	-104	
Coefficient of export efficiency	-0,42	0,28	-0,19	-0,02	
Indicator	Relative Deviation, %				
	2016/2015	2017/2016	2018/2017	2019/2018	
Net profit from export	-30,99	52,68	-13,15	4,69	
Cost of finished products	10,00	9,09	8,33	1,08	
Transportation	10,00	9,09	8,33	1,08	
Storage	10,00	9,09	8,33	1,08	
Total cost of finished products	10,00	9,09	8,33	1,08	
Effect from export	-377,16	-93,42	1180,85	1,19	
Coefficient of export efficiency	-37,26	39,95	-19,84	-2,79	

Source: Calculated by author based on LLC "DeLonghi Ukraine`s" data

*Data provided as of January-November 2019

Such behavior is resulted due to a high cost of the product as it relates to the premium segment. These coefficients are considered as positive for coffee machines as the forecasted consumer rate would affect the export coefficient in a far more disastrous way.

The transportation expenses equaled the same as the storage expenses as the coffee machines are being delivered by intermodal container. An intermodal container is a large standardized shipping container, designed and built for intermodal freight transport. These containers are used within the Zammler`s

corp. storages. Thus, the total cost of finished products equaled 1999 ths. UAH in 2015 then rose to 2199 ths. UAH in 2016. 2017 product cost rose to 2399 ths. UAH. This product cost rise is a result of a marketing strategy held in Estonia for these coffee machines.

The effect from export was negative through 2016-2019 years with -655 ths. UAH in 2016, falling to -42 ths. UAH in 2017. The effect from export fell down to the drastically low amounts of -552 ths. UAH in 2018 and -656 ths. UAH in 2019.

The profit in 2015, 2018 and in 2019 years was approximately the same and equaled approximately 410 UAH per unit (Figure 1.4) which is the average profit from this product. In 2017 profit it uplifted to 513 UAH per unit which was caused because of lack of this product on the market. 2016 had the lowest profit rate as after 2015 year`s product lack the market was oversaturated. The fact that the coffee machine`s profit value stabilized in 2018 and 2019 is a result of a proper marketing strategy from the DeLonghi`s brand managers and their marketing department. They`ve researched the consumer rate in 2016-2017 years and made wise decisions in order to plain the profit.

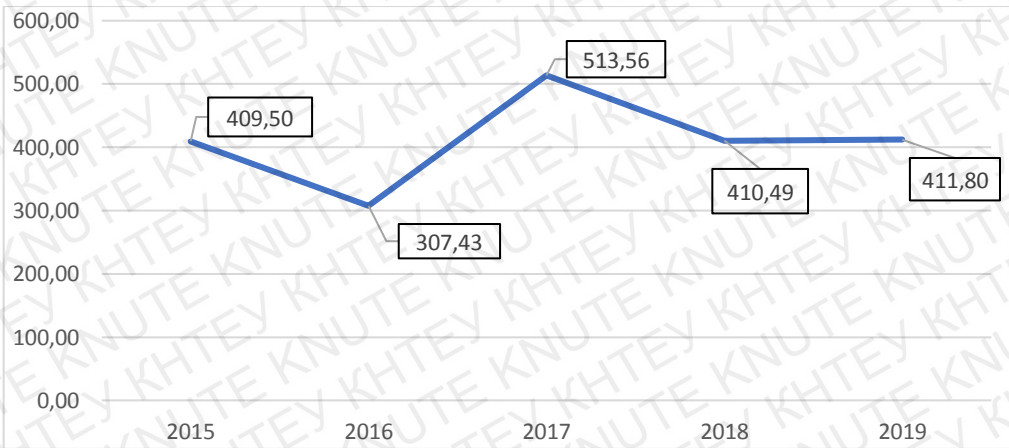


Figure 1.4 - Profit from a single Coffee Machine unit sale fluctuation in 2015-2019 in Moldova LLC “DeLonghi Ukraine”, UAH

Thus, we can see, how Braun`s kettles are being efficient in exporting because of a good branding campaign while the coffee machines remained approximately at the same export unit value as the product is related to the premium segment and is not financially justified to the end consumers. Finally, we

can notice how Kenwood toasters rose in unit distribution in Moldova but fell in price through the years - such behavior shall be considered as a positive influence on the company's export as the consumers interest is noticeably rising.

Conclusions to part 1

De'Longhi Global is an Italian public limited group of companies, one of the largest manufacturers of household appliances in the world, founded in 1902 in Italy. In the world market it is known as a manufacturer of air conditioning equipment and home appliances. Headquarters are located in Treviso.

The Ukraine office was founded in 2011 and partakes a good share in the whole business group. De'Longhi Ukraine's volume of activity is quite significant as per the exponential growth in the recent 5 researched years. The growth was resulted in proper management within the company which created a field for nourishing and maintaining a fruitful customer-related service.

The overall economic situation of LLC "DeLonghi Ukraine" is quite positive. The dynamics of solvency and liquidity ratios tend to develop above the normative values. These values indicate a positive developing strategy of the company. Business activity of LLC "DeLonghi Ukraine" was improving through the researched years. Profitability ratios of the company indicate a stable growth through 2015-2019 years.

LLC "DeLonghi Ukraine" possesses three active brands: Braun GmbH in a segment of small kitchen appliances; Kenwood, which was acquainted in 2001 along with Areite, kitchen appliances; and DeLonghi – kitchen appliances, heaters.

Braun GmbH, formerly Braun AG, is a German consumer products company based in Kronberg. Braun's products include the following categories: Shaving and grooming; Oral; Beauty care; Health and wellness; Food and drink preparation; Irons; Clocks, watches and calculators.

Kenwood is a British kitchen appliances manufacturer which is owned by the De'Longhi Group. Kenwood designs, produces and sells kitchen appliances including stand mixers, blenders, food processors, kettles and toasters.

A lot of resources are being spent on proper management of these three brands in LLC “DeLonghi Ukraine”. Brand managers have their own marketing department in which they provide their own research, finding ways of improving the company`s efficiency.

The regular partners of LLC “DeLonghi Ukraine” are Baltic countries and Moldova in which the company distributes five main product groups: kettles, convector heaters, coffee machines, grills and toasters.

During the reviewed period the export increased by all of the above groups, with exports of kettles units increasing the most, and the smallest increase in exports of grills. The organization of export operations at the enterprise includes the following elements: planning export operations, gaining and revising all required documents for the product transfer, execution of transactions, control over the results of the operation and their regulation, elimination of the deviation reasons.

LLC “DeLonghi Ukraine” uses EXW in its export operations. The enterprise is only required to safely package the goods, label them appropriately and deliver them to a previously agreed upon locations, such as the seller's nearest port. LLC “DeLonghi Ukraine” also helps the buyers to get export licenses or other required paperwork, although the buyers pay actual fees for the documents.

The company uses an advance form of payment to receive the income from export deliveries. Thus, the company is ensuring that all the risks are being leveled and that the end customer would not scam the enterprise. The accounting department is revising all the documents, contracts, agreements for accuracy.

The foreign economic activity of the enterprise was the following: the receivables from export have benefited the company in the first half of 2015 from a negative currency effect, it has been affected by accelerated sales in the second half of 2015 year and longer payment periods in several markets; The export inventory benefited from the negative exchange effect and accelerated sales posted in the last quarter of 2016 year; The increase in export payables was not in

proportion to the increased activity driven by the timing of transactions generated through 2016-2018; Due to expectations that sales would accelerate in the last quarter of 2019 year the production was stepped up and the acquisition costs were adjusted by the end of 2018.

PART 2 JUSTIFICATION OF FURTHER DEVELOPMENT OF PRIORITY BRANDS OF "DELONGHI UKRAINE" LLC

2.1 Proposals for the Brand Development in "Delonghi Ukraine" LLC

Nobel Prize winning research[12] in neuroscience and behavioral economics proves that all humans are irrational, emotional creatures. Both marketers and consumers believe they are in control of their decisions, but research is increasingly proving that assertion wrong. There is something deeper going on at a subconscious emotional level. Marketers and brand managers that understand this and that harness the power of emotions are today's true brand builders and are uncovering new opportunities for growth faster than their competitors.

This is why a lot of research has been going in DeLonghi's brands regarding the design of the product, its purpose, its 'gut feeling' and passion.

Brands, just like people, have values – bedrock principals they stand for and hold near and dear to the heart. These principals form the reason brands exist. Brand values influence two important business assets – relationships and reputation. Relationships are built on trust and reputation is built on delivering on the brand's promise.

In the recent over-crowded, me-too marketplace, points of difference that are function and feature based are no longer sustainable. Consumers today are tuning out marketing and tuning in to those brands that represent shared values. Forward thinking marketers recognize their brand building initiatives must focus on relationships and reputation.

Brands aren't human, they have no consciousness, brands are not things, nor do they do anything. Brands are nothing more than a shared idea of value— mirrors of people's interactions and transactions with each other. Though in the end, the main idea of a brand is still its value. This can be seen when one human being value becomes a connection to another human's value as a contribution to be a part of the tribe. When people share values they're more likely to contact with their like-minded mates. And so it is with brands. The power of brands lies in shared connections based on shared values.

Wherever people go in business and in life, they bring their own values along as well. Others, when sharing similar values, eventually allow to form a powerful and attractive force to bind people closer together. Shared values create the very basis for every relationship.

Enlightened brand owners realize that nowadays, most of the consumers have little time for barely anything. For brands to matter, the customer must believe the brand is bringing something more valuable to them than the cash exchanged. In effect brands have to provide more "use value" than they ask in cash value.

It is the shared experience of value that binds customers to the brand and the organization behind it. When brands deliver at this level, they lead markets and shift the culture. The result is massive financial gain for the brand owner.

No longer can brands be differentiated on features, benefits or price. There's just too much stuff out there these days. Customers have so much choice everything is white noise.

Leading brands are always differentiated by their shared values. If the values the brand represents is not aligned to the values of a customer, no amount of marketing will change their mind. Trust is the foundation of a value-based brand. As in all relationships, trust is what holds things together and defines the quality of brand reputation.

Redesigning an existing brand or developing an identity for a new brand requires a sizable investment and, as with any investment, it's not without risk. In the case of a redesign, the existing equity and loyalty to the brand could be negatively impacted. Or if it's a new brand, it could simply miss the mark—and the target audience—with messaging and a visual identity that doesn't resonate.

Research, whether it's focus groups, surveys or ethnographic studies, helps to minimize these risks. There are three key benefits of using research in the brand identity development process:

1. To minimize risk. Conducting research is like taking out an insurance policy during the brand identity development process. It helps the team assess whether or not the brand strategy and visual identity system are resonating with audiences before the launch. Better to modify the strategy and design in response to any potential negative feedback before you've launched it, than spend unmentionable sums to fix the problem after it's been seen around the world.

2. New, more confident design approaches. Research can't predict the future, but it does provide critical insights into how customers and end users think, feel and act, giving everyone on the team (designers and clients) the confidence to be bold and different. In the absence of research, there is a strong tendency to take the "safe" route. If you want to try something completely new, research offers a way to test your vision.

3. Measuring the return on marketing investment. No matter how innovative an organization wants to be, the bottom line is still what matters in the end. Research offers the ability to track the return on marketing investment, giving the executive team more confidence to invest in future marketing efforts.

Research is an important tool in the brand identity development process. It's the only thing resembling an insurance policy in this industry—and in the scheme of things, a relatively inexpensive one. Brand research is a critical

component of business success for two reasons. First, it provides a business with hard data to make effective decisions. Second, it gives a business deep insight into consumers' minds. To make sure that the brand is positioned correctly against competitors and offers the promise that consumers want and need the brand research needs to identify existing hot buttons and pain points for consumers and determine which brands are addressing them.

In order to properly develop a brand it is needed to position itself in a proper way in the market. The goal during this stage of the brand research process is to get a comprehensive understanding of the market and how consumers perceive the brands in that market.

Below are some of the most important points that are required to gather market intelligence about:

- Which brands have the highest unaided awareness levels?
- What words do consumers associate with other brands in the market?
- What do consumers like about those brands?
- What do consumers dislike about those brands?
- What do consumers think is missing from brands on the market today?

During brand development research, it is also needed to determine who the audience is by segmenting the audience into smaller groups of people with similar behaviors to develop a specific advertising and branded experiences that appeal to those audience segments and will most successfully raise brand awareness and sales. To gather behavioral insights, it would be required to ask the audience questions that enable to learn the following:

- Why do consumers choose one brand over another?
- Why do consumers choose not to buy other brands?
- Why do consumers buy frequently or infrequently?
- Why do consumers buy in a specific store?
- How do consumers use the brands they buy?
- When do consumers use the brands they buy?

- How do consumers make the decision to make the actual purchase?

Thus, we can note that in the process of strategy development, the company should consider the situation in a complex and objectively analyze the external environment, which in a competent approach will allow to develop the right program of actions that will meet the market and branding requirements and meet the goals that the company's brand wants to achieve. Conducting high-quality marketing and branding research with a well-structured organization of marketing department in an enterprise that meets the modern requirements, are important components in the implementation of marketing and branding strategy.

The main purpose of marketing and branding research is to reduce uncertainty and risks in commercial decision making. In order for marketing research to be effective, it must be conducted systematically and cover as many sources of information as possible.

Therefore, it is necessary to make the most of the opportunities offered by cabinet research. It is through this research that you can gather a lot of useful information that will prove necessary for the enterprise.

This type of marketing research (Table 2.1) is related to the collection and processing of data from a variety of available sources - the Internet, the media, international databases, sales offices, business associations, the system of chambers of commerce and industry.

Table 2.1 - Brand development and promotion costs analysis for LLC "DeLonghi Ukraine" brands, 2020-2022y.

Items expenses	Cost, UAH
Access to information, market research	5594,1
Effectiveness prediction by GFK vendor	4994,1
Promotion cost of LLC "DeLonghi Ukraine" brands	2317
Other expenses for brand development and promoting	1415
Total	13505,3

Source: Calculated by author based on LLC "DeLonghi Ukraine's" data

The result of the conducted branding development and promotion analysis is the information on the basis of which the management decisions are made.

According to the Figure 2.1 that has derived after conducting the brand presence research we can see that the Kenwood brand holds 40% share of all of the LLC “DeLonghi Ukraine” brands activities, and brings 55% of total income, while Braun equals only 35% share of brand activities with 35% of the enterprise’s income. On the other hand, we can see that the DeLonghi brand holds 20% of total brand activity and 25% of total income. This is resulted in a such way because the Kenwood and Braun brands are more popular in the particular product segment than the DeLonghi brand as more branding and marketing efforts were conducted to promote them. Brand managers of LLC “DeLonghi Ukraine” mainly focus on profitable and popular among customers brands.

A customer satisfaction rating is often a leading indication as to the success (or failure) of a brand’s customer relationship management program.

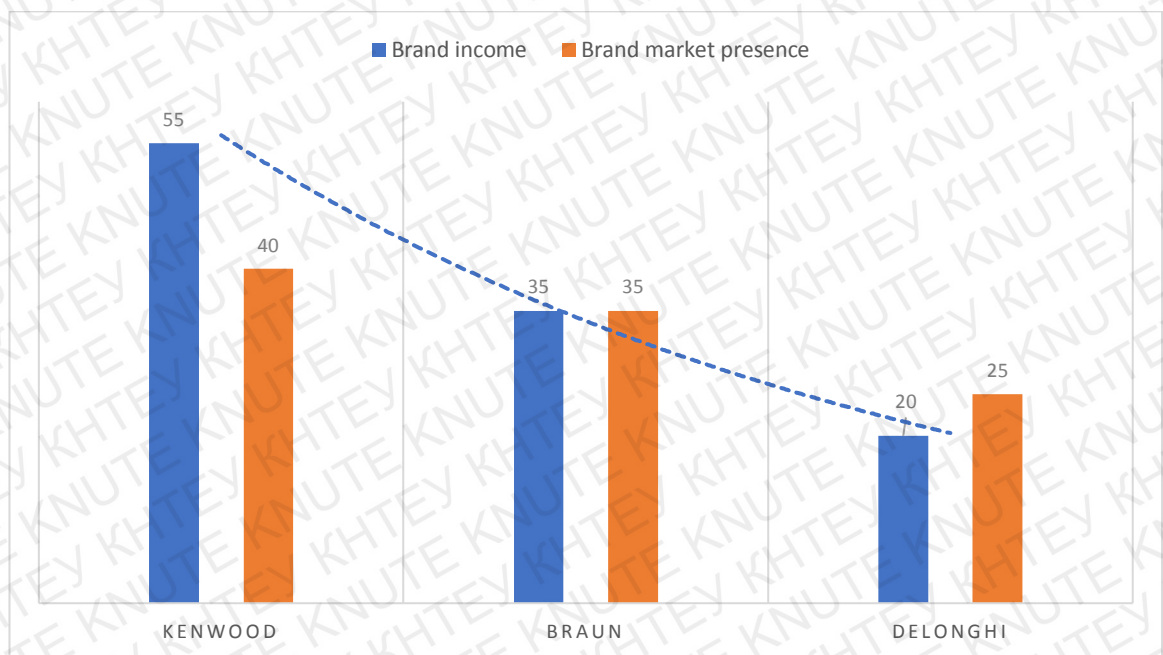


Figure 2.1 - Brand market presence comparison in LLC “DeLonghi Ukraine”

Customer satisfaction rating helps to tie the customer satisfaction surveys to key moments in a customer's experience. That way, the brand manager can tie the customer insights with business questions and measure the effectiveness of key moments, like user onboarding.

Because of the simplicity of the customer satisfaction score, it makes it easy to conduct this survey many times and at many touchpoints. For this reason, it's important to pop the question often and on a rolling basis. Most companies do this after releasing features or on a controlled schedule, which will influence the responses. Finally, customer satisfaction score may most appropriately be used directly after customer support or customer education touchpoints.

For example, asking a single satisfaction question after a customer finishes reading a knowledge base article can help the brand manager gauge how effective it is.

In summary, the CSAT can be used in surveys at any point where there is a chance to measure the customer sentiment during the sales process, while using the product, or while interacting with the brand's content.

However, because of the nature of the question, the response will skew towards the immediate experience and reaction of a customer, and therefore shouldn't be taken as insight on the broader customer experience or brand perception.

Thus, the customer satisfaction rating was researched for all of the LLC "DeLonghiUkraine's" brands in Figure 2.2. To research this parameter the factors of "must need" specifications, "quantity" factor and the "surprise" value were considered.



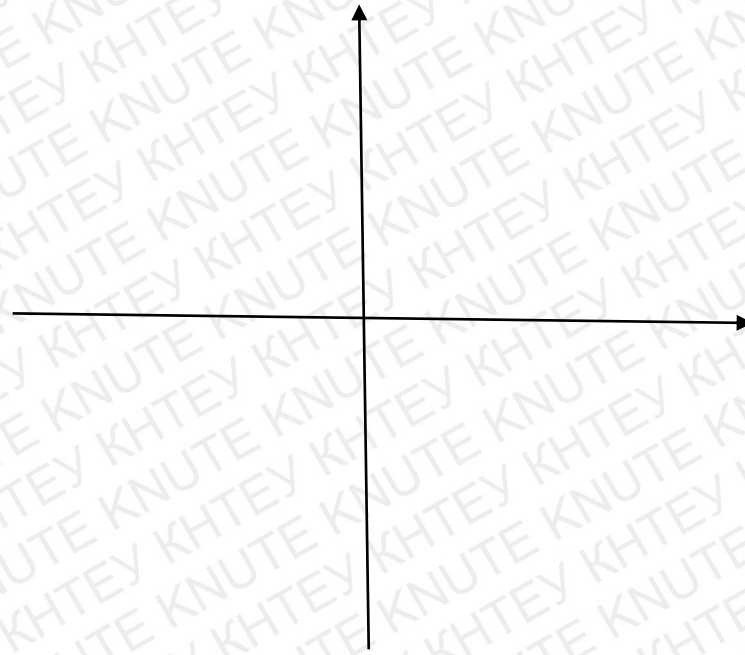


Figure 2.2 - Customer satisfaction rate of LLC “DeLonghi Ukraine`s” brands

In the Figure 2.2, were “x” stands for how was the consumer satisfied after purchasing the product after one-month usage with the product`s functionality, design, specifications, re-usage etc. and were the “y” stands for the number of surveyed customers, we can see that LLC “DeLonghiUkraine`s” brands have a tendency to rather satisfy the consumers with the brands quality products than not. LLC “DeLonghiUkraine`s” brand products are deemed to be of a high durability and reliability, which is proved by the “y” line rising exponentially.

We can see that the LLC “DeLonghiUkraine`s” brands are highly appreciated among the customers. Thus, we shall recommend a new market penetration strategy for LLC “DeLonghiUkraine`s” brands based on an ABC analysis of a product in the next chapter.

2.2. Development of Strategic Brand Portfolio for LLC “Delonghi Ukraine” LLC

A product is the item offered for sale. A product can be a service or an item. It can be physical or in virtual or cyber form. Every product is made at a cost and each is sold at a price. The price that can be charged depends on the market, the quality, the marketing and the segment that is targeted. Each product has a useful

life after which it needs replacement, and a life cycle after which it has to be re-invented.

A product needs to be relevant: the users must have an immediate use for it. A product needs to be functionally able to do what it is supposed to, and do it with a good quality. In addition, the product needs to be communicated: users and potential users must know why they need to use it, what benefits they can derive from it, and what it does difference it does to their lives. Advertising and 'brand building' best do this. The product requires a name: a name that people remember and relate to. A product with a name becomes a brand. It helps it stand out from the clutter of products and names. A product should be adaptable: with trends, time and change in segments, the product should lend itself to adaptation to make it more relevant and maintain its revenue stream.

In order to conduct such product relevancy an ABC analysis (Table 2.2) was fired in LLC “DeLonghi Ukraine” for all of the brands. The ABC analysis is an inventory categorization technique. ABC analysis divides an inventory into three categories—“A items” with very tight control and accurate records, “B items” with less tightly controlled and good records, and “C items” with the simplest controls possible and minimal records.

- Group A- includes products with high sales volume, that is, they are the leaders among the products of the enterprise (all positions that are in the range from 0% to 80%);
- To group B - goods with average volume of sales that are in one-way generators of profitability of the enterprise (all positions, which are in the range from 80% to 95%);
- Group C includes goods with low values of this parameter, which should be solved with the question of their exclusion from the range (all positions that are in the range from 95% to 100%).

The ABC analysis [15] provides a mechanism for identifying items that will have a significant impact on overall inventory cost, while also providing a

mechanism for identifying different categories of stock that will require different management and controls. ABC analysis is based on the Pareto principle, which states that 20% of your assortment positions make 80% of all company sales.

Table 2.2 - ABC analysis of LLC “DeLonghi Ukraine” brands.

Product	Value, ths UAH	Percent rise	Part, %	Product definition
Braun`s kettles	6665,12	5%	34	A
Kenwood`s toasters	5514,67	4%	22	A
DeLonghi`s coffee machines	2206,9	3%	13	B
DeLonghi`s grills	1109,8	2%	11	C
DeLonghi`s convectors	1838,9	1%	21	B

Source: Calculated by author based on LLC “DeLonghi Ukraine`s” data

The table shows the following: high sales volume indicates that Group A products, in our case – Braun`s kettles meet all customer requirements. In order to maintain their current position, buyers need to be reminded of their availability.

In order to increase the demand for Group B products, which have average sales, it is necessary to develop measures to attract new customers and strengthen their relationships with regular customers.

Group C is a product of the DeLonghi`s coffee machines have a rather medium performance among other products, this product does not receive much attention among buyers as well as convection heaters both with rating B. Also we can see that the grills are not selling themselves on the market with a C rating.

The Boston consulting group`s product portfolio matrix [16] (BCG matrix) is designed to help with long-term strategic planning, to help a business consider growth opportunities by reviewing its portfolio of products to decide where to invest, to discontinue or develop products. It's also known as the Growth/Share Matrix.

The Matrix is divided into 4 quadrants based on an analysis of market growth and relative market share:

1. Dogs: these are products with low growth or market share;
2. Question marks or problem child: products in high growth markets with low market share;

3. Stars: products in high growth markets with high market share;
4. Cash cows: products in low growth markets with high market share.

Dog products: The usual marketing advice here is to aim to remove any dogs from the company's product portfolio as they are a drain on resources. However, this can be an over-simplification since it's possible to generate ongoing revenue with little cost. For example, in the automotive sector, when a car line ends, there is still a need for spare parts.

Question mark products: As the name suggests, it's not known if they will become a star or drop into the dog quadrant. These products often require significant investment to push them into the star quadrant. The challenge is that a lot of investment may be required to get a return.

Star products: Can be the market leader though require ongoing investment to sustain. They generate more Return on Investment than other product categories.

Cash cow products: The simple rule here is to 'Milk these products as much as possible without killing the cow'. This refers to often mature, well-established products.

Table 2.3 indicates the data provided to review the LLC "DeLonghi Ukraine's" brands with the Boston consulting group's product portfolio matrix method. Braun's kettles indicate a 10% market share along with 20,65% market growth having prediction in sales of 102510 UAH in 2020 and 123680 UAH in 2021. Kenwood toasters show us a 21,66% market share but only 4% market growth. DeLonghi's coffee machines equal 17,52% market share having 49860 UAH predicted in 2020 and 52300 in 2021.

Table 2.3 - Data for the BCG Matrix to export in the Poland market

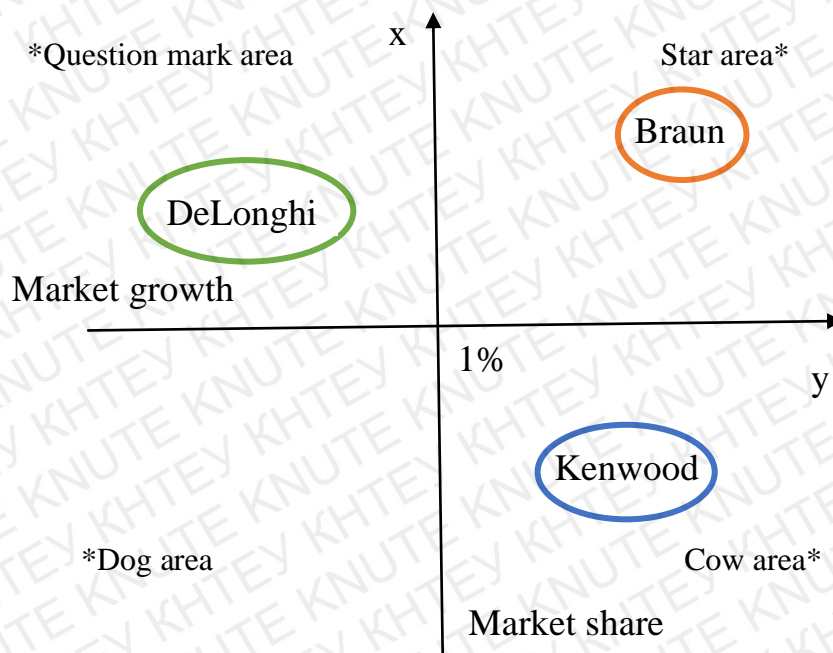
Product	Sales volume*, UAH		Rival's sales volume, UAH		Company's market share, %	Market growth, %
	2020y.	2021y.	2020y.	2021y.		
Braun's kettles	102510	123680	112300	115500	10,13	20,65

Kenwood`s toasters	117420	122300	100520	113200	21,66	4,15
DeLonghi`s coffee machines	49860	52300	44500	47850	17,52	4,89
DeLonghi`s grills	24565	26750	31540	33780	-15,18	8,89
DeLonghi`s convection heaters	51595	54360	44500	46650	22,56	5,35

Source: Calculated by author based on LLC “DeLonghi Ukraine`s” data

*Expected result based on author`s research

The following information shows us the share of LLC “DeLonghi



Ukraine`s” brands in overall market export.

Figure 2.3 –BCG product matrix of LLC “DeLonghi Ukraine” brands

In the Figure 2.3, where “x” stands for the market share of a brand and where the “y” stands for the market growth, we can see that LLC “DeLonghiUkraine`s” brands have a tendency to rather satisfy the consumers with the brands quality products than not and all of the brands are located at the top. LLC “DeLonghiUkraine`s” brand products are deemed to be of a high durability and reliability, which is proved by the “y” line rising exponentially.

Kenwood rates A in the ABC analysis and belongs to the cash cow area. The same situation is with the DeLonghi brand: the brand rates B and C in the ABC analysis, but takes place rather in the question mark field of the BCG matrix than

in the dog field. Braun brand equals A in the ABC and belongs to the star section in the BCG matrix.

The main goal of the brand export management process of an entity that is a subject foreign economic activity is to develop the most efficient method of production and distribution of products according to variables, which optimizes a particular result of the entity's functioning.

To research a suitable country for export we applied an express market analysis. Market analysis - a set of actions aimed at studying all the factors, conditions, situations that affect the state and development of the market, changes in its volume, structure, scale.

Market analysis is conducted in order to obtain objective information about the real situation in the market, to identify and evaluate the strength of influence of the main factors. The analysis identifies volumes, structure, breadth and quality of demand, supply over time and trends of market development, determine the degree of balance of supply and demand, establish variations between these categories. Of particular importance is the analysis of prices as a major factor shaping the demand of the population. They estimate the size and structure of unmet demand, the degree of mass demand (as the ratio of the number of consumers of goods (services) to the total number of likely consumers).

Market analysis provides an estimate of the volume and structure of demand generation, the characteristics of competing firms, their place and prospects in a given commodity or regional market. Competitors' strengths and weaknesses are evaluated to develop competitive strategies and tactics to strengthen LLC "DeLonghi Ukraine" position in the markets. It also determines the degree of influence (positive or negative) of scientific and technological progress, organizational factors on the results of market activity; conformity of material and technical base (wholesale warehouses, retail space, equipment, equipment), forms of organization of sales or trade, marketing services, information activities, advertising of goods to the volume of turnover and the demand of the population.

The efficiency of modern services in providing services to consumers of goods or services is given.

The market analysis is carried out by the organization's own analytical service or by hired specialized marketing consulting firms. The presence of information obtained in the analysis process allows manufacturers, traders to develop programs that would allow the businessman to reduce the degree of risk associated with making commercial decisions, avoid errors in the release of goods, inappropriate market requests and the likelihood of incorrect determination of market segments or channels of sales and, on the contrary, would direct it to the production of goods, the formation of an assortment trade set of goods, which by volume, nomenclature, assortment and quality are the most appropriate to the demand would have had an advantage over competitors and would ensure maximum profit. One of the main and often used components of market analysis is the express analysis: which is an operational assessment of the main indicators that characterize the financial condition of the enterprise.

Express analysis is carried out according to the factoring value that was based on the market analysis results, and its main advantage is the speed and ease of calculations. Depending on the amount of background information, the main purpose and objectives of the study, rapid analysis can be done with varying degrees of detail. The main objectives of the rapid analysis of the factoring values is the overall assessment of the country.

Express analysis is usually performed in three stages: the preparatory stage where the estimator provides macro-research, the preliminary review of the trade and political conditions, the final review of the country's economic and wealth.

An integral part of rapid analysis is the study of the statistical information, which contains data about the economy, trade routes, enterprises density in the country, which is depending on its type of development.

To identify promising markets (Table 2.4) for the exporting company we will use this Formula 2.1:

(2.1)

$$R_i = \sum_{j=1}^m a_j b_j$$

where: R_i - complex evaluation of the i -th market, $i=1, \dots, i$; i - is the number of foreign markets; b_j - is a point estimate of the market factor, $j = 1, \dots, m$; a_j - is the weight factor of the j -th section of market characteristics; m - is number of sections of market characteristics. The most attractive market will be the number i for which it is being executed: $R_i = \max\{R_i\}$.

Table 2.4 - Express market analysis for LLC “DeLonghi Ukraine’s” brands

Market characteristics	Factor	Factor value	Factor relevance	Poland	Turkey
1. Trade and Political Situation	1. The Commonwealth Agreement is absent, trade contacts are minimal.	0	0,15		
	2. A commonwealth agreement exists, trade contacts are weak.	1		0,15	0,15
	3. Good trade contacts.	2		0,3	
	4. Stable trade links.	3			
2. Trade restrictions	1. The embargo	0	0,2		
	2. There are no restrictions	1		0,2	0,2
	3. The mode of greatest assistance	2			
3. Competition	1. Strong	0	0,1		
	2. Average	1		0,1	
	3. Weak	2			0,2
4. Quality requirements	1. High	0	0,05	0,05	
	2. Moderate	1			0,1
	3. Below the world standards	2			
5. Conditions of sale	1. Market monopolization	0	0,15		
	2. Oligopolization of the market	1			0,15
	3. Competitive environment	2		0,3	
6. Relations with potential buyers	1. There is no trade in the past	0	0,15		0
	2. Minor trade	1		0,15	
	3. Episodic agreements	2			
	4. Stable business relationships	3			
7. Effectiveness of communication measures	1. Low	0	0,15		
	2. Moderate	1			0,15
	3. High	2		0,3	
8. Access to information	1. Missing	0	0,05		
	2. Fragmentary (unreliable)	1			0,05
	3. Sufficient (reliable)	2		0,1	
Total points			1	1,5	1

Source: Calculated by author based on LLC “DeLonghi Ukraine’s” data

Reviewing the potential countries for a new export contract we have considered Poland and Turkey. Poland has good trade relationships with Ukraine with no restrictions having a medium competition but high quality standards. While Turkey is having not great times in terms of trade relationships with Ukraine. Both competition and conditions of sale in Turkey are being superseded by Poland. In addition Poland has a better access to information and to potential buyers.

2.3. Forecasting of Efficiency and Influence of Proposed Measures on the Results of Activity of "Delonghi Ukraine"

The market activity efficiency analysis of the enterprise is directly linked to the main company`s activity – trade in international and domestic markets. We have already reviewed the current foreign economic activity of the enterprise in 1.3 chapter of this work, so we consider to analyze a new export marketing strategy to improve LLC “DeLonghi Ukraine`s” brand activity in the global market economy.

According to research from the Aberdeen Group,[18] companies with accurate sales forecasts are 10% more likely to grow their revenue year-over-year. Sales forecasts allow the brand manager to spot potential issues while there's still time to avoid or mitigate them. For example, if the brand manager notices that the team is trending 35% below quota, he is able to figure out what is going on and course-correct.

Maybe the competitor has started an aggressive new discounting campaign, or the brand new sales comp plan unintentionally encourages bad behavior. Discovering these problems as early as possible versus at the end of the month or quarter has a huge impact. Sales forecasts also come into play for a number of decisions, from hiring and resource management to goal-setting and budgeting.

To create an accurate sales forecast, the brand manager should follow these steps:

The first step would be assessing historical trends and examining sales from the previous year by breaking up the numbers down by price, product, rep, sales period, and other relevant variables; by building those into a “sales run rate,” which is the amount of projected sales per sales period. This forms the basis of the sales forecast.

Second step: Incorporate changes. After the brand manager has his basic sales run rate, he would want to modify it according to a number of changes that he predicts coming. For example:

Pricing. Is the company changing the prices of any products? Are there competitors who may force the company to modify its pricing schemes?

Customers. How many new customers does the company anticipate landing this year? How many did the company land the previous year? Did the HR department of the company try to hire new reps, gain quantifiable brand exposure, or increase the likelihood of gaining new customers?

Promotions. Will the company be running any new promotions this year? What is the ROI on previous promotions, and how does the company expect the new ones to compare?

Channels. Are Is the company opening up any new channels? New locations? New territories?

Product changes. Is the company introducing new products? Changing its product suite? How long did it take for previous products to gain traction in the market? Do the company expect new products to act similarly?

The third step would be anticipating market trends. Now is the time to project all the market events the company has been tracking. Is the company or its competitors be going public? Does the company anticipate any acquisitions? Will there be legislation that changes how the product is received?

The fourth step would be monitoring competitors. Every company is doing this already, but it must be taken into the account that the products and campaigns

of competitors, especially the major players are in the space. Also the company should check around to see if new competitors may be entering its market.

As was shown in 2.2 chapter, the company spent 13505,03 UAH for brand development and brand promotion. The company also uses an information vendor named GFKto buy forecasts from (Table 2.5) to compare with internal forecasts via CRM system.

Table 2.5–Marketing research forecasts from the GMI vendor for LLC “DeLonghi Ukraine”

GFKExpert	2020y.	2021y.	2022y.
Braun`s kettles	5%	9%	10%
Kenwood`s toasters	4%	7%	9%
DeLonghi`s coffee machines	3%	3%	4%

Source: Provided by the GFK vendor based on LLC “DeLonghi Ukraine`s” data

Thus, we can see that the most effective brand for exporting would be the Braun`s brand with 9% activity forecast in 2021.

DeLonghi`s coffee machines forecast is not quite profitable and equals 3% in 2020 and 2021 years, but rises for 4% in 2021. Kenwood`s toasters rise from 4% in 2020 to 7% in 2021 and in 9% in 2022. This allows us to build a forecast Table 2.6 for exporting the Braun kettles.

We can see how the Braun`s kettles are being forecasted in 66651 ths. UAH net profit from conducting export in 2020for Poland, Krakow using the FCA delivery term, increasing for 69984ths. UAH in 2021 and 73483ths. UAH in 2022. Though, along with the net profit rise the expenses will derive: transportation expenses would increase in 2020 for 14543ths. UAH, 15270ths. UAH in 2021 and 16033 ths. UAH in 2022.

Table 2.6 -Forecasting export efficiency of Braun`s kettles on LLC "DeLonghi Ukraine" in Poland for 2020-2022

Indicator	2020	2021	2022
Terms of delivery	FCA Kyiv		
Net profit from export, ths. UAH	6665,12	7264,98	7991,47
Cost of finished products, ths. UAH	1645,35	1793,43	1972,77
Transportation, ths. UAH	1454,25	1585,13	1743,65

Marketing research, ths. UAH	1774,50	1934,21	2127,63
Total cost of finished products, ths. UAH	4874,10	5312,77	5844,05
Effect from export, ths. UAH	1791,02	1952,21	2147,43
Coefficient of export efficiency	1,44	1,57	1,72
Indicator	Absolute Deviation		
	2021/2020	2022/2021	
Net profit from export, ths. UAH	599,86	726,50	
Cost of finished products, ths. UAH	148,08	179,34	
Transportation, ths. UAH	130,88	158,51	
Marketing research, UAH	159,71	193,42	
Total cost of finished products, ths. UAH	438,67	531,28	
Effect from export, ths. UAH	161,19	195,22	
Coefficient of export efficiency	0,13	0,16	

Source: Calculated by author based on data provided by the GFK vendor

Marketing research expenses also would rise: the forecast for 2020 equals 1774,5 ths. UAH, 2021 year would be 1934,21ths. UAH and 2022 with 2127,63ths. UAH. Coefficient of export efficiency must have a good tendency for growth through 2020-2022 years. The coefficient of export efficiency would rise from 1,44 in 2020, to 1,57 in 2021 and closing the three-year period in 2022 with 1,72. Effect from export also has chances to have a bright future in 2020 with 1791,02ths. UAH, 1952,21ths. UAH in 2021 and 2147,43ths. UAH in 2022. Costs of finished products is prognosed to rise from 1645,35ths. UAH in 2020 to 1763,43ths. UAH in 2021. Total cost of finished products would equal 4874,1ths. UAH in 2020 developing to 5312,77 in 2021 and finally increasing to 5844,05 ths. UAH from 2021 to 2022.

Next product line that was forecasted for LLC "DeLonghi Ukraine" was the Kenwood's toasters in Table 2.7 to export in Poland, Krakow with FCA terms of delivery. Net profit would rise to 5461,16ths. UAH in 2020 for Kenwood's toasters.

Table 2.7 -Forecasting export efficiency of Kenwood's toasters on LLC "DeLonghi Ukraine" in Poland for 2020-2022

Indicator	2020	2021	2022
Terms of delivery	FCA Kyiv		

Net profit from export, ths. UAH	5461,16	5843,44	6369,35
Cost of finished products, ths. UAH	1629,68	1743,76	1900,70
Transportation, ths. UAH	2061,28	2205,57	2404,07
Marketing research, ths. UAH	1757,60	1882,63	2049,89
Total cost of finished products, ths. UAH	5448,56	5829,96	6354,66
Effect from export	12,60	13,48	14,69
Coefficient of export efficiency	1,04	1,12	1,22
Indicator	Absolute Deviation		
	2021/2020	2022/2021	
Net profit from export, ths. UAH	382,28	525,91	
Cost of finished products, ths. UAH	114,08	156,94	
Transportation, ths. UAH	144,29	198,50	
Marketing research, UAH	123,03	169,26	
Total cost of finished products, ths. UAH	381,40	524,70	
Effect from export	0,88	1,21	
Coefficient of export efficiency	0,07	0,10	

Source: Calculated by author based on data provided by the GFK vendor

2021 is forecasted for 5843,44ths. UAH growing to 6369,35ths. UAH in 2022. Though, cost of finished products would rise as well, from 1629,68ths. UAH in 2020 to 1743,76ths. UAH in 2021 and 1900,7ths. UAH in 2022. Transportation expenses would grow as well. To make a delivery for Poland, Krakow LLC “DeLonghi Ukraine” is predicted to spend 2061,28ths. UAH for transportation in 2020, 2205,57ths. UAH in 2021 and 2404,07ths. UAH in 2022. Marketing research costs should grow from 1757,6ths. UAH in 2020 to 1882,63ths. UAH in 2021 and finally growing to 2049,89ths. UAH in 2022. Total cost of finished products based on the previous information would equal 5448,56ths. UAH in 2020 rising to 5829,96ths. UAH in 2021 and 6354,66ths. UAH in 2022. Effect from export would make its grow as well from 12,6ths. UAH in 2020 to 13,48ths. UAH in 2021 and 14,69ths. UAH in 2022. Th most valuable efficiency coefficient of the

export shall rise in 2020 with 1,04 to 1,12 in 2021 eventually growing for 1,22 in 2022.

The last reviewed product to export in Poland, Krakow were DeLonghi`s coffee machines for the 2020-2022 period in Table 2.8. The forecasted years predict us that the coefficient of export efficiency would make its exponential growth from 2020 with 0,79 to 0,81 in 2021 and 0,84 in 2022 showing us that after time this product line will gain its consumer auditory. Though expenses would rise in this case as well: transportation cost would grow from 721ths. UAH in 2020 to 742,63ths. UAH in 2021 and 772,34ths. UAH in 2022. Effect from export would be still negative: in 2020 the effect would be -676,07ths. UAH falling to -696,36ths. UAH in 2021 and -724,21ths. UAH in 2022.

Table 2.8 -Forecasting export efficiency of DeLonghi`s coffee machines on LLC "DeLonghi Ukraine" in Poland for 2020-2022

Indicator	2020	2021	2022
Terms of delivery	FCA Kyiv		
Net profit from export, ths. UAH	2206,90	2273,10	2364,03
Cost of finished products, ths. UAH	1440,97	1484,20	1543,57
Transportation, ths. UAH	721,00	742,63	772,34
Marketing research, UAH	721,00	742,63	772,34
Total cost of finished products, ths. UAH	2882,97	2969,46	3088,24
Effect from export, ths. UAH	-676,07	-696,36	-724,21
Coefficient of export efficiency	0,79	0,81	0,84
Indicator	Absolute Deviation		
	2021/2020	2022/2021	
Net profit from export, ths. UAH	66,21	90,92	
Cost of finished products, ths. UAH	43,23	59,37	
Transportation, ths. UAH	21,63	29,71	
Marketing research, ths. UAH	21,63	29,71	
Total cost of finished products, ths. UAH	86,49	118,78	
Effect from export, ths. UAH	-20,28	-27,85	

Coefficient of export efficiency	0,02	0,03
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Source: Calculated by author based on LLC “DeLonghi Ukraine`s” data

Net profit from export won't be much of a grow: 2206,9ths. UAH in 2020, 2273,1ths. UAH in 2021, 2364,03ths. UAH in 2022 as well as the total cost of finished products: 2020 forecasts to equal 2882,97ths. UAH increasing to 2969,46ths. UAH in 2021 and 3088,24ths. UAH in 2022. Thus, we can make a conclusion that this product is not sufficient in export and will require approximately 5 or more years to bring profit to the company. Yet, this product is needed as it saturates the market being a high-priced premium segment coffee machine.

Conclusions to part 2

In this part export contracts were suggested for LLC “DeLonghi Ukraine” in order to develop a strategic brand portfolio. The efficiency and influence on LLC “DeLonghi Ukraine” was calculated.

Brands, just like people, have values – bedrock principals they stand for and hold near and dear to the heart. These principals form the reason brands exist. Brand values influence two important business assets – relationships and reputation. Relationships are built on trust and reputation is built on delivering on the brand`s promise.

This is why a lot of research has been going in DeLonghi`s brands regarding the design of the product, its purpose, its ‘gut feeling’ and passion.

Enlightened brand owners realize that nowadays, most of the consumers have little time for barely anything. For brands to matter, the customer must believe the brand is bringing something more valuable to them than the cash exchanged. In effect brands have to provide more “use value” than they ask in cash value.

Conducting brand research, whether it’s focus groups, surveys or ethnographic studies, helps to minimize risks. There are three key benefits of using research in the brand identity development process: to minimize risk, to provide new design approaches and to measure the Return on marketing Investment.

Research is an important tool in the brand identity development process. It’s the only thing resembling an insurance policy in this industry—and in the scheme of things, a relatively inexpensive one. Brand research is a critical component of business success for two reasons. First, it provides a business with hard data to make effective decisions. Second, it gives a business deep insight into consumers’ minds. To make sure that the brand is positioned correctly against competitors and offers the promise that consumers want and

need the brand research needs to identify existing hot buttons and pain points for consumers and determine which brands are addressing them.

A market research was suggested for LLC “DeLonghi Ukraine” brands, which have showed the brand’s presence in the market, brand income, consumer satisfaction rate. An express market analysis helped to choose a new priority market of Poland, Krakow, using the FCA terms of delivery for LLC “DeLonghiUkraine`s” brands. An ABC analysis was conducted along with a BCG matrix from which new contracts for LLC “DeLonghiUkraine`s” brands were created.

The created contracts predict an approximate of >5% growth in all of the reviewed product line ups. According to the forecasts is highly recommended to conduct a new export contract for Braun`s kettles as their predicted efficiency would equal 1,72 export efficiency coefficient in 2022. Kenwood`s toasters, relating to the A product type according to the ABC analysis, also have a good tendency for export efficiency coefficient growth: from 1,04 in 2020 to 1,22 on 2022. Though, the DeLonghi coffee machines are located cash cow field of the BCG matrix, and they also have a positive trend for export efficiency growth: from 0,79 in 2020 to 0,84 in 2022, it is still not very profitable for the company to conduct such export contract with Poland as the effect from export remains negative in the forecasted years.

After Conducting a forecast on the export performance of the DeLonghi`s brands coffee machines we can notice a negative effect on the exports but with a good tendency to grow. Such dynamics indicate a slow increase in sales of this product, thus, the brand managers should consider if the company has the potential economic capacity to provide such export operation. Having forecasted the export of all elements of the product range of LLC “DeLonghi Ukraine” for the next 3 years, we can conclude that the export efficiency will increase and the introduction of marketing measures is a rational and profitable management decision.

CONCLUSIONS

De'Longhi Global is an Italian public limited group of companies, one of the largest manufacturers of household appliances in the world, founded in 1902 in Italy. In the world market it is known as a manufacturer of air conditioning equipment and home appliances. Headquarters are located in Treviso.

The Ukraine office was founded in 2011 and partakes a good share in the whole business group. De`Longhi Ukraine`s volume of activity is quite significant as per the exponential growth in the recent 5 researched years. The growth was resulted in proper management within the company which created a field for nourishing and maintaining a fruitful customer-related service.

The overall economic situation of LLC “DeLonghi Ukraine” is quite positive. The dynamics of solvency and liquidity ratios tend to develop above the normative values. These values indicate a positive developing strategy of the company. Business activity of LLC “DeLonghi Ukraine” was improving through the researched years. Profitability ratios of the company indicate a stable growth through 2015-2019 years.

LLC “DeLonghi Ukraine” possesses three active brands: Braun GmbH in a segment of small kitchen appliances; Kenwood, which was acquainted in 2001 along with Areite, kitchen appliances; and DeLonghi – kitchen appliances, heaters.

Braun GmbH, formerly Braun AG, is a German consumer products company based in Kronberg. Braun's products include the following categories: Shaving and grooming; Oral; Beauty care; Health and wellness; Food and drink preparation; Irons; Clocks, watches and calculators.

Kenwood is a British kitchen appliances manufacturer which is owned by the De'Longhi Group. Kenwood designs, produces and sells kitchen appliances including stand mixers, blenders, food processors, kettles and toasters.

A lot of resources are being spent on proper management of these three brands in LLC "DeLonghi Ukraine". Brand managers have their own marketing department in which they provide their own research, finding ways of improving the company's efficiency.

The regular partners of LLC "DeLonghi Ukraine" are Baltic countries and Moldova in which the company distributes five main product groups: kettles, convector heaters, coffee machines, grills and toasters.

During the reviewed period the export increased by all of the above groups, with exports of kettles units increasing the most, and the smallest increase in exports of grills. The organization of export operations at the enterprise includes the following elements: planning export operations, gaining and revising all required documents for the product transfer, execution of transactions, control over the results of the operation and their regulation, elimination of the deviation reasons.

LLC "DeLonghi Ukraine" uses EXW in its export operations. The enterprise is only required to safely package the goods, label them appropriately and deliver them to a previously agreed upon locations, such as the seller's nearest port. LLC "DeLonghi Ukraine" also helps the buyers to get export licenses or other required paperwork, although the buyers pay actual fees for the documents.

The company uses an advance form of payment to receive the income from export deliveries. Thus, the company is ensuring that all the risks are being leveled and that the end customer would not scam the enterprise. The accounting department is revising all the documents, contracts, agreements for accuracy.

The foreign economic activity of the enterprise was the following: the receivables from export have benefited the company in the first half of 2015 from a negative currency effect, it has been affected by accelerated sales in the second

half of 2015 year and longer payment periods in several markets; The export inventory benefited from the negative exchange effect and accelerated sales posted in the last quarter of 2016 year; The increase in export payables was not in proportion to the increased activity driven by the timing of transactions generated through 2016-2018; Due to expectations that sales would accelerate in the last quarter of 2019 year the production was stepped up and the acquisition costs were adjusted by the end of 2018.

In this part export contracts were suggested for LLC “DeLonghi Ukraine” in order to develop a strategic brand portfolio. The efficiency and influence on LLC “DeLonghi Ukraine” was calculated.

Brands, just like people, have values – bedrock principals they stand for and hold near and dear to the heart. These principals form the reason brands exist. Brand values influence two important business assets – relationships and reputation. Relationships are built on trust and reputation is built on delivering on the brand`s promise.

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Enlightened brand owners realize that nowadays, most of the consumers have little time for barely anything. For brands to matter, the customer must believe the brand is bringing something more valuable to them than the cash exchanged. In effect brands have to provide more “use value” than they ask in cash value.

Conducting brand research, whether it’s focus groups, surveys or ethnographic studies, helps to minimize risks. There are three key benefits of using research in the brand identity development process: to minimize risk, to provide new design approaches and to measure the Return on marketing Investment.

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scheme of things, a relatively inexpensive one. Brand research is a critical component of business success for two reasons. First, it provides a business with hard data to make effective decisions. Second, it gives a business deep insight into consumers' minds. To make sure that the brand is positioned correctly against competitors and offers the promise that consumers want and need the brand research needs to identify existing hot buttons and pain points for consumers and determine which brands are addressing them.

A market research was suggested for LLC "DeLonghi Ukraine" brands, which have showed the brand's presence in the market, brand income, consumer satisfaction rate. An express market analysis helped to choose a new priority market of Poland, Krakow, using the FCA terms of delivery for LLC "DeLonghiUkraine`s" brands. An ABC analysis was conducted along with a BCG matrix from which new contracts for LLC "DeLonghiUkraine`s" brands were created.

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APPLICATIONS

APPLICATION A

Balance of LLC “DeLonghi Ukraine” in 2015-2019 in ths. UAH

Assets	As of 01.01				
	2015	2016	2017	2018	2019
Non-current assets:					
Intangible assets	60	102	233	192	171
Initial value	142	235	437	556	517
Amortization	82	133	204	364	346
Investments	2296	2408	1795	165	31
Fixed assets	10512	15205	13070	8705	10101
Initial value	13210	21683	25499	23161	27813
Fixed assets Depreciation	2698	6478	12429	14456	17712
Total non-current assets:	12868	17715	15098	9062	10303
Current assets:					
Inventories	25018	20717	14217	35975	35774
Stocks	1161	709	91	149	525
Goods	23857	20008	14126	35826	35249
Accounts receivable for goods and services	85743	108373	162747	162341	183924
Accounts receivable on issued advances	2524	4653	1719	6683	10815
Accounts receivable by budget	444	328	165	199	114
Income tax	0	127	0	0	0
Other Current Accounts Receivables	764	250	470	8	43
Cash and cash equivalents	6998	4619	20869	58602	41315
Back Accounts	0	4619	20869	58602	41315
Future spending costs	568	446	618	514	434
Other current assets	0	2571	0	0	0
Total current assets	122059	141957	200805	264322	272419
Liabilities					
Equity:					
Shareholders	550	550	550	550	550
Additional capital	0	0	0	0	121
Reserve capital	0	0	0	0	137
Retained earnings	38749	63235	83612	150581	124443
Total Equity	39299	63785	84162	151131	125251
Other long-term liabilities	0	967	1222	1420	1950
Long-term employee benefits	0	967	1222	1420	1950
Total long-term liabilities	0	967	1222	1420	1950
trade payables	92252	94570	124749	107864	149051
according to calculations with the budget	3296	14	4094	10535	4028
including tax	0	0	3963	9616	2504
from insurance	0	0	0	195	128
from wages	78	314	455	384	499

Continuation of Application A

Indicators	As of 1.01				
	2015	2016	2017	2018	2019
Net revenue	179379	266853	361487	422054	531520
Cost of sales	99349	158193	214755	243874	292971
Grossprofit	80030	108660	146732	178180	238549
Operating profit	202	78	5538	9616	3784
Administrative expenses	6118	10051	14589	16828	17078
Selling expenses	38347	55117	76880	82972	146211
Operating costs	1723	10073	33755	8171	8001
Financial results from operating activities	34044	33497	27046	79825	71043
Other financial income	148	119	200	3892	4444
Non-financial income	119	-	-	-	821
Financial expenses	482	-	-	-	-
Other expenses	-	-	-	1210	387
Earnings before tax:	33829	33616	27246	82507	75921
Loss (Income) from tax on profit	7385	7029	6492	15034	13695
Net profit	26444	26587	20754	67473	62226

Financial results of LLC “DeLonghi Ukraine” in 2015-2019 in ths. UAH.

Dynamics of Assets on LLC "DeLonghi Ukraine" 2015-2019, in ths. UAH. 71

Assets	As of 01.01					Absolute deviation				Relative deviation,%			
	2015	2016	2017	2018	2019	2016 / 2015	2017 / 2016	2018 / 2017	2019 / 2018	2016 / 2015	2017 / 2016	2018 / 2017	2019 / 2018
Non-current assets:													
Intangible assets	60	102	233	192	171	42	131	-41	-21	70,0	128,4	-17,60	-10,94
Initial value	142	235	437	556	517	93	202	119	-39	65,49	85,96	27,23	-7,01
Amortization	82	133	204	364	346	51	71	160	-18	62,20	53,38	78,43	-4,95
Investments	2296	2408	1795	165	31	112	-613	-1630	-134	4,88	25,46	-90,81	-81,21
Fixed assets	10512	15205	13070	8705	10101	4693	-2135	-4365	1396	44,64	14,04	-33,40	16,04
Initial value	13210	21683	25499	23161	27813	8473	3816	-2338	4652	64,14	17,60	-9,17	20,09
Fixed assets Depreciation	2698	6478	12429	14456	17712	3780	5951	2027	3256	140,1	91,86	16,31	22,52
Total non-current assets:	12868	17715	15098	9062	10303	4847	-2617	-6036	1241	37,67	14,77	-39,98	13,69
Current assets:													
Inventories	25018	20717	14217	35975	35774	-4301	-6500	2175 8	-201	-	-	153,0	-0,56
Stocks	1161	709	91	149	525	-452	-618	58	376	-	-	63,74	252,3 5
Goods	23857	20008	14126	35826	35249	-3849	-5882	2170 0	-577	-	-	153,6	-1,61
Accounts receivable for goods and services	85743	108373	162747	162341	183924	22630	54374	-406	2158 3	26,39	50,17	-0,25	13,29
Accounts receivable on issued advances	2524	4653	1719	6683	10815	2129	-2934	4964	4132	84,35	63,06	288,77	61,83
Accounts receivable by budget	444	328	165	199	114	-116	-163	34	-85	-	-	20,61	-42,71
Income tax	0	127	0	0	0	127	-127	0	0	-	100,0	-	-
Other Current Accounts Receivables	764	250	470	8	43	-514	220	-462	35	-	88,00	-98,30	437,5 0
Cash and cash equivalents	6998	4619	20869	58602	41315	-2379	16250	3773 3	1728 7	-	351,8	180,8	-29,50
Back Accounts	0	4619	20869	58602	41315	4619	16250	3773 3	1728 7	-	351,8	180,8	-29,50
Future spending costs	568	446	618	514	434	-122	172	-104	-80	-21,5	38,57	-16,83	-15,56
Other current assets	0	2571	0	0	0	2571	-2571	0	0	-	100,0	-	-
Total current	122059	141957	200805	264322	272419	19898	58848	6351	8097	16,30	41,45	31,63	3,06

assets								7					
Total balance	134927	159672	215903	273384	282722	24745	56231	5748 1	9338	18,34	35,22	26,62	3,42

APPLICATION C

Structure of Assets on LLC "DeLonghi Ukraine" 2015-2019, %

Assets	As of 01.01					Absolute deviation			
	2015	2016	2017	2018	2019	2016 / 2015	2017 / 2016	2018 / 2017	2019 / 2018
Non-current assets:									
Intangible assets	0,04	0,06	0,11	0,07	0,06	43,65	68,94	-34,92	-13,88
Initial value	0,11	0,15	0,20	0,20	0,18	39,85	37,53	0,48	-10,09
Accumulated depreciation	0,06	0,08	0,09	0,13	0,12	37,06	13,44	40,91	-8,08
Investments	1,70	1,51	0,83	0,06	0,01	-11,38	-44,87	-92,74	-81,83
Fixed assets	7,79	9,52	6,05	3,18	3,57	22,23	-36,43	-47,40	12,20
Initial value	9,79	13,58	11,81	8,47	9,84	38,70	-13,03	-28,27	16,12
Amortization of fixed assets	2,00	4,06	5,76	5,29	6,26	102,8 9	41,89	-8,15	18,48
Total non-current assets:	9,54	11,09	6,99	3,31	3,64	16,33	-36,97	-52,60	9,94
Current assets:									
Stocks	18,54	12,97	6,58	13,16	12,65	-30,02	-49,25	99,84	-3,84
Inventories	0,86	0,44	0,04	0,05	0,19	-48,40	-90,51	29,31	240,71
Goods	17,68	12,53	6,54	13,10	12,47	-29,13	-47,79	100,29	-4,86
Accounts receivable for goods and services	63,55	67,87	75,38	59,38	65,05	6,81	11,06	-21,22	9,55
Accounts receivable on issued advances	1,87	2,91	0,80	2,44	3,83	55,78	-72,68	207,03	56,48
Accounts receivable by budget	0,33	0,21	0,08	0,07	0,04	-37,57	-62,80	-4,75	-44,61
Income tax	-	0,08	-	-	-	0	-	-	-
Other Current Accounts Receivables	0,57	0,16	0,22	0,00	0,02	-72,35	39,04	-98,66	419,75
Cash and cash equivalents	5,19	2,89	9,67	21,44	14,61	-44,22	234,14	121,77	-31,83
Back Accounts	-	2,89	9,67	21,44	14,61	-	234,14	121,77	-31,83
Future spending costs	0,42	0,28	0,29	0,19	0,15	-33,65	2,48	-34,32	-18,35

Other current assets	-	1,61	-	-	-	-	0	-	-
Total current assets	90,46	88,91	93,01	96,69	96,36	-1,72	4,61	3,95	-0,34
Total balance	100,00	100,00	100,00	100,00	100,00	0,00	0,00	0,00	0,00

APPLICATION D

**Dynamics of Liabilities on LLC “DeLonghi Ukraine” in 2015-2019.in ths.
UAH.**

Liabilities	As of 01.01					Absolute deviation (+/-)				Relative deviation,%			
	2015	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
						/	/	/	/	/	/	/	/
Equity: Shareholders	550	550	550	550	550	0	0	0	0	1,00	1,00	1,00	1,00
Additional capital	0	0	0	0	121	-	-	-	121	-	-	-	-
Reserve capital	0	0	0	0	137	-	-	-	137	-	-	-	-
Retained earnings	38749	63235	83612	150581	124443	24486	20754	66592	-26138	63,2	32,22	80,09	-17,36
Total Equity	39299	63785	84162	151131	125251	24486	20377	66969	-25880	62,3	31,95	79,57	-17,12
Other long-term liabilities	0	967	1222	1420	1950	967	255	198	530	-	26,37	16,20	37,32
Long-term employee benefits	0	967	1222	1420	1950	967	255	198	530	-	26,37	16,20	37,32
Total long-term liabilities	0	967	1222	1420	1950	967	255	198	530	-	26,37	16,20	37,32
trade payables	92252	94570	124749	107864	149051	2318	30179	-16885	41187	2,51	31,91	-13,54	38,18
according to calculations with the budget	3296	14	4094	10535	4028	-3282	4080	6440	-6506	-99,6	29142,9	157,3	-61,77
including tax	0	0	3963	9616	2504	0	3963	5653	-7112	-	-	142,6	-73,96
from insurance	0	0	0	195	128	0	0	195	-67	-	-	-	-34,36
from wages	78	314	455	384	499	236	141	-71	115	302,5	44,90	-15,60	29,95
from received advances	2	22	0	15	0	20	-22	15	-15	1000	-100,00	-	-
Future income	0	0	300	0	0	0	300	-300	0	-	-	-	-


Other current commitments	0	0	921	1626	1840	0	921	705	214	-	-	99,78	-1,36
Total Current Liabilities	95628	94920	130519	120833	155521	-708	35599	-9686	34688	-0,74	37,50	-7,42	28,71
Balance	134927	159672	215903	273384	282722	24745	56231	57481	9338	18,34	35,22	26,62	3,42

APPLICATION E

Structure of Liabilities on LLC "DeLonghi Ukraine" in 2015-2019, %

Liabilities	As of 01.01					Absolute deviation (+/-)			
	2015	2016	2017	2018	2019	2016 / 2015	2017 / 2016	2018 / 2017	2019 / 2018
Equity:									
Shareholders	0,41	0,34	0,25	0,20	0,19	-15,50	-26,04	-21,03	-3,30
Additional capital	0,00	0,00	0,00	0,00	0,04	-	-	-	-
Reserve capital	0,00	0,00	0,00	0,00	0,05	-	-	-	-
Retained earnings	28,72	39,60	38,90	55,08	44,02	37,90	-2,21	42,23	-20,09
Total Equity	29,13	39,95	38,98	55,28	44,30	37,15	-2,42	41,82	-19,86
Other long-term liabilities	0,00	0,61	0,57	0,52	0,69	-	-6,54	-8,23	32,79
Long-term employee benefits	0,00	0,61	0,57	0,52	0,69	-	-6,54	-8,23	32,79
Total long-term liabilities	0,00	0,61	0,57	0,52	0,69	-	-6,54	-8,23	32,79
for goods, work, services	68,37	59,23	57,78	39,46	52,72	-13,37	-2,44	-31,72	33,62
according to calculations with the budget	2,44	0,01	1,90	3,85	1,42	-99,64	21526,68	103,22	-63,03
including tax	0,00	0,00	1,84	3,52	0,89	-	-	91,63	-74,82
from insurance	0,00	0,00	0,00	0,07	0,05	-	-	-	-36,53
from wages	0,06	0,20	0,21	0,14	0,18	240,18	7,16	-33,35	25,66
from received advances	0,00	0,01	0,00	0,01	0,00	829,53	100,00	-	100,00
Future income	0,00	0,00	0,14	0,00	0,00	-	-	100,00	-
Other current commitments	0,00	0,58	0,75	0,67	0,64	-	-	57,78	-4,62
Total Current Liabilities	70,87	59,45	60,45	44,20	55,01	-16,12	1,69	-26,89	24,46
Balance	100,00	100,00	100,00	100,00	100,00	0,00	0,00	0,00	0,00

Braun WK 300 Kettle product specifications

Characteristics	Information
Power (W)	2200
Case Material	Plastic
Body color	Cream
Volume (L)	1.7
Retail price (UAH)	1000-1300
Production price (UAH)	850
Profit from 1 unit sale (UAH)	200-450
Profit from 1 unit sale (%)	15-35
Picture of the product	

Kenwood TCM811toaster product specifications

Characteristics	Information
Power (W)	980
Case Material	Metal
Body color	Blue
Volume (toasts)	2
Retail price (UAH)	3500-4000
Production price (UAH)	2850
Profit from 1 unit sale (UAH)	600-850
Profit from 1 unit sale (%)	15-25
Picture of the product	

DeLonghi EC153 SB coffee machine product specifications

Characteristics	Information
Power (W)	1100
Case Material	Plastic/Metal
Body color	Black/Metallic
Volume (L)	1
Retail price (UAH)	2800-3100
Production price (UAH)	2600
Profit from 1 unit sale (UAH)	2000-3000
Profit from 1 unit sale (%)	5-10
Picture of the product	

APPLICATION I

Balance of LLC “DeLonghi Ukraine” in 2015-2019 in ths. UAH

Assets	As of 01.01				
	2015	2016	2017	2018	2019
Non-current assets:					
Intangible assets	60	102	233	192	171
Initial value	142	235	437	556	517
Amortization	82	133	204	364	346
Investments	2296	2408	1795	165	31
Fixed assets	10512	15205	13070	8705	10101
Initial value	13210	21683	25499	23161	27813
Fixed assets Depreciation	2698	6478	12429	14456	17712
Total non-current assets:	12868	17715	15098	9062	10303
Current assets:					
Inventories	25018	20717	14217	35975	35774
Stocks	1161	709	91	149	525
Goods	23857	20008	14126	35826	35249
Accounts receivable for goods and services	85743	108373	162747	162341	183924
Accounts receivable on issued advances	2524	4653	1719	6683	10815
Accounts receivable by budget	444	328	165	199	114
Income tax	0	127	0	0	0
Other Current Accounts Receivables	764	250	470	8	43
Cash and cash equivalents	6998	4619	20869	58602	41315
Back Accounts	0	4619	20869	58602	41315
Future spending costs	568	446	618	514	434
Other current assets	0	2571	0	0	0
Total current assets	122059	141957	200805	264322	272419
Liabilities					
Equity:					
Shareholders	550	550	550	550	550
Additional capital	0	0	0	0	121
Reserve capital	0	0	0	0	137
Retained earnings	38749	63235	83612	150581	124443
Total Equity	39299	63785	84162	151131	125251
Other long-term liabilities	0	967	1222	1420	1950
Long-term employee benefits	0	967	1222	1420	1950
Total long-term liabilities	0	967	1222	1420	1950
trade payables	92252	94570	124749	107864	149051
according to calculations with the budget	3296	14	4094	10535	4028
including tax	0	0	3963	9616	2504
from insurance	0	0	0	195	128
from wages	78	314	455	384	499
from received advances	2	22	0	15	0
Future income	0	0	300	0	0
Other current commitments	0	0	921	1626	1840
Total Current Liabilities	95628	94920	130519	120833	155521
Balance	134927	159672	215903	273384	282722

APPLICATION J

BRAUN

APPLICATION K

KENWOOD

APPLICATION L

DeLonghi

**Kyiv National University of Trade and Economics
Department of foreign economic activity of the enterprise**

**SUMMARY
TO THE FINAL QUALIFYING PAPER
on the topic:
“Brand development of the enterprise”
(based on the data of LLC “DeLonghi Ukraine”)**

Student of the 2nd year, group
5a, speciality 073 «Management»,
specialization «Management of
Foreign Economic Activity»

Onoprienko Danyil

Scientific adviser
Candidate of Sciences (Economics),
Senior Lecturer

Sevruk Iryna

Kyiv 2019

Final qualifying paper: - 75 p., Illustrations -10, Tables - 18, Applications - 9, references - 30

The object of the study is the process of brand development of LLC "Delonghi Ukraine".

The subject of study is a set of practical aspects of brand development of LLC "Delonghi Ukraine".

Enterprisethatisabasisforwritingmasterdiplomaworkis LLC“DeLonghi Ukraine”

The purpose of the study is to analyze the results of the brand export operations of LLC "Delonghi Ukraine" and to develop recommendations and proposals for improving the efficiency of brand development.

Tasks that are assigned to this study and are included:

- Financial and economic activity analysis of LLC “DeLonghi Ukraine”;
- FEA analysis of LLC “DeLonghi Ukraine”;
- Export efficiency research of LLC “DeLonghi Ukraine”;;
- Proposals for branddevelopment inLLC “Delonghi Ukraine”
- Development of a strategic brand portfolio for LLC"Delonghi Ukraine";
- Forecasting theefficiency of proposed measures on the results of activity of LLC "Delonghi Ukraine";

Research methods. The research was conducted on the basis of the following general scientific and special methods of scientific knowledge: theoretical, comparative-economic, system-structural methods and methods of analysis and synthesis.Theoretical and methodological basis of research are works of domestic and foreign scientists, economists, experts in foreign trade, international management, enterprise management systems; practical experience of management

of foreign economic activity at enterprises; methodological materials of scientific-practical conferences and seminars on the topic of research.

In the introduction to the work the current situation and actuality and value of chosen topic are explained; the object of research, subject of research, significance and aim are defined. Main tasks of this diploma work are explained. Described the main methodological instruments used in the paper.

In the first chapter the financial and economic activity of LLC “DeLonghi Ukraine” was calculated. The foreign economic activity of the “DeLonghi Ukraine” enterprise was reviewed. Export efficiency was researched.

In the second chapter proposals for brand development in LLC “DeLonghi Ukraine” were developed along with a strong and consistent LLC “DeLonghi Ukraine” brand portfolio. Finally, the efficiency of such developed portfolio was calculated.

Conclusions and proposals contain the generalization of the result of this paper. Brief presentation of the results of the research. Shortly defined the most important theoretical positions that contain the formulation of the problem, and results of measures for its solution. The results of the whole diploma paper are summarized.

АНОТАЦІЯ

Онопрієнко Даниїл. Розвиток брендів на підприємстві.

Випускна кваліфікаційна робота на здобуття освітнього ступеня магістра за спеціальністю 073 “Менеджмент”, спеціалізацією “Менеджмент ЗЕД”. Київський національний торговельно-економічний університет, 2019.

Випускна кваліфікаційна робота присвячена вивченню факторів, що впливають на розвиток брендів на підприємстві. В роботі розглянуті ключові проблеми, що стримують розвиток експорту брендів, представлена економічна обґрунтованість вдосконалення розвитку брендів на підприємстві, описані особливості формування і реалізації експортних стратегій виходу на нові міжнародні ринки збуту.

Мета дипломної роботи - Розробка стратегічного портфолію брендів на підприємстві для підвищення ефективності зовнішньоекономічної діяльності за рахунок оптимізації експортних операцій брендів ТОВ «Делонгі Україна».

В дипломній роботі детально розглянуті підходи до поняття бренда, бренд-менеджмента. Вивчено динаміку і структуру основних показників діяльності компанії, розглянута динаміка і структура експортних операцій, проведено аналіз ефективності експортних операцій ТОВ «Делонгі Україна». Розроблені рекомендації щодо підвищення ефективності зовнішньоекономічної діяльності компанії за рахунок розробки стратегічного бренд портфолію на підприємстві.

Ключові слова: бренд, бренд менеджмент, стратегії управління експортом, зовнішньоекономічна діяльність, оптимізація експортної діяльності, ефективність експорту.

ABSTRACT

Onoprienko Danyil. Brand development of the enterprise

Graduation qualifying work for obtaining an educational master's degree in specialty 073 "Management", specialization "Management of Foreign Economic Affairs". Kyiv National University of Trade and Economics, 2019.

The final qualification work is devoted to the study of factors that influence the brand development in the enterprise. The paper considers the key problems that hinder the development of brand exports, presents the economic validity of improving the brand development at the enterprise, describes the features of formation and implementation of export strategies to enter new international markets.

The purpose of the diploma is to develop a strategic portfolio of brands at the enterprise to improve the efficiency of foreign economic activity by optimizing the export operations of LLC "Delonghi Ukraine`s" brands.

The work deals with the approaches to the concept of brand and brand management. The dynamics and structure of the main indicators of the company's activity were studied, the dynamics and structure of export operations were considered, the export operations efficiency analysis of LLC "Delonghi Ukraine" was analyzed. Recommendations for improving the efficiency of the company's foreign economic activity by developing a strategic brand portfolio at the enterprise were developed.

Keywords: brand, brand management, export management strategies, foreign economic activity, optimization of export activity, export efficiency.