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EXPLANATORY NOTE

to the Master's paper

ON TOPIC

“Research of sales and brand management in the organization” (“EDJS network” as a case study)

Performed by: 6-th year student

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Speciality: 073 Management

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MASTER'S PAPER TASK

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1. Master's paper Topic: "Research of sales and brand management in the organization"
(“EDJS network” as a case study)

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2. Submission deadline

3. Input data

financial statement, balance sheet,

productivity report, product catalogue, and pricing catalogue

4. Brief Content of the Master's paper:

Chapter 1. The theoretical framework and studies

Chapter 2. Research and analysis

Chapter 3. Recommendations

Chapter 4. Occupational health and safety in emergencies

5. List of tables and figures: *tables*: definition of the term “sales management”, EDJS Network LTD assets and liabilities for 2021-2022, EDJS Network LTD shareholder's equity data, EDJS Network LTD leverage financial ratios for 2021-2022, EDJS Network LTD revenue data, EDJS Network LTD expenses for 2020-2022, sales performance metrics of the EDJS Network LTD, prerequisites and difficulties for the brand formation in the EDJS Network LTD, brand metrics of the EDJS Network LTD, input statistics for predicting sales revenue under impact of cost of goods sold, summary output of the sales revenue forecast model, input statistics for predicting net profit under sales, summary output of the net profit forecast model, variables which determine factors of branding strategy at the EDJS Network LTD, general rules for choosing branding strategy at the EDJS Network LTD, calculated share of revenue to the total sales revenue of the EDJS Network LTD, total expenses for opening sales boutique of the EDJS Network LTD, the expected income from the opening sales boutique in the first half of 2024 at the EDJS Network LTD, calculated values of net present value, profitability index and payback period; *figures*: the main stages of brand management in the company, a set of influencing factors on brand formation, business percentage distribution by industry in the town Kitwe, Zambia, 2022, EDJS Network LTD logotype, EDJS Network LTD composition, EDJS Network LTD organizational chart, EDJS Network LTD revenue for 9 month in 2023, EDJS Network LTD revenue, expenses and profit for 2020-2022, EDJS Network LTD on the Facebook social network, proposed steps for improvements of sales management at the EDJS Network LTD, trend line for cost of goods sold, trend line for company's sales, conceptual model of branding strategy formation.

6. Consultants to Master's paper Chapters

Chapter	Consultant's full name	Signature, date	
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Chapter 4. (4.2)	PhD Volodymyr Struchok		
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7. Date of assigning the task 14.09.2023

CALENDAR PLAN

No	Content	Chapters Deadline	Note
	Introduction	October	Done
1	The theoretical framework and studies	October	Done
1.1	Meanings and definitions of sales management	October	Done
1.2	Theoretical review of brand management in the organization	October	Done
1.3	Factors affecting sales and brand management in the organization	October	Done
2	Research and analysis	November	Done
2.1	EDJS Network LTD introduction	November	Done
2.2	Analysis of the EDJS Network LTD sales management	November	Done
2.3	Study of the prerequisites for the brand management in the EDJS Network LTD	November	Done
3	Recommendations	November	Done
3.1	Recommendations concerning the EDJS Network LTD sales management	November	Done
3.2	Recommendations as for brand management in the company	December	Done
3.3	Recommendations as for economic activity improvement	December	Done
4	Occupational health and safety in emergencies	December	Done
4.1	Occupational health at work	December	Done
4.2	Notification of the population about the threat and occurrence of emergency situation	December	Done
	Conclusions	December	Done
	References	December	Done
	Appendices	January	Done

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SUMMARY

Master paper topic: “Research of sales and brand management in the organization (“EDJS network” as a case study)”.

Master paper consists of 68 pages, 12 figures, 16 tables, 20 references, 2 appendices.

The object of investigation is the sales and brand management of the EDJS network LTD.

The aim of the Master paper is to find the ways of improving sales and brand management of the EDJS network LTD.

The results are obtained with the following research methods: time series, comparative, econometric, financial analysis, payback period, profitability index, net present value, forecasting and fuzzy model.

The recommendations concerning the sales management of the EDJS Network LTD by using forecasting tools have been developed. Some recommendations regarding brand management of the EDJS Network LTD by identifying opportunities to create a brand in the company, using conceptual model of a brand have been designed. The improvements concerning company activity and sales management by opening a new trade boutique have been substantiated.

The practical value of these proposals lies in the possibility of using them to improve sales management and brand management at the EDJS Network LTD.

Keywords: sales revenue, service revenue, organizational chart, sales management, brand, brand management, social growth, repeat customer ratio, sales revenue forecast, net profit forecast, payback period, and profitability index.

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INTRODUCTION

This Master's paper is about sales and brand management in the organization by using data of EDJS Network LTD. Sales management is an important part of any business organization. Sales management makes products or services available to the customers and keeps the company competitive in the long run. Sales management is reinforced by the company's branding policy. Brand management becomes the basis of the company's activity, the overall image management takes place through the brand. The development of the brand contributes to company's competitive position on the market and loyal customers, which means, accordingly, a regular income. Brand management is a company's activity aimed at ensuring consumer loyalty, competitive positions, long-term success. Its goal is to increase the brand value, income level, total number of customers, company value.

The aim of the bachelor paper is to examine sales and brand management in the organization by using data of the EDJS Network LTD. We applied the following research methods for examining, analyzing, summarizing, among them are time series, comparative, econometric, financial analysis, payback period, profitability index, net present value, forecasting and fuzzy model.

Master paper consists of 4 chapters where we have described theoretical aspects of sales and brand management in the organization, examined information and data on sales and brand management of the EDJS Network LTD and found the ways to improve sales and brand management of the EDJS Network LTD by using some forecasting models, conceptual model of brand management, fuzzy model, financial model.

The main tasks of this Master paper are:

- to describe theoretical framework and studies concerning sales and brand management in the organization;
- to study and analyze the EDJS Network LTD business activity;
- to estimate the EDJS Network LTD sales management;
- to examine prerequisites and difficulties of brand management in the

company;

- to propose improvements concerning sales management of the EDJS Network LTD by using forecasting tools;

- to design some recommendations regarding brand management of the EDJS Network LTD by identifying opportunities to create a brand in the company, using conceptual model of a brand;

- to recommend improvements concerning company activity and sales management by opening a new trade boutique;

- to characterize some issues concerning occupational health at work and notification of the population about the threat and occurrence of emergency situation.

The practical value of these proposals lies in the possibility of using them to improve sales management and brand management at the EDJS Network LTD.

CHAPTER 1

THE THEORETICAL FRAMEWORK AND STUDIES

1.1 Meanings and definitions of sales management

In modern conditions, the company effectiveness and revenue performance of any sphere of activity directly depends on sales management. Relevance and timeliness of sales management studying is determined by the need for research of the impact on financial results, competitiveness and company sustainability, as well as consumer loyalty. In the market economy, efficient product policy and production flexibility focused on meeting the customer needs. Satisfying customer needs and wants is one of the main conditions for the effective production, successful sales management and commercial activity of an enterprise.

The final stage of the manufacturing cycle and commercial activity of any company is the sale of produced products. However, the sales activity of company engaged in different types of economic activity. It has become more complex process due to competition and environment variability, increased risks of uncertainty in the country and the world in general. This situation has actualized the need for scientific research aimed at finding new, optimal approaches to planning and organizing of company's sales activity and sales management [9].

Sale is a complex and multifaceted term, which is interpreted depending on the scientific and theoretical approaches as follows:

- sales can be considered as an exchange of goods for money (according to the economic approach);
- sales can be viewed as a change of ownership of goods (according to the legal approach);
- sales can be described as a satisfaction of the customer's request (according to the service approach);
- sales can be explained as a process of informing the customer with the product or service advantages (according to the communication approach);

- sales can be showed as a process how to establish a trusting relationship with customers and satisfy their needs (according to the marketing approach) [9].

Term “sales” is considered broad including economic, legal, service, communication, marketing approaches. Sales cover the entire range of company actions aimed at helping the customer to make a choice to purchase goods. Sale refers to the fundamental business concept characterizing practical aspects of the sales management and commercial activity of a company.

Sales management is one of the key components among management types, because it helps top executives to make business decisions that lead the company to financial output and performance. Sales management has different forms, sales methods and processes in the market economy [9].

Practice shows that an effective sales management contributes to the company’s successful position and competitive advantages on the market. Sales management is universal in scope. The rational sales process, sales tools and technology are important both in the production sphere and in the sphere of providing services.

In the market economy, new approached appeared in the relationships between producer and consumer, but sales remained the central part of management. Initially, the main reason for increased attention to sales was it impact on the financial performance of the company. Sales management affects company performance, its competitive position, consumer satisfaction and their attitude to the product and the producer, and the company’s reputation and image [9].

The main task of the sales management of any company is to obtain maximum sales revenue and profit with minimum costs for the activity implementation. Sales management is an important component of the company. The importance of sales management for any enterprise is conditioned the following:

- sales is the final stage in the manufacturing and sales process, it shows the result of all the company’s efforts aimed at the development of foreign economic activity and obtaining the maximum revenue and profit;

- by adapting sales activities to the buyer demand, creating maximum benefits for them during and after the goods purchase, the manufacturer has much more

chances to win in the competition of the foreign market;

- sales activity seem to continue the production process, taking upon themselves the finishing of the product and its preparation for sale;
- the needs of foreign consumers are identified and studied more effectively during sales [10].

Let's consider several different points of view on the essence of the concept of "sales management" (table 1.1).

Table 1.1 – Definition of the term "sales management"

Author(s)	Definition
G.J. Bolt	Sales management is one of the key elements of the company management, and therefore the insufficient efficiency of the sales activity endangers the existence of the entire enterprise
C. Fattrell	Sales management is an effective and efficient achievement of the objectives for the sales force by planning, recruiting, training and leading personnel, as well as controlling organizational resources
R.A. Spiro C.J. Stanton	Sales management is any action that the company may take in order the sales department works as efficiently as possible
D. Jobber, J. Lancaster	Sales management is a process of recruitment, selection, motivation and sales personnel training; managing, directing, organizing of the sales force work
V. Pylypchuk, V. Dannikov	Sales management is an activity, the purpose of which is to make a profit by satisfying customer needs in the chain communications (interaction) and increasing efficiency / competitiveness of the company as a whole
S. Shpitionkov	Sales management is an activity aimed at analysis, planning, organization and control of the sales process in order to increase profit received by the company
O. Timchenko	Sales management is a multi-stage process, which, along with mandatory sales planning should include sales organization and sales force motivation, as well as constant control over the sales

According to G.J. Bolt, the insufficient efficiency of the sales activity endangers the existence of the entire enterprise. Thus, the management of the company begins to realize that sales management is becoming one of the key elements of the whole company management [9].

Some scientists consider sales management as an element of the company management, others describe – as the management of people involved in good sales

(including recruitment, motivation, training, directing, work planning and control), or service sales.

Other authors believe that sales management is meaningfully characterized by the management of sales and distribution channels. Thus, C. Fattrell interprets the sales management as an effective and efficient achievement of the objectives for the sales force by planning, recruiting, training and leading personnel, as well as controlling organizational resources. R.A. Spiro and C.J. Stantons believe that sales management includes any action that the company may take in order the sales department works as efficiently as possible [9].

Western economists D. Jobber and J. Lancaster consider sales management as a process of recruitment, selection, motivation and sales personnel training; managing, directing, organizing of the sales force work. Neil Rackham considers sales management through the SPIN selling method (Situation means establishing customer's current situation; Problem means identifying problems the customers face that solve the product; Implication means exploring the causes and effects of sales problem; Need-Payoff shows what money product is worth) used by high-end salespeople around the world. The SPIN sales method includes questions that sales people ask when working with a customer in a certain sequence: situational questions, problem questions, guiding questions. The main emphasis in this approach is on consulting and clarifying the customer's needs, wants unobtrusively. So, the author considers the sales management based on the SPIN method as an identification of the customer's needs. As can be seen, the western authors are most drawn to a functional approach to understanding the company sales management [9].

Other authors define the essence of sales management as 1) a multistage process, which, along with mandatory sales planning, should include sales organization and sales force motivation, as well as constant control over the sales; 2) managing the employees work of the sales department, their activity and work aimed at creating sales process that would be effective in any conditions; 3) activities aimed at analysis, planning, organizing and control of the sales process in order to increase the profit received by the company; 4) the function of trade organization, focused either on preserving its quality in the conditions of changes in the external

environment, or achieving a certain goal; 5) activity, the purpose of which is to make a profit and satisfy needs in the chain of communications [11].

The main elements of the company's sales activity include transportation, products storage, after-sales service. At the same time, the sales management covers:

- market segmentation;
- advertising planning;
- contractual work with consumers or intermediaries;
- planning of shipment of goods to the customers;
- using sales channels;
- storage, packaging, sorting and shipment of products to customers;
- providing with information, resource and technical support for product sales;
- implementing sales promotion policy;
- receiving feedback with consumers [11].

Sales management is characterized from the point of view of both a functional and a process approach. A functional approach to sales management includes sales planning and organization, sales people motivation and controlling. The basis of the sales planning process is forecasting. Sales forecasting is an activity of the company's management, aimed at determining the forecasted volume of products by assortment positions, which will be sold for a set period of time using the company's resources. Planning is a way of achieving a certain amount of sales in the future among possible development paths and taking into account all the factors that make it possible to achieve the planned sales amount [12].

Organizing sales is the process of interaction formalization and regulation between departments and employees in the sales management process. Organizing sales deal with searching for new customers, direct sales and documentation of the agreement [12].

Sales motivation is done through encouraging salespeople to overcome their fears, identifying strengths and weaknesses, testing out pitches together, minimizing comparison, incentivizing success, providing training opportunities, discussing advancement opportunities, personalizing rewards. It should be noted that the motivation of sales managers must meet the following requirements:

- sales motivation should be orientated on the result – the employee receives a reward for achieving results, and not for performing work that should lead to a result;
- controllability allows top executives to adjust the sales efforts of employees without significantly modifying sales system in the event of a change in the market situation;
- fairness – a decent assessment of the employee’s contribution to the overall success of the company and a fair distribution of risks in case of failure;
- simplicity (comprehensibility) – the employees understand what the company is willing to reward them for, and the company understands what results and how much it is willing to pay;
- immutability – any employee spends his efforts in accordance with the motivation [12].

Here are some of the benefits of sales motivation: increases profits; improves team work and morale; helps overcome adversity.

Sales control is another function of sales management which ensures the sales achievement and profit objectives of the company by coordinating effectively and efficiently the different sales functions. Here are some of the benefits of sales control: optimizing number of sales, maximizing profit, controlling revenue. Sale control allows top executives to identify deviations and take appropriate measures to eliminate them [12].

Another approach to sales management is process-based. The sales process is a set of stages that a sales manager goes through during the sale of a certain product or service. A process approach to sales management views the company as a network of interrelated business processes and allows sales managers to allocate and manage key departmental processes and results. Knowledge, understanding and application of various approaches to sales management will allow companies to create an optimal model of sales management, expand the product range, enter new market segments, and successfully operate in the market to achieve planned indicators of the company’s sales volume and profitability. Thus, sales management is a multilevel concept including leading, organizing, directing, motivating, and influencing people to achieve sales objectives of a company.

1.2 Theoretical review of brand management in the organization

In the modern market conditions, there are new products and services offered by manufactures, various market segments have developed more dynamically, the product life cycle (product introduction, growth, maturity, and decline) is becoming shorter and the competitor's activity is increasing significantly. Fierce competition force companies to develop, introduce and use various tools that allow them to get an advantage over competitor and gain more loyal consumers. Company unique assets, marketing strategy, policy and advantages help to strengthen its position in the appropriate market segment. A brand is one of such assets of the company. A brand is an intangible asset, the brand value lies in its recognition by consumers and positive attitude and perception associated with it. Brand management is a marketing tool used in the creating brand image over a long period of time through the additional brand value, which makes it more attractive to the consumers. This activity requires certain skills [1].

Nowadays, brands have entered the everyday life of almost every person who participates in the process of buying and selling goods. Brands are used by trading companies of all countries as a means of identifying and recognizing their goods and services. Brands are becoming global. Each product must have a trademark that corresponds to its nature and status, so that the whole global or local market can recognize and understand the value of particular product [1].

A brand, unlike an ordinary product, affects the consumer in a three ways. According to the functional way, a brand provides maximum useful product information and guarantees consumer qualities. According to the emotional and psychological way, a brand is a tool to create stable, long-term positive relations with the consumer (loyalty). According to the cultural way, a brand reflects values, traditions and norms shared by the target consumer segment and the manufacturing company or seller [3].

The modern understanding of the brand concept includes several aspects: product differentiation (it depends on customer's attention to one or more key benefits of a product or brand); market segmentation (it divides population into subgroups according to some factors); brand image in the consumers mind; brand as a

mean of interaction (communication) with consumer; brand as a mean of individualization of the company's goods; brand as an identity support system, legal instrument; brand as a part of the company's corporate culture; brand as a concept of brand equity; brand as an element of the market constantly evolving in time and space [3].

A brand is a category that connects a product with its characteristics, a trademark, its image in the minds of consumers, as well as the manufacturer's concept in relation to its product, trademark and consumers. The need for effective brand management stems from its complex and multifaceted nature as a system of certain values for consumers and businesses. Brand management involves the formation, strengthening and development of relations between the brand and the consumer audience due to the development of its communicative, social, individual and functional properties, and also it ensures the identification of the trademark through the management of its constituent components. Taking into account the many dimensions of the brand phenomenon, such related concepts as “branding” and “brand management” are used. The study of the definition of these concepts gives grounds for asserting that there is no single and clear understanding of their essence [3].

In general, branding is defined as the process of creating and developing the brand image, as a set of measures aimed at forming brand image in the consumer's imagination, which directly cause an increase in the competitive position of the product on the market. Therefore, this process combines activities related to the joint impact on the consumer of advertising messages, trademarks, packaging, sales promotion and other communication tools, united by a certain idea and appropriate design, which distinguish the product from its competitors and create a brand image [3].

The comprehensive influence of all the mentioned means on the consciousness of the consumer audience is achieved through the direct use of brand image tools. Brand image tools cover creating positive trademark image, doing marketing research, introducing brand management decisions. It should be noted that in the consumer world, where competing products do not have solid differences, branding

occupies a leading position in the process of marketing and company individualization [5].

At the same time, a similar interpretation of brand management can be found in scientific sources. Therefore, brand management is the application of marketing tools to a certain product, product line or brand with the aim of increasing their significance in consumer perception, increasing brand value and significance. The author Temporal P. in his book “Effective Brand Management” emphasizes that brand management is a well-thought-out theory, that is, a complex of ideas, principles and methods for practical experience in the product promotion.

However, F. Kotler and K. Keller emphasize brand management effectiveness. They identify brand management as the process of developing and implementing programs and marketing activities aimed at creating and managing brands in order to maximize brand value and revenue [5].

At the same time, according to J. N. Kapferer, who is one of the three best brand specialists in the world, the brand management should cover a combination of two components: brand basis and innovation. According to the scientist, brand management is a tool to balance brand base through its preservation, renewal, expansion and growth, and on the one hand, and brand management is a process of new products and services development taking into account new consumers, new market segments and market requirements [5].

Brand management is a type of creativity, based on deep knowledge about market, main legal aspects of company’s intellectual property and intangible assets protection, human psychology, and geographical features. A brand is a result of introducing brand management policy. Brand can be described as a set of tangible and intangible assets used to create positive product image or service image, company image, and consumer desire to purchase a product with the appropriate marking offer [6].

The main purpose of brand management is to strengthen the influence, form stability and increase the brand value. Therefore, the definition of brand management appeared as a result of the scientific and can be viewed as a strategically oriented management activity of the company based on brand formation, maintenance and

development in order to increase the consumer audience loyalty, strengthen competitive advantages, ensure company sustainability, provide long-term success and brand value growth [6].

Brand management is a process including some stages. A brand is formed and brought to the market with the help of branding. Brand management includes five main stages, which are shown on figure 1.1.



Figure 1.1 – The main stages of brand management in the company

The first stage – brand vision creating and mission statement deals with brand name development, creating advertising slogan for a product or service, selecting sales methods and distribution channels on the market. This stage is characterized as a rather long, complex and expensive that requires a marketing research and specialized knowledge about a particular market, consumer audience and company competitive position. The second stage – creating unique brand identity (brand portrait) means a process of forming and implementing a clear purpose of brand’s functioning, its ideology to build a positive perception of the product or service offered by company in the minds of potential consumers and society in general. The third stage – brand positioning is the process of creating brand reputation, brand

image and characteristics in such a way that consumers of the target audience can easily distinguish them by these values from the competitor's brands. The fourth stage – brand strategy defining means choosing methods of customer attraction and ways of resource use for brand identification and the formation of its core values. The fifth stage – building organizational culture that supports strategic brand management means condition creating for long-term functioning of selected brand strategy through building powerful organizational culture, which is the final stage of brand management. Organizational culture is a set of values, beliefs, ideas, expectations, symbols, as well as business principles, norms of behavior, traditions, etc., which have developed in the company and its departments during business activity and which are perceived by the majority of employees [8].

To achieve success in brand management, it is enough to follow certain rules, general and procedural principles of branding. Here are the main of these rules.

1. Brand expansion shows that brand effectiveness is inversely proportional to the distribution scale. In other words, the company should not strive to grasp the immeasurable. Of course, such methods contribute to the rapid growth of profits, but in the end even a popular brand can be exhausted.

2. Brand narrowing through focusing is one of the most important rules of successful brand formation. According to it, companies should focus their main efforts on the initial flagship brand (is the main product/service in the company's offer and to which the customer most relates or identifies the company).

3. Public opinion – the brand, not advertising, shapes public opinion. A new brand must be able to attract society attention or be ready for complete failure. It is good to become the first brand in a new good category. The opinion about a specific trademark will always prevail over any beliefs of its owner. That's why what people think is much more important than advertising.

4. Advertising – the brand arises on the formation of public opinion. After a certain period of time, in order to maintain the brand position, an advertising campaign should be launched, which should be perceived as an investment, not an expense.

5. Word means that a brand should be remembered with one word in the minds

of consumers. It is important that it does not cause associations with a competitor.

6. Brand authenticity – it is important for a brand to be one of a kind. The shortest path to uniqueness is to become a leader in product line or category.

7. Quality – the brand must be of high quality. Of course, quality is forever in the minds of consumers.

8. Category – a successful brand must advance the product category, not itself. Brand narrowness opens up the possibility to create a completely new product category and the brand automatically becomes a leader and develops rapidly in a new market segment.

9. Name – the brand becomes just a name eventually, but this brand name continues to evoke the right associations among consumers.

10. Image refers to the brand logo. It should engage consumers, not annoy them. Brand image relates to how consumers view product brand, company offering.

11. Brand color should be opposite to the competitor. Brand color creates first customer perception of a brand, and their emotional associations. Brand color is a basis of brand visual identity in all its expressions and executions – products, logos, packaging and marketing communications.

12. Brand boundaries – the brand has no geographical commitment. It can be equally famous and in demand all over the world.

13. Changes – the brand may change. The main thing is that these changes are considered and not frequent. The brand cannot withstand constant changes [8].

The following approaches can serve as a methodological base for brand management according to the new conceptual approach. Systemic approach considers brand management as a processes combining of inputs, brand components, outputs necessary to achieve a certain goal. Complex approach means the unity of organizational, economic, social, legal, psychological aspects of management to achieve brand management goals in the company. The applied approach means that the brand manager should make and implement decisions by looking at current state of external environment and company internal environment [8].

Brand management includes the development of complex communication relationships, which involve not only focusing on the product market and making a

profit, but also receiving feedback for making effective management decisions regarding production processes; financial, marketing measures, legal protection of the brand, strategic orientations of the company.

Therefore, brand management occupies an important place in the company management. As practice shows, the effectively developed brand and brand policy brand and support are important components of communications with consumers. The brand contributes to the formation of certain associations in the mind of the consumer, which lead to the repeated consumption of a product or service.

1.3 Factors affecting sales and brand management in the organization

Factors influencing company's sales management are the driving forces that influence the implementation of company's sales strategy and policy as well as ensure a certain level of financial outcomes. Factors influencing company's sales management include [14]:

1. Availability and conformity of the product to the consumer needs. Product availability means company's ability to meet consumer demand for a given product; product conformity refers to the degree to which a good meets the relevant product standards and manufacturing regulations.

2. Infrastructural support refers to the availability of vehicles for moving products to the warehouse and to the points of product sale; the warehouses, trade organizations; banks serving financial transactions related to good sales, i.e. all things related to the entities of the external environment taking part in the company's product sales.

3. Informational support means that when managing sales, the company should have a whole range of information (data on market characteristics, conditions for product promoting to the market, competitors, intermediaries, possible risks, etc.), which ensures the correctness of managerial decisions concerning goods movement.

4. Choosing optimal sales channels – the need for a sales network is due to the manufacturer's inability to take on all the duties and functions associated with the requirements of free exchange in accordance with the expectations of potential consumers. Turning to intermediaries means for the company the low control over

certain components of the commercialization process. Choosing a sales network and distribution channels is a strategic decision for companies that must be compatible with target segment expectations, and business company's own goals.

5. Staffing means that when carrying out sales activities, the top management should pay attention to the correct selection, training and motivation of personnel involved in the sales activities. The greatest attention should be paid to the sellers of the goods, because they represent the products to the buyer, and therefore they must have professional sales skills, goods presentation, should be well motivated and knowledgeable about the products they sell.

6. Financial support of sales management – in the process of good movement from manufacturer to consumer, it can be situation requiring financial support for sales activities, namely: pay premises rent for warehousing products, purchase or lease of retail space, make payments to intermediaries for the transportation of products and other, so it is necessary to plan probable financial costs. Financial support of sales activity enables the company to quickly, qualitatively and within the established time move the goods to the customer.

7. Systematic sales activity means that managing sales activity of the company requires systematic approach to the sales that maintains the unity and sequence of product sales. Systematic sales activity has a certain order – by stages and in the interrelationship of all participants of sales activities [14].

All factors influencing the company sales management depending on influence level can be divided into:

a) national factors are those influencing country where business entities operate by applying changes in taxation, customs clearance of goods, exchange rates;

b) regional factors are those influencing a certain territory, may be related to the territory peculiarities or new conditions of doing business at this territory: the introduction of free trade regime, etc.;

c) sectoral factors are those influencing separate industry or branch of economy: lack of raw materials (natural reserves have run out), decision-making on subsidizing the industry, changes in wholesale prices, fuel/energy tariffs, etc.;

d) internal production factors are those influencing the changes in production

technology (computerization of the main production lines, etc.), product quality control, product defects reduction [14].

Depending on the environment of influence on sales management, internal and external factors are distinguished. The internal environment of the organization is determined by internal factors that are situational driving forces within the organization – goals, structure, tasks, technology, employees and resources. The internal environment is that part of the general environment that is within the organization. The factors of the internal environment are: distribution policy, financial resources, production volumes, managers and employees responsibility, set of steps to prepare products for sale [14].

The factors of the external environment, which affect the activity of the company from the outside, can be divided into factors of direct (directly affect the sales activity of the organization and depend on sales activity) and indirect (influence not directly, but through certain rules, principles and relationships) factors. Indirect factors tend to influence through factors of direct impact.

Direct external environment factors affecting sales management include: consumers, suppliers, competitors, state authorities, infrastructure, legislation, trade unions, parties, public organizations, economic relations, public organizations, neighbors and others. Indirect external environment factors affecting sales management include: international environment, international events, scientific and technical progress, political circumstances, social and cultural circumstances, the level of technology and equipment, features of international economic relations, the state of the world economy [14].

A consumer is the main target when creating sustainable communications around the brand. The place that the brand occupies in his mind will be a key in the competition with other brands. At the same time, the factors that affect the creation and development of the brand, as well as its “relationship with the consumer”, should be divided into those that depend on the company sales strategy and those that cannot be influenced. Such aggregates of factors can be divided into subjective and objective factors, respectively [13]. Figure 1.2 presents the influential factors on brand creation.

Industry affiliation is the primary factor that is taken into account when making

decisions about the development of a trademark to the brand level. When creating a new business or developing an existing one, the company must understand the industry in which it operates, the nature of market environment, and the prospects for building the company’s brand. Trends in the global market of brands show that among the 10 most expensive and, accordingly, popular brands, the majority are high-tech companies. These processes have been observed for at least the last five years and encourage company brands to have been appeared on the market not so long ago, to strive for evolution in the brand range [13].

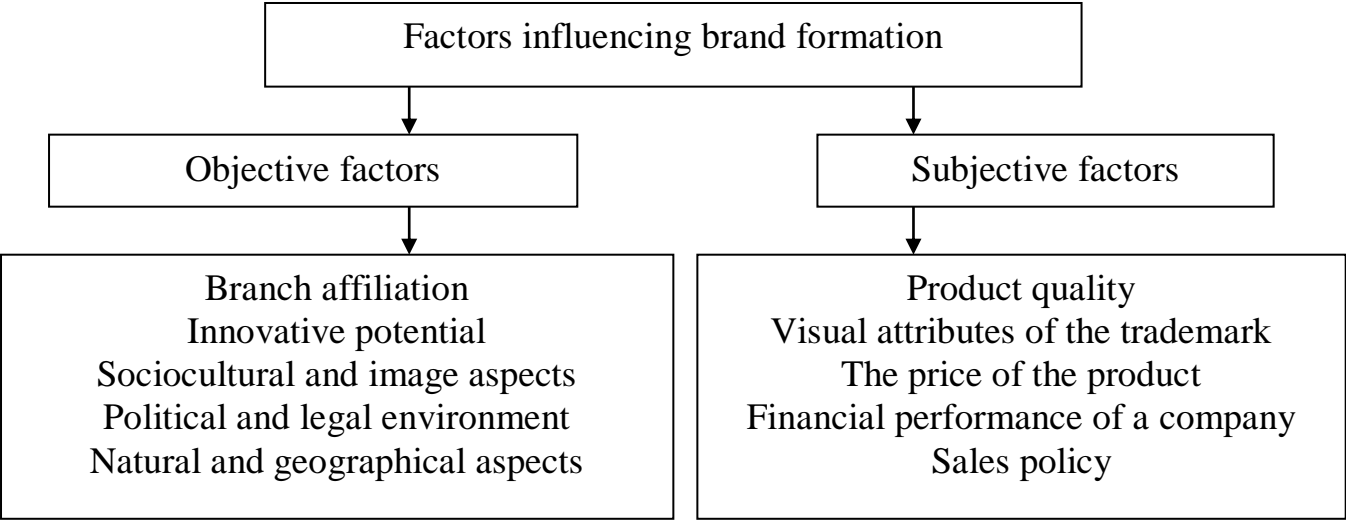


Figure 1.2 – A set of influencing factors on brand formation

Innovative potential is an equally important factor. It can be defined within the enterprise, industry or technologies as a whole. Its driving force is scientific and technological progress. Many aspects that directly affect the product or any of its attributes depend on scientific and technical progress, product quality, production cost, product price, packaging or innovative solutions that fundamentally change the product or its properties.

The next important factor is organizational history. It, as one of the attributes of the brand, has a significant impact on its formation. Organizational history is not only a legend invented by the company to create a certain image and representation in the consumer mind. Organizational history is also everything that has happened with the company since the time when the consumer became aware of the product or company offer [13].

The company's intention to bring a new brand to the market or to develop an existing one somehow faces a certain "irresistible force" in the form of three blocks of factors: socio-cultural and image aspects, political-legal environment and natural-geographical aspects.

Taking into account socio-cultural features, such as the religion of the population or the historical traditions of the region, has a serious impact on the process of brand formation in the minds of consumers. The political and legal environment is an important aspect when creating a new product or entering new foreign markets for well-known brands. Legislation peculiarities or imperfections, political situation in a specific country limit or significantly adjust the company's activities as a whole, and, accordingly, complicate the company branding campaign. The climatic conditions of one or another country, the market of which the brand is trying to conquer, can be radically different from each other and from the country of its origin. In certain cases, the question of the feasibility of expanding the brand to a new territory may be raised [13].

Subjective factors influencing the brand creation are those on which the company can influence. These factors include product quality, brand visual attributes, product value, company sustainability and sales policy.

It is impossible to imagine a brand of a low-quality product. The quality of a product is a set of its properties associated with the ability to adequately satisfy certain needs of the consumer in accordance with the purpose of the product. Marketing activity is aimed at effectively promoting goods sale and ensuring the economic interests of manufacturers and intermediaries while simultaneously meeting consumer's needs, goods quality, marketing results.

Product quality is the first aspect that the company can and should influence. A low-quality product cannot become a branded product. First, it will be leveled by competitors, and secondly, the consumer will simply refuse further purchase.

Trademark visual attributes is the factor that actually shapes brand perception, its future image in the consumer's mind. A logo, an outline, a font, a corporate sound are things that are perceived and remembered on a cognitive level. They determine brand recognition and its instant distinction among the target consumer.

From the customers' point of view, brand attributes are packaging, name, logo and font image, slogan, color, brand characters, etc. The most important of them is the brand name, because it affects on formation and development the relationship between consumer and product. Brand attributes should be developed and embodied in a single product image, not based on designer fantasy [13].

The third subjective factor is product cost. The relationship between price and brand is not necessarily linear. Although a product price is almost the most important factor when a consumer buys a product. In the classical form, one of the main economic effects of branding is income from the markup "for the brand".

The last subjective factor is the company's sales policy. Being a part of the marketing complex, it determines all possible options for consumer access to the company's products. The latter, in turn, can use direct marketing and thus build communication with consumers, because it assumes that the company does not use intermediaries and sells products to customers. Direct marketing is focused on creating a permanent customer base and establishing feedback with the brand. This determines certain features in relations with customers. Using direct marketing is possible through own retail networks, sales agents, sales at exhibitions, or e-trade or make to order [13].

When selling through intermediaries, there is an increase in marketing influence on the consumer in the process of promoting and selling products. This is due to the fact that the intermediary is interested in obtaining additional profit and, accordingly, will be more active in the advertising campaign and sales. This, in turn, can increase the frequency of trademark display to the end consumer.

So, depending on marketing strategy, marketing tools and methods, the company forms sales and brand policy that will enable the most effective branding of its products. By influencing on subjective factors such as product quality, brand visual attributes, product price, financial performance and sales policy the top management can develop and introduce effective approach to the brand creating and managing.

CHAPTER 2

RESEARCH AND ANALYSIS

2.1 EDJS Network LTD introduction

EDJS Network LTD is a company operating on the market of one of the African country that is Zambia. This company is located in the town Kitwe that is second most populous in Zambia. Address of the company: 277 Obote Avenue, Kitwe city, Zambia. Kitwe is one of the fastest growing cities in Zambia. Here are different types of business including construction, trade and services companies, business organizations clustered around the mines, and business firms supply copper.

The company is situated quite well because the town Kitwe is the main industrial and commercial centre providing a lot of opportunities for business organizations [16]. Here we can find any type of business organizations including: automotive industry and services, shopping (including department stores, electronics stores, office supplies and stationary stores), industry (including construction of buildings, wholesales of construction supplies), hotels and travel, education, professional services (including financial, food, medical, home services, etc.), restaurants, religious and others. Business percentage distribution by industry in the town Kitwe is presented on the figure 2.1.

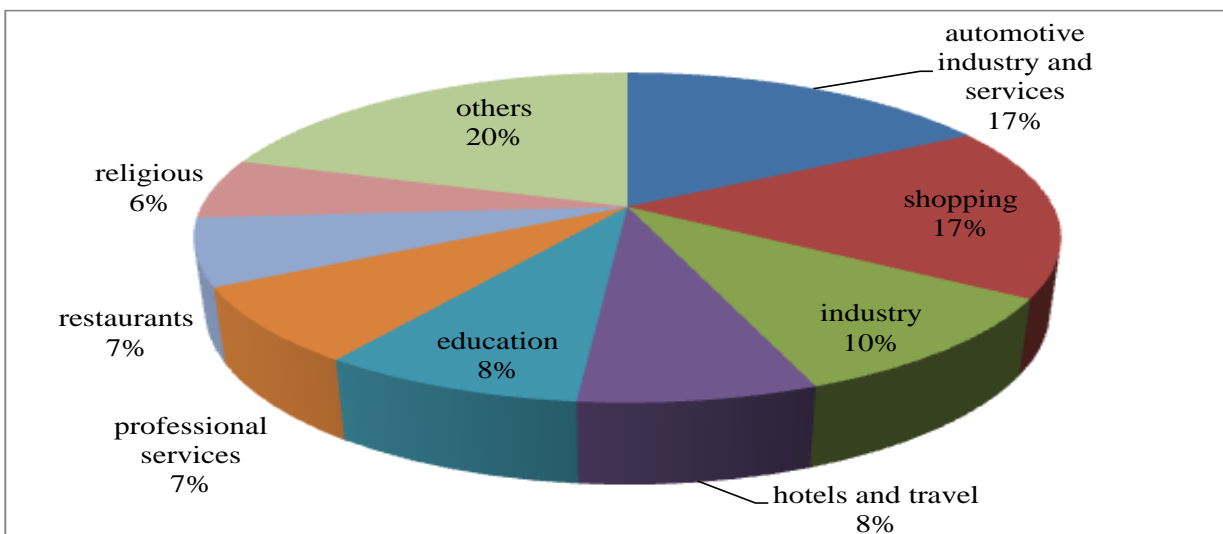


Figure 2.1 – Business percentage distribution by industry in the town Kitwe, Zambia, 2022

The largest share falls on others types of business (20,2%) as well as automotive industry and services shopping (16,9%). The share of industrial business organizations is 10,3%; hotels and travel is 7,5%; education is 8,3%; professional services is 7,5%; restaurant business is 6,6% and religious is 5,9%.

EDJS Network LTD operates in the field of commercial and industrial equipment supply. The stationary supply company provides supplying toners, drums, hot rollers, boxes of A4 bond paper cartridges and others for Ricon Aficio, Konica Minolta, Canon printers, copier machines, stationary copier and printer machines. Also, EDJS Network LTD provides IT support [18].

The company's extended office is located close to the Kitwe central police where there is company's main warehouse and point of sales for used tires for vehicles. Here the company provides services to the clients. These services include booking order for transport to deliver some goods, commodities to the customers. Also, the EDJS Network LTD services include providing transportation and loading goods to deliver this cargo to the following countries as Malawi, Congo, Tanzania, RSA and others. Cargo is delivered to some points by using 15-th tones containerized trucks [15].

EDJS Network LTD has its own logo that is made in the colors of the national flag. Company logo is shown on the figure 2.2.

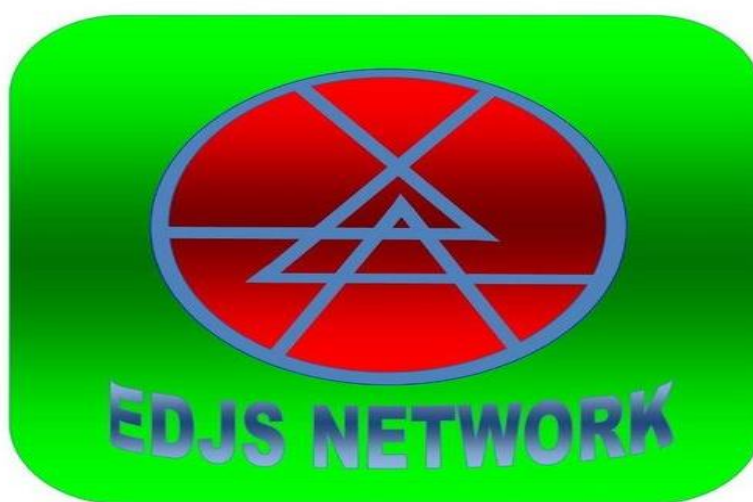


Figure 2.2 – EDJS Network LTD logotype

EDJS Network LTD operates under license among other 152 business

organizations in the city Kitwe. The main competitors of the company are the business organizations operating in the filed of standard goods: AABRICK ZAMBIA LTD, AFRICA HONG HE LOGISTICS, AFRICA LOGISTICS & SERVICES, BEGOMA LOGISTICS, BRIAN NJELESANI CHENDA, CHISHA KWAME MWANSA, NASH EXPLOSIVE LTD [16].

EDJS Network LTD is a big commercial and industrial equipment supplier in the Kitwe city, Zambia. The company consists of the main office, main warehouse and point of sales (figure 2.3).



Figure 2.3 – EDJS Network LTD composition

EDJS Network LTD is ruled by managing director (Richard Kombe) who is an entrepreneur and pioneer, an infrastructure development and execution specialist. Richard Kombe as a managing director of the company is responsible for business activity by introducing company’s strategy, tactics and policy as well as by fostering business communications and relationships. Managing director of the EDJS Network LTD maintains frequent communications with personal and head of departments, establish company goals and objectives, create business plans and develop business strategy and policy, review operational information and financial data, monitor the business progress and performance, guide employees in areas such as accounting and finance, sales, and logistics [18].

Organizational chart of the EDJS Network LTD is shown on the figure 2.4.

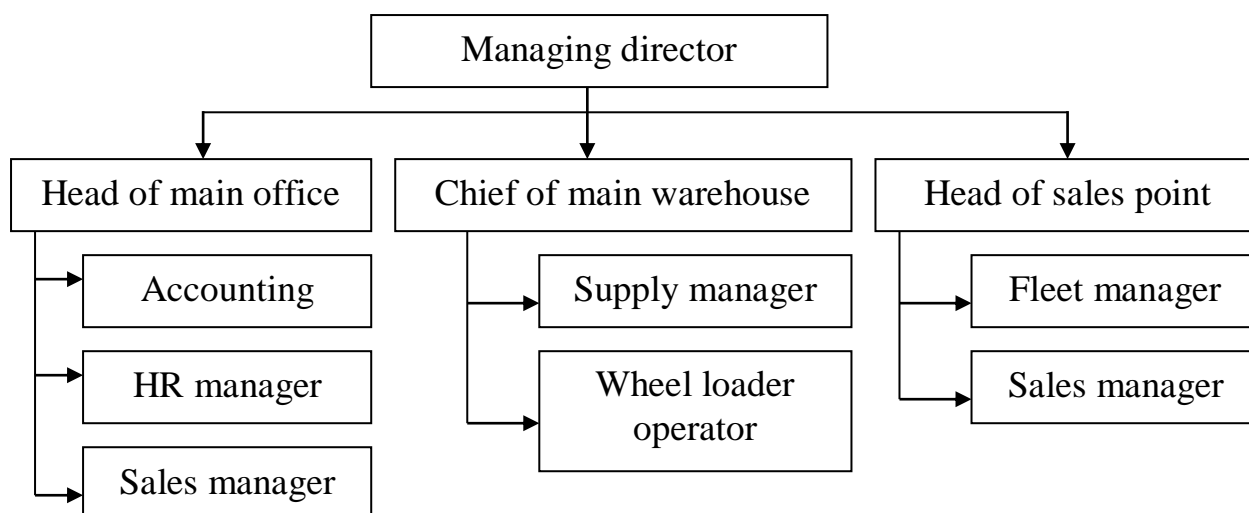


Figure 2.4 – EDJS Network LTD organizational chart

Total number of company employees is 8 people.

Financial performance of the EDJS Network LTD can be tracked through balance sheet data and Income statement data. Company assets include cash, accounts receivable, prepaid expenses, inventory, property and equipment. Data on the EDJS Network LTD assets are analyzed in the table 2.1.

Table 2.1 – EDJS Network LTD assets for 2021-2022

Assets, \$	2021	2022	Increase/ decrease, \$	Growth rate, %
1. Cash	4100	5000	900	121,95
2. Accounts receivable	9200	10000	800	108,6
3. Prepaid expenses	6000	7000	1000	116,67
4. Inventory	6200	6500	300	104,84
5. Total current assets	16300	18500	2200	113,50
6. Property and equipment	25000	30000	5000	120,00
7. Total assets	41300	48500	7200	117,43

According to information on EDJS Network LTD assets: the amounts of cash increased by 900\$ or 21,95% for 2022 compared to 2021. The amount of accounts receivable decreased by 300\$ for reporting period compared to previous. Prepaid expenses increased by 1000\$ or 16,67%; the amount of inventory increased by 300\$

or 4,84% for 2022 compared to 2021. Total current assets increased by 2200\$ or 13,5% for reporting period compared to previous. We are observing an increase in company's property and equipment by 5000\$ and an increase in total assets by 7200\$ or 17,43% for reporting period compared to previous.

Company liability includes accounts payable, accrued expenses, unearned revenue, long-term debt. Data on the EDJS Network LTD liabilities are analyzed in the table 2.2.

Table 2.2 – EDJS Network LTD liabilities for 2021-2022

Liabilities, \$	2021	2022	Increase/ decrease, \$	Growth rate, %
1. Accounts payable	1800	2000	200	111,1
2. Accrued expenses	920	1000	80	108,7
3. Unearned revenue	390	500	110	128,2
4. Total current liabilities	3110	3500	390	112,5
5. Long-term debt	0	0	0	-
6. Total liabilities	3110	3500	390	112,5

According to information on EDJS Network LTD liabilities: the amounts of c accounts payable increased by 200\$ or 11,1% for 2022 compared to 2021. The amounts of accrued expenses increased by 80\$ or 8,7% for reporting period compared to previous. The amount of unearned revenue increased by 110\$ or 28,2% for 2022 compared to 2021. Total current liabilities and total liabilities increased by 390\$ or 12,5% for reporting period compared to previous.

Shareholder's equity of the EDJS Network LTD includes investment capital and retained earnings; they are analyzed in the table 2.3. The amount of investment capital for 2022 compared to 2021 increased by 12000\$ or 24% and retained earnings remained the same during 2021-2022. Total shareholder's equity increased by 12000\$ for reporting period compared to previous.

Table 2.3 – EDJS Network LTD shareholder’s equity data

Shareholder’s equity, \$	2021	2022	Increase/ decrease, \$	Growth rate, %
1. Investment capital	50000	62000	12000	124
2. Retained earnings	15000	15000	0	100
3. Total	65000	77000	12000	118,5

Leverage financial ratios are used to evaluate the EDJS Network LTD debt level. We have been calculated and analyzed common leverage financial ratios of the EDJS Network LTD in the table 2.4.

Table 2.4 – EDJS Network LTD leverage financial ratios for 2021-2022

Assets, \$	2021	2022	Increase/ decrease, \$
1. Total current assets	16300	18500	2200
2. Total current liabilities	3110	3500	390
3. Total assets	41300	48500	7200
4. Total liabilities	3110	3500	390
5. Owner’s equity	65000	77000	12000
Leverage financial ratios			
1. Debt ratio (Total Liabilities / Total Assets)	0,075	0,072	-0,003
2. Current ratio (Current Assets / Current Liabilities)	5,24	5,29	0,045
3. Assets-to-Equity ratio (Total Assets / Owner’s Equity)	0,635	0,630	-0,006
4. Debt-to-Equity ratio (Total Liabilities / Owner’s Equity)	0,048	0,045	-0,002

Debt ratio decreased by 0,003 for 2022 compared to 2021; it shows that hat a company is lowly leveraged, and borrowed money can easily pay back. Current ratio is high for both periods and it means that the EDJS Network LTD has more assets than liabilities. A current ratio of 5,24 in 2021 or 5,29 in 2022 shows that the company could pay off its current liabilities five times over. Assets-to-equity ratio shows that 63,5% of the company’s assets in 2021 and 63% of the company’s assets in 2022 have been funded by owners. Debt-to-Equity ratio is low for both periods and it means that the company can easily covers its liabilities by using shareholder’s equity.

2.2 Analysis of the EDJS Network LTD sales management

Sales management of the EDJS Network LTD is ruled by managing director and sales manager. Job responsibilities of a sales manager can be divided into four main sections:

- 1) organizing and sales of the company's products;
- 2) planning and carrying out analytical work on company's sales;
- 3) sales assurance;
- 4) controlling over goods shipments and buyer payments.

The first group of job responsibilities that is organizing and sales of the company's products includes:

- searching for potential buyers – a sales manager uses variety of methods from establishing old customer contacts to participating in exhibitions;
- working with clients who have contacted the company for the first time through telephone counseling;
- supporting and conducting business negotiations with clients aimed at the company interests and an assessment of customer needs;
- prompting (quick) response to information received from customers;
- clarifying customer's needs – it's necessary to find out what the customer needs, give advice, coordinate the customer request with the assortment available in the warehouse;
- motivating customers to buy company product through special conditions for them, discounts, thank-you calls, letters and so on.

In addition to organizing and conducting sales, the sales manager responsibilities also include planning and analytical work, which consists in drawing up a sales plan for each month, analyzing statistical data of all sales and shipments to the buyer for the reporting period, as well as drawing up reports on the results of the completed work. Reports are made in the form prescribed by a company.

In addition to the paper work performed by sales manager, his duties also consist in ensuring sales. To ensure they are correct, the sales manager must:

- conduct reception, process and properly issue orders related to the shipment of goods to the client. He should do similar work not only with the clients assigned to

him, but also with the buyers of his colleagues, if they are not in the office;

- provide informational support to all customers;
- inform customers about all changes in the company – promotions, product range, prices and stock receipts;
- final agreement with buyers on the product price, shipment date and possible delivery way;
- submit all completed orders for delivery to the logistics department;
- participate in the projects development and their implementation, which are related to the work of the wholesale department.

In addition, the sales manager functional responsibilities include interaction with the company's divisions, maintaining current and reporting documentation, and participating in work meetings. Likewise, the manager must ensure that customer data in the computer database is up-to-date. Among other things, the sales manager must necessarily control all goods shipments, as well as monitor the financial discipline of customers so that they do not forget to pay for the goods on time.

By the way, the sales manager performs slightly different duties than the sales department manager, so they should be considered in a separate topic, as well as the duties of the assistant sales manager, which also have their own job specifics.

Sales manager does different types of analytical work and analysis including:

- 1) sales trend analysis is looking for trends and patterns in sales data; tracking sales progress towards goals, understanding sales patterns in some goods, consumers;
- 2) sales performance analysis is important for effective sales management that can be used for evaluating sales performance and overall sales strategy effectiveness through tracking changes in sales revenue;
- 3) predictive sales analysis helps to forecast future sales by taking into account economic conditions, risks and opportunities;
- 4) sales pipeline analysis is used to understand common sales activities prospects, decrease sales cycles and increase deals;
- 5) product sales analysis is used to identify which goods affect sales revenue and understand pinpoint popular products;
- 6) market research is used to survey clients, understand competitor's

behaviour, improve sales statistics and sales effectiveness.

The main important financial document of the EDJS Network LTD that shows revenue performance is profit and loss statement. It gives information on the EDJS Network LTD revenue and expenses for 2020-2022. The EDJS Network LTD revenue consists of sales revenue, service revenue, interest revenue and gain of sales of assets. Company’s expenses include the following: advertising costs, delivery and freight expenses, depreciation, insurance, office supplies, rent and lease expenses, maintenance and repairs, wages, utilities and telephone expenses and others.

We have been analyzed company revenue for 2020-2022 in the table 2.5.

Table 2.5 – EDJS Network LTD revenue data

Revenue, \$	2020	2021	2022	Growth rate, %	
				2021/2020	2022/2021
1. Sales revenue	9300	10500	13000	12,90	23,8
2. Service revenue	8000	8700	9000	8,75	3,4
3. Interest revenue	950	1050	1200	10,53	14,3
4. Gain of sales of assets	550	740	1000	34,5	35,1
Total sales revenue	18800	20990	24200	11,65	15,3

We are concluded that sales revenue of the EDJS Network LTD for 2021 compared to 2020 increased by 12,9% or 1200 dollars; service revenue also increased for 2021 compared to 2020 by 8,75% or 700 dollars; interest revenue exaggerated for 2021 compared to 2020 increased by 10,53% or 100 dollars; the size of gain of sales of assets enlarged for 2021 compared to 2020 by 34,5 or 190 dollars. Total company revenue increased for 2021 compared to 2020 by 11,65% or 2190 dollars. Sales revenue of the EDJS Network LTD for 2022 compared to 2021 increased by 23,8% or 2500 dollars; service revenue also increased for 2022 compared to 2021 by 3,4% or 300 dollars; interest revenue exaggerated for 2022 compared to 2021 increased by 14,3% or 260 dollars; the size of gain of sales of assets enlarged for 2022 compared to 2021 by 35,1% or 260 dollars. Total company revenue increased for 2022 compared to 2021 by 15,3% or 3120 dollars. We can observe an increase in every kind of revenue and total company revenue.

Statistics on the EDJS Network LTD revenue for 9 month of 2023 is shown on

the figure 2.5.

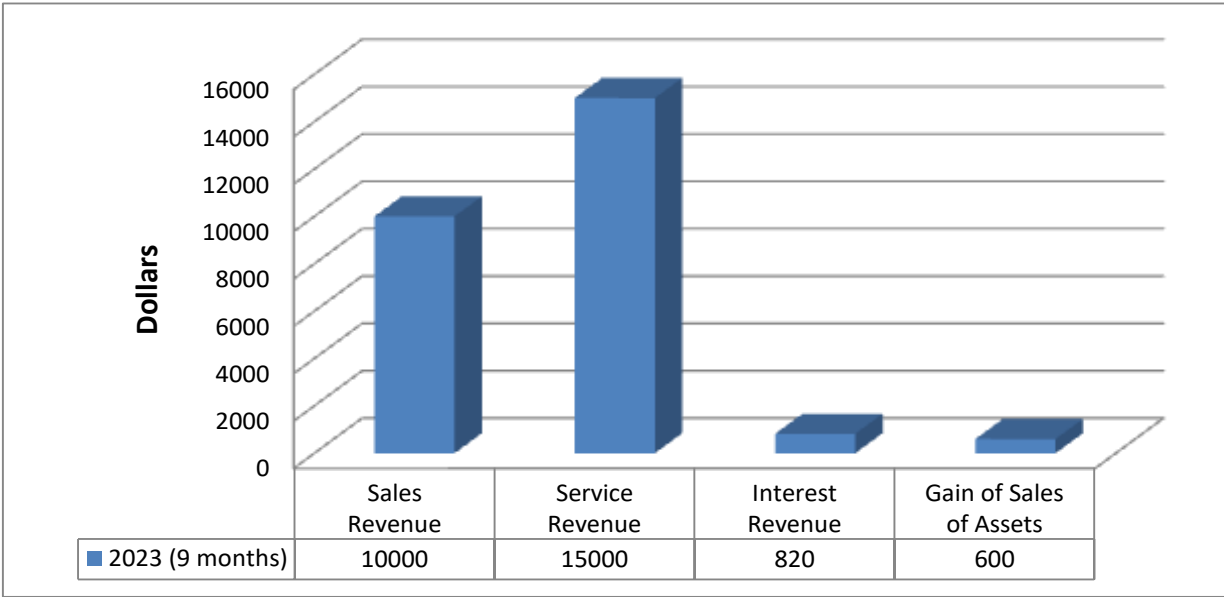


Figure 2.5 – EDJS Network LTD revenue for 9 month in 2023

Total company revenue for 9 month of 2023 reached 26420 dollars that is more than total company revenue for the whole 2022. Total company revenue for 10 month of 2023 compared to total company revenue for 2022 increased by 2220 dollars or 9,17% that positive trend in company sales performance.

We have been analyzed company expenses for 2020-2022 in the table 2.6.

Table 2.6 – EDJS Network LTD expenses for 2020-2022

Expenses, dollars	2020	2021	2022	Growth rate, %	
				2021/2020	2022/2021
Advertising	280	250	300	-10,7	20,0
Delivery/Freight Expense	2350	2800	4000	19,1	42,9
Depreciation	990	1420	1680	43,4	18,3
Insurance	460	580	620	26,1	6,9
Interest	100	130	170	30,0	30,8
Office Supplies	400	540	680	35,0	25,9
Rent/Lease	1280	1350	1400	5,5	3,7
Maintenance and Repairs	200	310	360	55,0	16,1
Wages	11200	12000	13000	7,1	8,3
Utilities/Telephone Expenses	280	250	300	-10,7	20,0
Other Expenses	80	75	90	-6,3	20,0
Total Expenses	17620	19705	22600	11,8	14,7

Analyzing the EDJS Network LTD expenses for 2020-2022 we can conclude that company advertising costs decreased for 2021 compared to 2020 by 10,7%; volume of delivery and freight expenses increased for 2021 compared to 2020 by 19,1%; depreciation cost increased for 2021 compared to 2020 by 43,4%; insurance costs increased for 2021 compared to 2020 by 26,1%; interest increased for 2021 compared to 2020 by 30%; office supplies increased for 2021 compared to 2020 by 35%; rent and lease expense increased for 2021 compared to 2020 by 5,5%; the amount of wages increased for 2021 compared to 2020 by 7,1%; utilities and telephone expenses decreased for 2021 compared to 2020 by 10,7%; maintenance and repairs costs increased for 2021 compared to 2020 by 55% and other expenses decreased for 2021 compared to 2020 by 6,3%. In general total expenses of particular company for 2021 compared to 2020 increased by 11,8%. Looking at company advertising costs we can say that these costs increased for 2022 compared to 2021 by 20%; volume of delivery and freight expenses increased for 2022 compared to 2021 by 42,9%; depreciation cost increased for 2022 compared to 2021 by 18,3%; insurance costs increased for 2022 compared to 2021 by 6,9%; interest increased for 2022 compared to 2021 by 30,8%; office supplies increased for 2022 compared to 2021 by 25,9%; rent and lease expense increased for 2022 compared to 2021 by 3,7%; the amount of wages increased for 2022 compared to 2021 by 8,3%; maintenance and repairs costs increased for 2022 compared to 2021 by 16,1%; utilities and telephone expenses increased for 2022 compared to 2021 by 20%; and other expenses increased for 2022 compared to 2021 by 20%. In general total expenses of particular company for 2022 compared to 2021 increased by 14,7%.

Total revenue of the EDJS Network LTD in 2020 is 18800 dollars, in 2021 is 20990 dollars, in 2022 is 24200 dollars. Total expenses of the EDJS Network LTD in 2020 are 17620 dollars, in 2021 are 19705 dollars, and in 2022 are 22600 dollars. EDJS Network LTD profit in 2020 is 1180 dollars, in 2021 is 1285 dollars, and in 2022 is 1600 dollars. Company profit for 2021 compared to 2020 increased by 8,89%; for 2022 compared to 2021 increased by 24,5% that is positive trend.

Comparison of total revenue, total expenses and profit of the EDJS Network LTD for three years is shown on the figure 2.6.

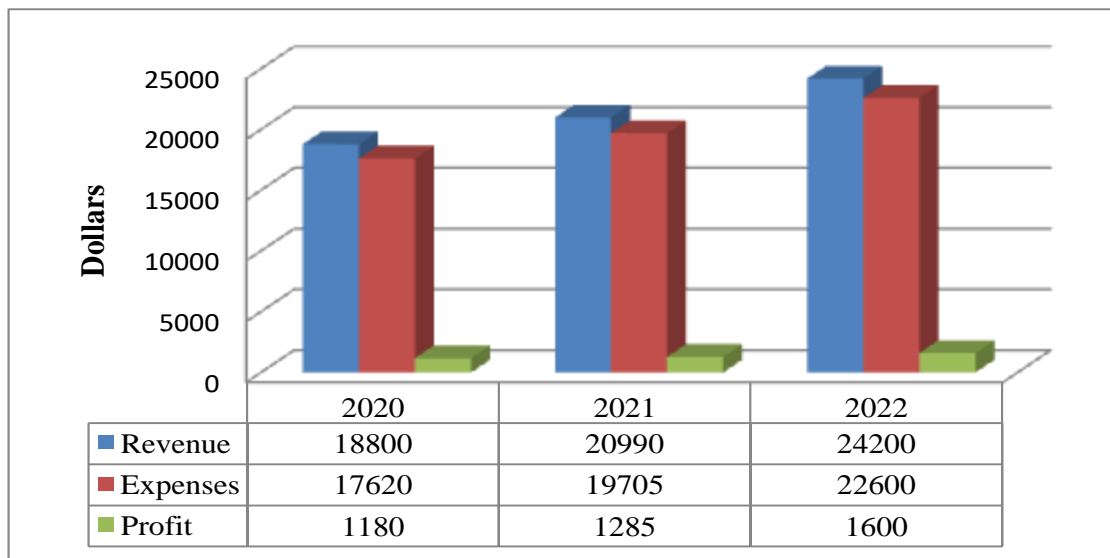


Figure 2.6 – EDJS Network LTD revenue, expenses and profit for 2020-2022

When analyzing sales management its necessary to do some kind of ratio estimation. This ratio analysis is used to identify problems in inventory management, revenue management, accounts receivable and so on. The first ratio is inventory turnover that can be used to compare company’s cost of goods sold to average inventory. The higher value inventory turnover is the better company sales performance. The second ratio is called days sales in inventory that are financial measure of sales performance showing how long it takes company to turn its inventories into sales revenue. The lower the days sales inventory the better company sales performance. The third ratio is accounts receivable turnover that is used to compare company sales to average accounts receivable. The higher accounts receivable turnover is the better company sales performance. The fourth ratio is called days sales outstanding that are used to know the average number of days that a company takes to gather revenue after a sale a product. Lower days sales outstanding means that a company needs fewer days to collect accounts receivable. So, the lower days sales outstanding the better company sales performance. The next metric is sales revenue per employee is used to compare company’s sales to the number of employees. The higher ratio the better for the company performance. The important metric used in sales performance analysis is market penetration rate that is used to show how effective company’s sales strategy is in communicating to the relevant

customers. To calculate the market penetration rate is necessary to make comparison between company's existing customers and all possible customers.

To find all these above metrics we are using data of Balance Sheet and Profit and loss statement. Sales performance metrics is calculated in the table 2.7.

Table 2.7 – Sales performance metrics of the EDJS Network LTD

Data, \$	2021	2022	Increase / decrease, (+/-)
Total sales revenue	20990	24200	3210
Cost of goods sold	19705	22600	2895
Net sales	1125	1600	475
Inventory	6200	6500	300
Accounts receivable	9200	10000	800
Number of employees	7	8	1
Metrics	2021	2022	Increase / decrease, (+/-)
Inventory turnover	3,18	3,48	0,3
Days sales in inventory	115	105	-10
Accounts receivable turnover	2,14	2,26	0,1
Days sales outstanding	45	58	14
Sales revenue per employee	2998,6	3025,0	26,4

Inventory turnover increased in 2022 compared to 2021 by 0,3; it means worsening sales performance for reporting period. Days sales in inventory decreased in 2022 compared to 2021 by 10 days; it means that the EDJS Network LTD turned its inventory into sales in about 115 days during 2021 and the company turned its inventory into sales in about 105 days during 2022. Accounts receivable turnover increased in 2022 compared to 2021 by 0,1; it means that the EDJS Network LTD collected its accounts receivable 2,14 times during 2021 and the company gathered its accounts receivable 2,26 times during 2022. Days sales outstanding increased in 2022 compared to 2021 by 14 days. It means that the EDJS Network LTD took 45 days to gather revenue after a sale of a product in 2021 and the company took 58 days to gather revenue after a sale of a product in 2022. Sales revenue per employee increased in 2022 compared to 2021 by 26,4 dollars.

2.3 Study of the prerequisites for the brand management in the EDJS Network LTD

The EDJS Network LTD does not have its own brand, but there is a company logo and the understanding of the managing director in creating its own brand. There are some the prerequisites for the brand management in the EDJS Network LTD including:

1. Knowing the target audience motivation and the reasons for the demand for a product or service. Before starting work on creating an image, the company needs to decide the branding purpose. A development campaign based solely on commercial interest is unlikely to be successful. It is important to consider the interests of the consumer: what is benefit and value to customers. If the company operates in the field of commercial and industrial equipment supply – the niche is not unique and highly competitive. What benefit can the brand represent to the audience other than the purchase of quality products for making delicious drinks? And to become not just an online store for the sale of widely used goods, but “a company that wants to be a leader in commercial and industrial equipment supply, uniting like-minded people and helping them exchange knowledge and experience”. The company should analyze information on recognition, reputation, it’s current perception by consumers; identify features and benefits. So the company can choose the vector of further development of the brand.

2. Studying existing offers on the market – the initial idea needs to be compared with the realities of the market to understand how viable it is. For this purpose the company should:

- research the current situation and trends in the market;
- conduct competitors analysis, study of their positioning, strengths and weaknesses;
- define target audience segments and drawing up a portrait of the buyer.

Marketing analysis requires a careful approach, because as a result, the company will receive comprehensive information about the segment, trends in its development, and market prospects. The company will be able to determine main differences from

competitors, needs and characteristics of consumer behavior and create the most appropriate offers.

3. Development or adjustment of a brand consists of 3 main “bricks”:

- brand positioning is what sets company brand apart from others and shapes its perception among the target audience;

- brand mission is an idea for which a company exists. The EDJS Network LTD wants to change everyone’s everyday life for the better in the field of commercial and industrial equipment supply;

- brand value is the standard that a company adheres to in the course of its activities. In other words, it is the “character” and principles of the brand in the field of commercial and industrial equipment supply.

4. Brand identification means having time for creative work, which includes a comprehensive approach to brand identification:

- communicative component: creation of naming, slogan, ton of voice;

- visual component: development of corporate style (corporate colors, fonts, elements, rules of their application). Based on the brand identity, a logo, business cards, presentation templates, banners, advertising, etc. are created.

When developing verbal tone and corporate style, be sure to consider brand positioning.

5. Promotion is going after the brand is created. It is necessary to tell interested customers about it. For this, an advertising budget is formed, the most effective marketing tools and channels of interaction with the target audience are launched – website or landing page development, contextual advertising settings, social network development and targeting, ordering PR publications in the mass media, establishing partner relations. The final stage is the largest and longest, because it is necessary not only to carry out advertising compliance, but also to correctly present the brand on the market, attract customers and achieve target indicators.

Today, the EDJS Network LTD advertises and promotes its goods and services on the Facebook social network (figure 2.7). The customers may get acquainted with the information about company, its goods and services.

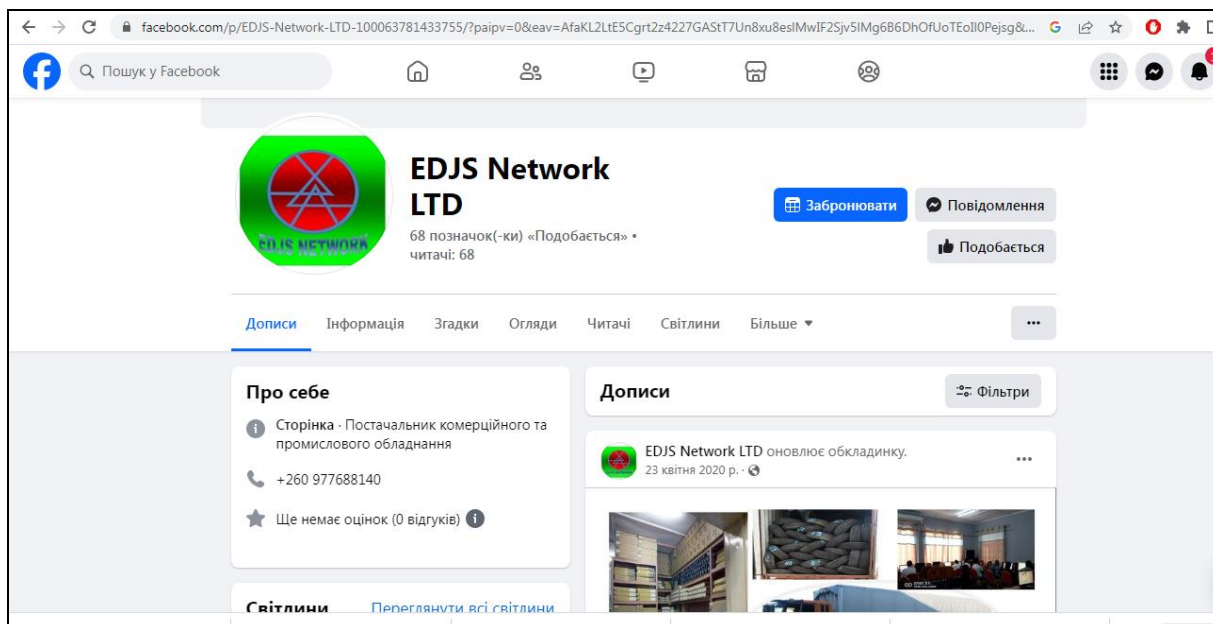


Figure 2.7 – EDJS Network LTD on the Facebook social network

The prerequisites and difficulties for the brand formation in the EDJS Network LTD are grouping in the table 2.8.

Table 2.8 – The prerequisites and difficulties for the brand formation in the EDJS Network LTD

Prerequisites	Difficulties
1. The understanding necessity of company management to create a brand	1. There is a need to create a brand strategy
2. The idea to create brand in the field of commercial and industrial equipment supply and gained target customers	2. There is a need to train employee to be involved in brand development and promotion
3. The company has a logo	3. The company has to create brand mission
4. The company spend money on advertising	4. Brand development and promotion requires additional investment
5. The company promotes its goods and services on the Facebook social network	5. The company has to create and use its website in brand promotion
6. The company diversified its goods and services	

Brand management is important for retaining repeat customer and measuring repeat customer rate. This rate shows how satisfied consumers and clients are with initial contact to the company and brand consumption. This metric – repeat customer rate is used to calculate how many consumers and clients the company obtained and they are still bringing revenue to the company. When new consumers and clients bring in a higher % of total revenue than existing consumers and clients, it means the company is growing. Repeat customer rate is used to compare number of consumers and clients who have bought repeatedly to the total number of company’s consumers and clients. The next metric we can calculate for the EDJS Network LTD is called a social growth that is a branding metric to prioritize in the company. Social growth is used to compare total number of new followers to total number of followers on Facebook social page. Upsell ratio is used to compare number of customers who buy additional offerings of the company to total number of customers per year.

Table 2.9 – Brand metrics of the EDJS Network LTD

Data	2021	2022	Increase / decrease, (+/-)
1. Number of consumers and clients who have bought repeatedly	340	478	138
2. Total number of company’s consumers	880	1200	320
3. Total number of new followers on Facebook social page	3200	3810	610
4. Total number of followers	9450	13260	3810
5. Number of customers who buy additional offerings of the company	245	365	120
Metrics			
1. Repeat customer rate	0,39	0,40	0,01
2. Social growth	0,34	0,29	-0,05
3. Upsell ratio	0,28	0,30	0,03

Repeat customer rate shows that there is an increase in number of consumers and clients who have bought repeatedly by 138 for 2022 compared to 2021. Social growth decreased for 2021-2022 but total number of new followers on Facebook social page increased by 610 followers. Upsell ratio shows that there is an increase in number of customers who buy additional offerings of the company by 120.

CHAPTER 3

RECOMMENDATIONS

3.1 Recommendations concerning the EDJS Network LTD sales management

Improvements of sales management at the EDJS Network LTD should cover some steps and must be started from sales strategy formulating and data analyzing and must be ended with effectively managing sales staff.

Formulate a sales strategy and data analyzing is the first and necessary step in sales management improvements at the EDJS Network LTD. At this step the most important thing is to know the significant factors affecting firm's sales performance, to examine their impact on sales performance, to predict sales performance under different factors.

At the second step it's important to build sales strategy and implement it by taking into account results of data analyzing and forecasted data concerning EDJS Network LTD sales. Also, the top management attention of the company should be focused on keeping the strategy transparent and beneficial both for the firm owner and employees.

The next step includes reviewing and adapting sales strategy, because this strategy can be affected by factors and it's not static for long time. Reviewed and adapted sales strategy should take into account new opportunities and strengths of the EDJS Network LTD, sales personnel and sales policy. At this step forecasting is important thing to model the future sales.

At the last step its necessary to check sales performance, make corrective decisions and actions concerning sales management at the EDJS Network LTD, reward sales people and improve the whole incentive compensation for the employees.

Proposed steps on how to improve sales management at the EDJS Network LTD are shown on figure 3.1.

The formation of forecasts is important for the company. We will use trend

forecasting (or extrapolation of trends) for economic forecasting of the results of production and sales activities of the enterprise. For this, it is advisable to collect statistical information in the form of dynamic series about the volume of production, the volume of sold products and the sales management at the EDJS Network LTD sales over the past few years.

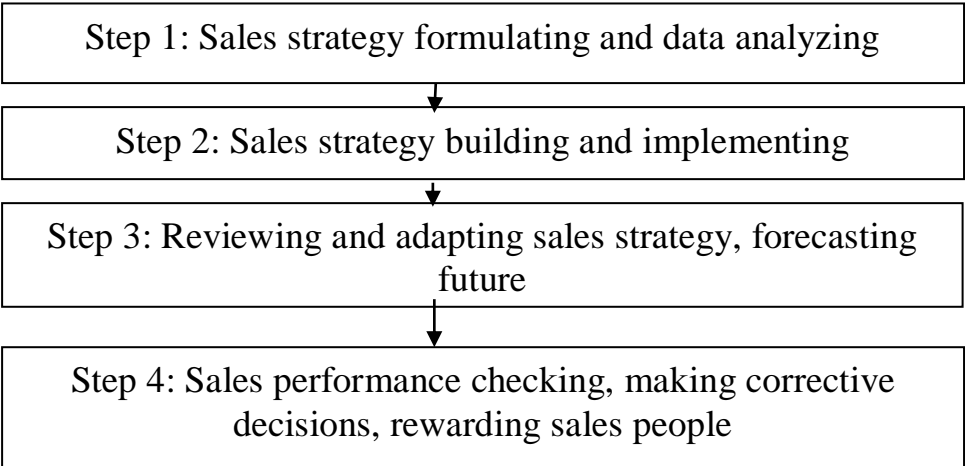


Figure 3.1 – Proposed steps for improvements of sales management at the EDJS Network LTD

The forecasting procedure using regression model and trend extrapolation includes the following stages:

- collection of information on the development of the indicator for past periods;
- justification (choice) of the optimal type of function that would adequately describe the nature of the dynamics;
- evaluation of parameters of the selected function.
- calculation of the forecast for the future according to the selected function.

It should be noted that knowledge of the relationship between sales volume and costs, as well as between net profit and sales is important in sales management improvements. Let us consider here two dependencies, the first of which relates to the relationship between the sales volume (revenue) and costs, the second relates to the net profit and sales. That is, we will forecast sales revenue under the influence of costs, as well as net profit under the influence of sales volume. Statistical data

necessary to find forecasts are given in the table 3.1.

Table 3.1 – Input statistics for predicting sales revenue under impact of cost of goods sold

Input statistics, \$	2020	2021	2022
Sales revenue	18800	20990	24200
Cost of goods sold	16855	19705	22600

To find the equation of the forecast of sales revenue under the influence of costs, we used the analysis package of the Microsoft Excel. Forecasting model looks like:

$$\text{Sales revenue forecast model} = 2785,46 + 0,94 * x \quad (3.1)$$

where x – is the forecasted value of cost of goods sold

We have got this model from summary output (table 3.2).

Table 3.2 – Summary output of the sales revenue forecast model

<i>Regression Statistics</i>		
Multiple R	0,994586124	
R Square	0,989201559	
Adjusted R Square	0,978403118	
Standard Error	3,991412314	
Observations	3	
<i>ANOVA</i>		
	<i>df</i>	<i>SS</i>
Regression	1	14594086,28
Residual	1	159313,7226
Total	2	14753400
<i>Coefficients</i>		<i>Standard Error</i>
Intercept	2785,46751	19,51210841
X Variable 1	0,940392114	0,098253293

Model 3.1 requires knowing forecasted value of cost of goods sold. This value we may get by using trend forecasting, trend line (figure 3.2):

$$x = 2872,5 * t + 13975 \quad (3.2)$$

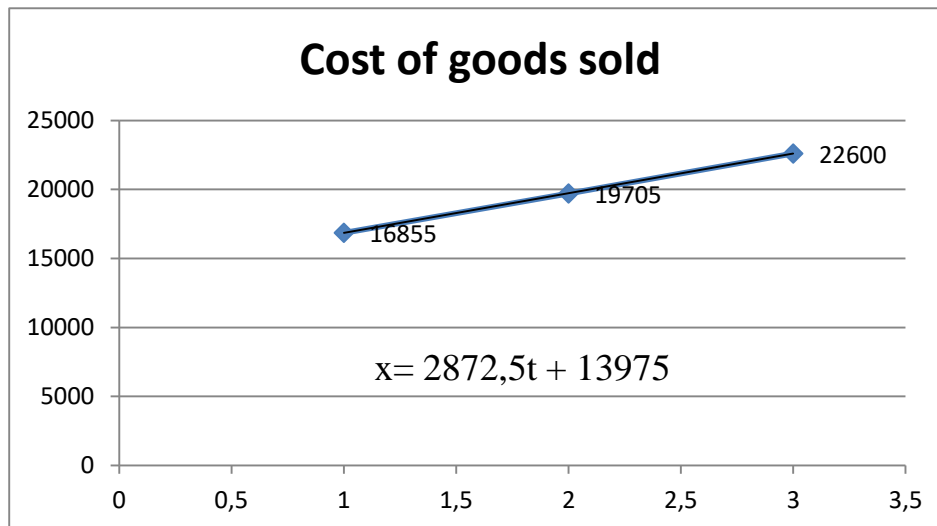


Figure 3.2 – Trend line for cost of goods sold

It should be noted that in order to calculate the forecast of cost of goods sold, it is necessary to replace the time period t with $t+1$, which in this case $t=4$.

The linear equation that we will use to forecast the cost of goods sold of the EDJS Network LTD and the quantitative forecast looks like:

$$x = 2872,5 * 4 + 13975 = \$25465$$

So, the cost of goods sold forecast will be \$25465 in the next year.

To calculate sales revenue forecast we will use model 3.1 and we will put calculated forecast of the cost of goods sold into the model:

$$\text{Sales revenue forecast} = 2785,46 + 0,94 * 25465 = \$26732,55$$

It can be seen from the calculations that the expected forecast of sales revenue under cost of goods sold will be \$26732,55 in 2023.

Forecasting allows top management of the company to quickly calculate the forecast of the studied indicator for the next period, and the efficiency of forecasting contributes to the timely adoption of management decisions by the management of the enterprise, the development of specific measures and management methods depending on the management situation that has developed.

To improve sales management and make good sales decisions we can find also net profit forecast under the influence of sales volume. Statistical data necessary to

find forecast are given in the table 3.3.

Table 3.3 – Input statistics for predicting net profit under sales

Input data, \$	Net profit	Sales
2020	1180	18800
2021	1285	20990
2022	1600	24200

To find the equation of the forecast of net profit under the influence of company's sales, we used the Data analysis of the Microsoft Excel. Forecasting model looks like:

$$\text{Net profit forecast model} = -336,11 + 0,073 * x \quad (3.3)$$

where x – is the forecasted value of company's sales.

We have got this model from summary output (table 3.4).

Table 3.4 – Summary output of the net profit forecast model

SUMMARY OUTPUT		
<i>Regression Statistics</i>		
Multiple R	0,985174326	
R Square	0,970568453	
Adjusted R Square	0,941136906	
Standard Error	53,03003215	
Observations	3	
ANOVA		
	<i>df</i>	<i>SS</i>
Regression	1	92737,81569
Residual	1	2812,18431
Total	2	95550
<i>Coefficients</i>		
	<i>Standard Error</i>	
Intercept	-336,1153361	296,0746719
X Variable 1	0,079283419	0,013806253

Net profit forecast model 3.3 requires knowing forecasted value of company's sales. This value we may get by using trend forecasting, trend line (figure 3.3):

$$x = 2700 * t + 15930 \tag{3.4}$$

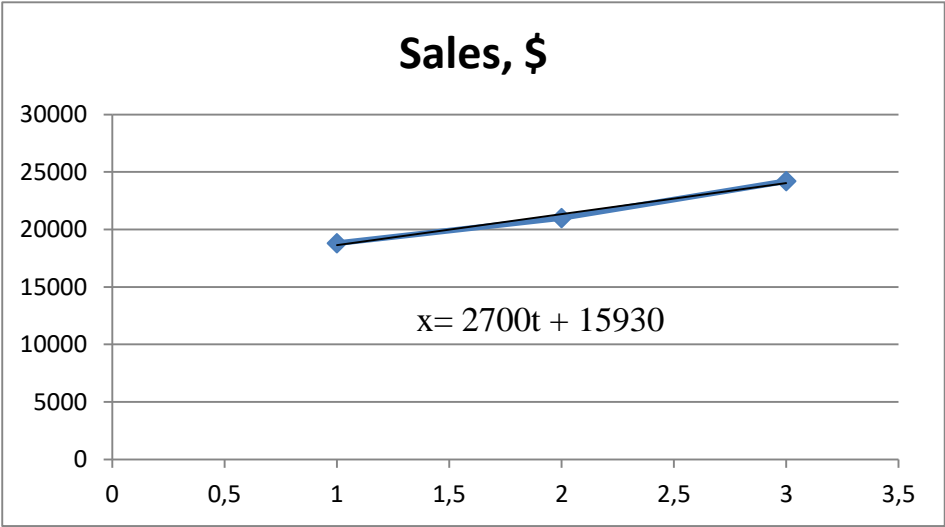


Figure 3.3 – Trend line for company's sales

It should be noted that in order to calculate the forecast of company's sales, it is necessary to replace the time period t with t+1, which in this case t=4.

The linear equation that we will use to forecast the company's sales of the EDJS Network LTD and the quantitative forecast looks like:

$$x = 2700 * 4 + 15930 = \$26730$$

So, the sales forecast will be \$26730 in the next year.

To calculate net profit forecast of the EDJS Network LTD we will use model 3.3 and we will put calculated forecast of the sales into the model:

$$Net\ profit\ forecast = -336,11 + 0,073 * 26730 = \$1783,13$$

It can be seen from the calculations that the expected forecast of net profit under company's sales will be \$1783,13 in 2023.

3.2. Recommendations as for brand management in the company

To develop and improve brand management at the EDJS Network LTD we offer to use conceptual model of forming a branding strategy involving a set of measures and three phases: analytical-research, project organizational and implementation (figure 3.4).

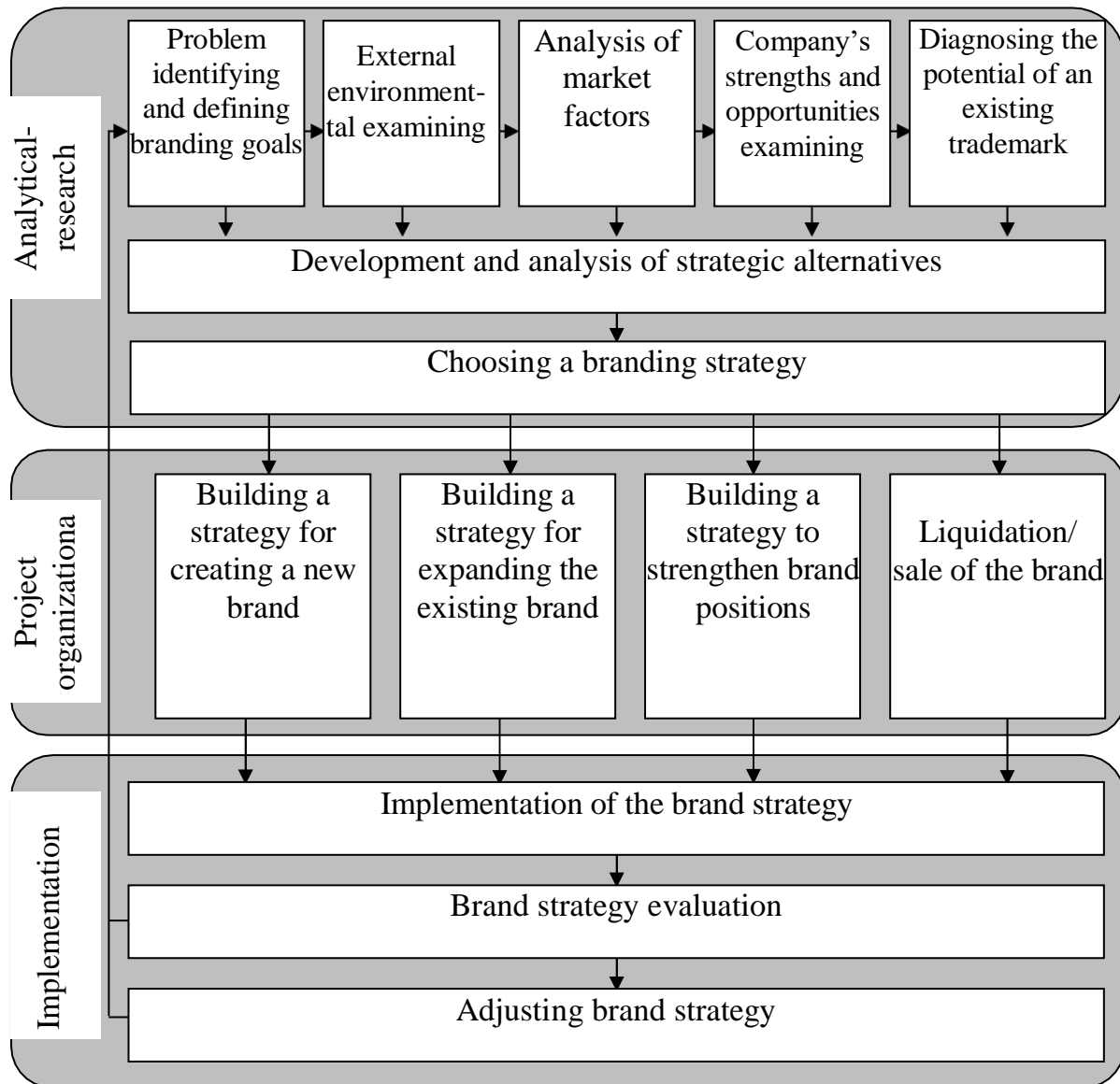


Figure 3.4 – Conceptual model of branding strategy formation

The role of analytical and research phase deals with collecting, analyzing and systematizing data for making decisions in the field of branding, forming a set of alternatives for choosing brand strategy. It may involve the following stages: identifying the problem and defining the brand's goals, examining of environmental factors, analyzing market factors, managing the company's strengths and

opportunities, diagnosing the existing brand potential, developing and analyzing strategic alternatives, choosing a branding strategy. The starting point of the analytical and research phase of forming a branding strategy is to identify the problem and define the brand's goals. At this stage, it is necessary to analyze the mission, vision and development strategy of the company as a whole, to determine the purpose of the existence of the brand for the company and its target orientations for the future.

At the second stage, a study of environmental factors is carried out, during which the influence of social cultural, economic, technical-technological, demographic, international, and legal factors is identified, the nature and degree of its influence are assessed, and the trends of their change are studied. In the analyzing of market factors, it's necessary to study the general trends of market development, investigate the competitive situation, characteristics and behavior of consumers.

The fourth stage is a company's strengths and opportunities examining, the purpose of which is to identify product improvement ways, analyze the company's personnel, technical, financial, and marketing support, and company's future development prospects.

The stage of diagnosing the existing potential of the brand involves researching the level of consumer's awareness and loyalty towards the brand, evaluating its competitive positions and ability to expand.

During the next stage – development and analysis of strategic alternatives – it is necessary to analyze the prospects of expanding the brand to new markets or new product categories, to investigate the possibilities of improving the existing brand, to identify the prerequisites for the creation of a new brand.

The analytical and research phase of branding strategy formation, the scheme and content of the stages of which is shown in figure 3.4, ends with a choice of one of four general branding strategies: creating a new brand; brand extension to new product categories or markets; strengthening competitive positions and improving the image of the existing brand; making a decision to liquidate or sell the brand.

In the process of choosing the optimal strategy, it is necessary to determine the role and place of the brand in the company's portfolio, to characterize the structure of

brands from the standpoint of general and individual attributes, to conduct a study of the nature and degree of connections between brands. The process of branding strategy developing in conditions of uncertainty is characterized by a high degree of subjectivity, which is caused by the lack of information necessary for decision making and the impossibility of presenting all indicators in quantitative form.

It is advisable to select the optimal variant of the branding strategy based on the results of the study of the influence of four groups of factors: the environment, the market, the enterprise and the brand itself. In most cases, it is not only impossible to present these factors in quantitative form, but also to give them an unambiguous linguistic assessment (positive or negative).

Despite the fact that choosing a strategy is a creative process, it should be based on formalized procedures for processing large amounts of information that cannot be processed by a person. In addition, there is a need to analyze and compare both quantitative criteria, which have different ranges of values, and qualitative criteria, which cannot always be evaluated unambiguously. The existing methods of analysis and evaluation do not allow solving the specified tasks.

In order to solve the mentioned problems at various stages of forming a branding strategy, it is advisable to use the principles of fuzzy logic, which make it possible to operate with fuzzy input data, to carry out a qualitative assessment of input data and results.

The proposed model provides four input fuzzy variables that correspond to the above-mentioned groups of determinants of branding strategy. Each group of factors is represented by several indicators, which are some variables of a lower order, and it is advisable to evaluate them by an expert (table 3.5).

The output variable of the fuzzy model will be general branding strategy of the EDJS Network LTD, which can take one of four alternative values: creating a new brand, expanding an existing brand, strengthening the position of an existing brand, selling or liquidating a brand. To choose one of the four general branding strategies, we suggest using fuzzy rules at the EDJS Network LTD, which should correspond to the values of the variables presented in table 3.5.

Table 3.5 – The variables which determine factors of branding strategy at the EDJS Network LTD

Factors	Impact			
	Positive	Weak positive	Weak negative	Negative
1.Environmental factors: Social and cultural Technical and technological Economic Political and legal International	Favorable Favorable Favorable Favorable Favorable	Mostly favorable Mostly favorable Mostly favorable Mostly favorable Mostly favorable	Mostly unfavorable Mostly unfavorable Mostly unfavorable Mostly unfavorable Mostly unfavorable	Unfavorable Unfavorable Unfavorable Unfavorable Unfavorable
2. Market factors: Competition Market profitability Influence of local laws and regulations Buyer solvency Brand loyalty in the industry	High Average High High High	Weak Medium Weak Higher than average Higher than average Higher than average	Moderate Low Moderate Below than average Below than average	Strong Very low Strong Low Low Low
3. Company factors: Field of business Marketing activity Management level Financial activity Social component	Excellent Excellent Excellent Excellent Excellent	Good Good Good Good Good	Satisfactory Satisfactory Satisfactory Satisfactory Satisfactory	Unsatisfactory Unsatisfactory Unsatisfactory Unsatisfactory Unsatisfactory
4. Brand factors Quality of branded goods Brand characteristics Emotional attributes of the brand Brand expansion Consistency of brand image	Excellent Excellent Excellent Excellent Excellent	Good Good Good Good Good	Satisfactory Satisfactory Satisfactory Satisfactory Satisfactory	Unsatisfactory Unsatisfactory Unsatisfactory Unsatisfactory Unsatisfactory

When choosing the optimal strategy from the developed alternatives, it is advisable to also compare the predicted values of the target indicators, which reflect the effectiveness of the branding strategy, with their actual level. Such indicators can be awareness of the brand, volume of product sales, price premium of the brand, tangible value of the brand, value of the brand, profit of the enterprise. Priority should be given to those strategies that lead to an improvement in the level of target indicators, i.e. the average level of predicted values is “above average”.

Table 3.6 – General rules for choosing branding strategy at the EDJS Network LTD

Branding strategies steps	Condition	Marking
1. Creating a new brand	Company factors are more favorable than brand factors, and environmental factors more favorable than market factors	$CF > BF$ and $EF > MF$
2. Extension of an existing brand	Market factors are more favorable than environmental factors, and brand factors are more favorable than company factors	$MF > EF$ and $BF > CF$
3. Strengthening of brand positions	Brand factors are less favorable than company factors and environmental factors less favorable than market factors	$BF < CF$ and $EF < MF$
4. Brand sale	Environmental factors are more favorable than market factors and brand factors are more favorable than company factors	$EF > MF$ and $BF > CF$

After the choice of the general branding strategy is made, it is possible to proceed to the second phase, during which the construction of the selected branding strategy is carried out. The process of building a new brand strategy involves a set of measures for setting the task of developing a brand, generating and choosing ideas for the name and graphic design of a new brand, developing a brand concept, forming a marketing complex for its promotion, testing the brand on the market, and developing a brand strategy implementation program. The initial stage of building a new brand strategy is setting a brand development task, during which it is necessary to characterize the features of the target segment and product group, identify the problems that the brand will solve, and formulate the key values of the new brand.

The next stage is the generation and selection of ideas, which involves the development of alternative variants of brand names and variants of its visualization, as well as the preliminary selection of the five ways. The selection of the final name and visualization of the new brand is carried out based on the results of analyzing the weak and strong points of the trademark options, testing the brand for compliance with the company's mission, goals and strategy, market trends, and checking its patent purity.

The stage of developing the brand concept involves the selection of a positioning strategy, the selection of functional and emotional attributes of the brand, the formation of the brand's identity and individuality, and the outline of the future advantages of the brand. The stage of formation of the marketing complex includes the processes of product strategy development, including construction, packaging, design, and operational characteristics of products. At this stage, the selection of the price policy of the brand and the distribution system is also carried out, the principles of the promotion policy are developed.

The purpose of testing the brand on the market is to check the idea for compliance with consumer expectations and competitiveness, to collect and analyze information about the market reaction, and to formulate a task for finalization.

The final stage of the process of building a strategy for creating a new brand is the development of a program for the implementation of the branding strategy, which involves the development of loyalty programs, service standards, the selection of corporate values, the formation of plans for the implementation of the brand strategy for all divisions of the company, the development of the basic principles of the system of managing relationships between customers and the brand.

The construction of a brand strengthening strategy involves the implementation of the following stages: the study of the brand image and its competitive positions, the selection of priority directions for improving the image, the development of measures to strengthen the competitive position of the brand, the development brand improvement programs.

At the first stage, it is expedient to conduct a study of the requirements of the target segment for the product of this group, to determine the priority attributes of the brand for consumers, to evaluate the perception of the brand by consumers, to investigate the level of understanding by consumers of the key values of the brand.

The second stage involves the identification of key competing brands, the definition of comparison parameters, includes the collection, analysis and systematization of information on the competitive position of the brand, as well as the development of a competitive profile of the brand.

After researching the competitive positions of the brand, it is necessary to choose priority directions for improving its image: increasing consumer awareness of new (or existing) key values of the brand, strengthening favorable unique associations with it, creating new values and favorable associations, neutralizing negative associations with the brand.

The next stage consists in the development of measures to strengthen the competitive position of the brand, which may include the development of a plan of measures to strengthen the competitive position of the brand, improvement of the functional characteristics of the product, project measures coordination with unchanged brand values, loyalty programs development, service standards, and promotion measures.

The final stage of building a strategy for strengthening the brand is the developing improvement programs that involve improving the production, financial, personnel and marketing support of the brand, organizing the involvement of all employees of the enterprise in the improvement process, establishing target parameters of brand's success, detailing and converting these indicators to all levels of management.

The process of forming a branding strategy should combine the processes of analyzing and processing significant amounts of information, a creative approach to the development of strategic alternatives, formalized procedures for choosing a strategy, management tools for planning, organizing, motivating, and controlling strategy implementation.

3.3 Recommendations as for economic activity improvement

Sales should be considered as the most important tool of marketing activity, on which the competitive advantage of the enterprise in the market is based. In the modern conditions of the functioning of trade enterprises on the market, which are characterized by an increased level of risk and uncertainty, the use of a marketing approach to the organization of sales activities is the only and necessary prerequisite for its improvement, which will provide them not only with short-term commercial success, but also strengthen strategic direction.

EDJS Network LTD operates in the field of commercial and industrial equipment supply owning some boutique where the company provides supply toners, drums, hot rollers, boxes of paper, cartridges and others for printers, copier machines, stationary copier, printer machines and more others. Also, EDJS Network LTD provides some services. The share of the sales revenue to the total sales revenue is the highest – 49,47%, 50,02% and 53,72% in 2020, 2021 and 2022 (table 3.6).

Table 3.6 – Calculated share of revenue to the total sales revenue of the EDJS Network LTD

Revenue, \$	2020	2021	2022	Share, 2020, %	Share, 2021, %	Share 2022, %
1. Sales revenue	9300	10500	13000	49,47	50,02	53,72
2. Service revenue	8000	8700	9000	42,55	41,45	37,19
3. Interest revenue	950	1050	1200	5,05	5,00	4,96
4. Gain of sales of assets	550	740	1000	2,93	3,53	4,13
Total sales revenue	18800	20990	24200	100	100	100

The share of the service revenue to the total sales revenue is also high: 42,55% in 2020, 41,45% in 2021 and 37,19 in 2022. The share of interest revenue to the total sales revenue is smallest: 5,05% in 2020, 5% in 2021, 4,13% in 2022. The share of gain of sales of assets to the total sales revenue is small: 2,93% in 2020, 3,53% in 2021, 4,13% in 2023.

In this regard, this Master’s paper offers the following way of solving the improvement of sales management at the EDJS Network LTD through the expansion of the company’s sales network by opening a new sales boutique.

Expenses for opening a retail store in the form of sales boutique at the EDJS Network LTD may include:

1) renting space expenses – the cost of renting for sales boutique varies depending on the size and location. This could include rent, rent rate, a security deposit;

2) repair and decoration costs it’s necessary to carry out repair work and decoration of the store to prepare it for opening; this includes replacing flooring,

painting, decorating, electrical work, and more;

3) equipment and inventory – expenses of purchasing shelves, counters, cash register equipment, lighting, security systems, distribution equipment, etc.;

4) supply costs cover the cost of goods to fill the store with goods for sale, create inventory, and deliver the goods to the store;

5) licenses and permits include expenses for obtaining the necessary licenses and permits for conducting business;

6) advertising and marketing expenses include re-opening and post-opening advertising expenditures to attract attention and develop a customer base;

7) personnel means salary costs for employees who will work in the sales boutique.

These costs can vary significantly depending on the size of the sales boutique, its location and business strategy of the company. Total expenses for opening sales boutique of the EDJS Network LTD are given in the table 3.7.

Table 3.7 – Total expenses for opening sales boutique of the EDJS Network LTD

Costs	Dollars
1. Monthly renting costs	250
2. Repair and decoration costs	850
3. Equipment and inventory	2400
4. Supply costs	3000
5. License costs	85
6. Advertising and marketing expenses	260
7. Labour costs (monthly)	180
Total costs	7025

Total expenses for opening sales boutique of the EDJS Network LTD are \$7025.

The expected income from the opening sales boutique will be around 1300-1600 dollars per month in the first half of 2024 (table 3.8).

Total expected income from the opening sales boutique will be \$8960 at the EDJS Network LTD in the first half of 2024.

Profitability index can be found by comparing present value of cash flow with

total costs on the opening sales boutique.

$$\textit{Profitability index} = \textit{Net present value} / \textit{Total costs} \quad (3.5)$$

Table 3.8 – The expected income from the opening sales boutique in the first half of 2024 at the EDJS Network LTD

Months	Expected income, dollars
January	1300
February	1410
March	1500
April	1550
May	1600
June	1600
Total	8960

Present value we can calculate by looking at discount rate. Assume that the discount rate will be 8%, then the present value can be computed in the following way:

$$PV = \frac{1300}{(1+0,08)^1} + \frac{1410}{(1+0,08)^2} + \frac{1500}{(1+0,08)^3} + \frac{1550}{(1+0,08)^4} + \frac{1600}{(1+0,08)^5} + \frac{1600}{(1+0,08)^6} = \$7190,2$$

Then, profitability index for opening sales boutique will be:

$$\textit{Profitability index} = 7190,2 / 7025 = 1,024$$

This index is over 1, then it shows that costs for opening sales boutique will be paid off.

Formula for net present value looks like:

$$\textit{Net present value} = \textit{Present value} - \textit{Costs for opening sales boutique}$$

Quantitative value of net present value equals:

$$\textit{Net present value} = 7190,2 - 7025 = \$165,2$$

Quantitative value of net present value is more than 0 and shows that opening sales boutique will be cost effective at the EDJS Network LTD.

Summarizing of all above, we can give this information in the table 3.9.

Table 3.9 – Calculated values of net present value, profitability index and payback period

Indicators	Calculated value
1. Net present value, \$	165,2
2. Profitability index	1,024
3. Payback period, months	5,8

Opening a retail store in the form of a sales boutique can have several benefits for the EDJS Network LTD:

1) ease of access for customers – a physical store provides easy access to customers, which can attract a wide range of customers, especially if the store is conveniently located;

2) increased customer's loyalty – in many cases, customers prefer a physical store because of the opportunity to personally view and inspect the product before purchase, which can increase the level of customer's loyalty;

3) effective customer service – the store allows you to provide personal service to customers, provide advice and help to choose a product, which can create a positive customer experience;

4) opportunities for marketing – a physical store allows company to use window displays, discounts, promotions that can attract the attention of buyers, creating additional opportunities for marketing;

5) online and offline synergy – the store can work in conjunction with online sales, creating a multi-channel experience for customers\$

6) community engagement – a store can become a part of the local community, fostering customer interaction and creating a more personal connection.

Improving the company's trade policy is of great importance for several reasons:

- increased profitability: an effective merchandising policy can have a positive impact on sales and profitability, contributing to increased sales volume and an increase in the average check;

- competitiveness – updating sales strategies allows the company to be competitive in the market, to adapt to changing conditions and consumer demands;

- customer satisfaction – a good merchandising policy aims to satisfy the needs of customers, which can lead to an improved shopping experience and increased loyalty;

- inventory optimization – an effective sales strategy helps to manage inventory, avoid excesses or shortages of goods\$

- developing own brand and market opportunities – aligning trade policies with market trends and changes in demand can create new opportunities for business development;

- marketing effectiveness – marketing policies influence the way consumers interact, which can increase the effectiveness of marketing efforts;

- analysis and strategy – constant review and improvement of the trade policy allows the company to adapt to new market requirements and timely respond to changes in the business environment.

CHAPTER 4

OCCUPATIONAL HEALTH AND SAFETY IN EMERGENCIES

4.1 Occupational health at work

Occupational health and safety are critical aspects of any workplace, whether in a specific company like EDJS Network LTD or at a national level. Let's look at both aspects:

1) Occupational Health at EDJS Network LTD: occupational health and safety (OHS) policies at a company like EDJS Network LTD are essential to ensure the well-being of employees and compliance with local regulations. These policies typically include:

- Health and Safety Policy: EDJS Network LTD should have a clear policy statement that outlines the company's commitment to providing a safe and healthy work environment. It emphasizes the responsibility of both the employer and employees for maintaining a safe workplace.

- Risk Assessments: Regular risk assessments are conducted to identify potential hazards in the workplace. This could involve evaluating physical hazards, chemical exposures, and ergonomic concerns.

- Training and Education: Employees should be trained in workplace safety procedures and emergency response plans. This includes education on how to use safety equipment and handle hazardous materials.

- Safety Equipment: Employers should provide necessary safety equipment such as helmets, gloves, and eye protection, especially if employees are working in hazardous conditions.

- First Aid: Ensure the availability of first aid kits and trained personnel in case of accidents or medical emergencies.

- Reporting and Investigation: Establish a system for reporting accidents, near misses, and workplace hazards. Investigate incidents to prevent recurrence.

2) Occupational Health at a National Level (Zambia): occupational health and safety in Zambia is governed by the Occupational Health and Safety Act No. 36 of

2010. This legislation provides the legal framework for ensuring the health, safety, and welfare of workers in various sectors across the country. The Act aims to prevent workplace accidents, injuries, and diseases by establishing standards and guidelines for occupational health and safety practices.

Zambia has regulations and laws in place to address occupational health and safety. Occupational Health and Safety Act: This law is the primary legislative framework that sets out the rights and responsibilities of employers and employees concerning occupational health and safety in Zambia.

Regulations: Specific regulations related to various aspects of OHS, such as hazardous substances, workplace equipment, construction, and mining, provide detailed guidance and requirements for different industries.

National Council for Construction (NCC): The NCC oversees the safety of construction sites in Zambia, ensuring adherence to safety standards.

Mining Regulations: Zambia's mining industry is subject to specific regulations, which aim to protect miners' health and safety, given the unique risks associated with mining activities.

Employer Responsibilities: Employers are required to provide a safe working environment, identify hazards, and take measures to control or eliminate them. They must also train employees in safety procedures.

Worker Rights: Workers have the right to refuse unsafe work, report unsafe conditions, and participate in workplace safety committees.

Occupational health and safety in Zambia is regulated by government agencies such as the Department of Occupational Health and Safety within the Ministry of Labour and Social Security. These agencies enforce compliance with OHS laws and regulations to protect workers' well-being.

Both at the company level and nationally, the goal of occupational health and safety measures is to prevent workplace accidents, protect workers' health, and create a safe and productive working environment. It's crucial for employers and employees to be aware of these regulations and actively participate in OHS initiatives to ensure a safe workplace.

4.2 Notification of the population about the threat and occurrence of emergency situation

Planning for workplace emergencies and evacuations is crucial to ensure the safety and well-being of employees and visitors. Here's a general outline of how to plan for workplace emergencies and evacuations, including key elements, and how it might be prepared for a company like EDJS Network LTD.

1. Identify Potential Hazards:

Begin by identifying potential workplace hazards, including natural disasters, fire, chemical spills, medical emergencies, and security threats.

2. Conduct a Risk Assessment:

Assess the likelihood and severity of these hazards, considering the specific location and nature of EDJS Network LTD's operations.

3. Establish an Emergency Planning Team:

Appoint a team responsible for developing and implementing the emergency plan. This team should include individuals with expertise in safety, security, and medical response.

4. Develop the Emergency Plan:

Create a comprehensive emergency plan that addresses each identified hazard.

This plan should include:

- emergency procedures for each type of hazard,
- evacuation plans and routes,
- communication procedures and contact information,
- assignment of roles and responsibilities during emergencies,
- location of emergency equipment (e.g., fire extinguishers, first-aid kits),
- procedures for accounting for all employees after an evacuation,
- protocols for interacting with emergency services and authorities,
- guidelines for sheltering in place when evacuation is not possible.

5. Train Employees: conduct regular training sessions to ensure that all employees are familiar with the emergency plan. This training should cover:

- how to recognize different types of emergencies,
- evacuation routes and assembly points,

- proper use of emergency equipment,
- how to contact emergency services and internal response teams,
- roles and responsibilities during emergencies.

6. Test and Drill:

Regularly test and update the emergency plan. Conduct emergency drills and exercises to evaluate the effectiveness of the plan and identify areas for improvement.

7. Communication:

Establish clear communication channels for alerting employees about emergencies. This may include alarms, PA systems, and digital communication.

8. Coordinate with Local Authorities:

Collaborate with local emergency services and authorities to ensure a coordinated response in the event of a disaster.

9. Provide for Special Needs:

Consider the needs of employees with disabilities or special requirements. Ensure that the emergency plan includes provisions for their safety and evacuation.

10. Document and Review:

Maintain detailed records of emergency drills, incidents, and the performance of employees during emergencies. Regularly review and update the emergency plan to account for changes in the workplace, staff, or external factors.

For a specific company like EDJS Network LTD, the plan should be customized to its unique operations and risks. The company's emergency planning team should be responsible for tailoring the plan to the organization's needs and conducting regular drills and training sessions to ensure preparedness. Additionally, compliance with local regulations and standards should be a priority.

CONCLUSIONS

In the first chapter we have described meanings and definitions of sales management; the importance of sales management for any enterprise; the main task of the sales management of any company; several different points of view on the essence of the concept of “sales management”. The main elements of the company’s sales activity include transportation, products storage, after-sales service. We have noticed the benefits of sales motivation: increases profits; improves team work and morale; helps overcome adversity. Theoretical review of brand management in the organization, the main stages of brand management in the company, general and procedural principles of branding have been highlighted. It was described brand concept including several aspects: product differentiation; market segmentation; brand image in the consumers mind; brand as a mean of interaction (communication) with consumer; brand as a mean of individualization of the company’s goods and others. Factors affecting sales and brand management in the organization, a set of influencing factors on brand formation have been identified.

In the second chapter we have introduced to the EDJS Network LTD is a company operating on the Zambia market in the town Kitwe. EDJS Network LTD operates in the field of commercial and industrial equipment supply. Also, EDJS Network LTD provides IT support. The company provides services to the clients. These services include booking order for transport to deliver some goods, commodities to the customers. Also, the EDJS Network LTD services include providing transportation and loading goods to deliver this cargo to the following countries as Malawi, Congo, Tanzania, RSA and others. Cargo is delivered to some points by using 15-ton containerized trucks.

EDJS Network LTD is ruled by managing director who maintains frequent communications with personal and head of departments, establish company goals and objectives, create business plans and develop business strategy and policy, review operational information and financial data, monitor the business progress and performance, guide employees in areas such as accounting and finance, sales, and

logistics. Organizational chart of the EDJS Network LTD is shown in the Master paper.

Leverage financial ratios of the EDJS Network LTD, total company sales revenue for 2020-2022, company expenses for 2020-2022, sales performance metrics and brand metrics of the EDJS Network LTD have been calculated and analyzed in the Master paper.

It was found that the EDJS Network LTD advertises and promotes its goods and services on the Facebook social network. The customers may get acquainted with the information about company, its goods and services. The prerequisites and difficulties for the brand formation in the EDJS Network LTD have been identified. Social growth of the company, upsell ratio, repeat customer rate have been found.

In the chapter three it was recommended some improvements concerning sales management at the EDJS Network LTD. These recommendations should cover some steps and must be started from sales strategy formulating and data analyzing and must be ended with effectively managing sales staff. Sales revenue forecast model and net profit forecast model have been built and interpreted. It can be seen from the calculations that the expected forecast of sales revenue under cost of goods sold will be \$26732,55 in 2023 and the expected forecast of net profit under company's sales will be \$1783,13 in 2023.

To develop and improve brand management at the EDJS Network LTD we offer to use conceptual model of forming a branding strategy involving a set of measures and three phases: analytical-research, project organizational and implementation. Variables determining branding strategy at the EDJS Network LTD have been shown in the Master paper. The output variable of the model will be general branding strategy of the EDJS Network LTD.

We also offer the expansion of the company's sales network by opening a new sales boutique. Expenses for opening sales boutique of the EDJS Network LTD have been calculated and the expected income from the opening sales boutique in the first half of 2024 at the EDJS Network LTD has been found. Calculated values of net present value, profitability index and payback period have been shown and interpreted in the Master paper.

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APPENDICES

EDJS NETWORK LTD

Date: 2023

Balance Sheet	2022 prior year	2023 current year
Assets		
Current assets:	\$40 000,00	\$15 000,00
Cash	\$5 000,00	\$16 000,00
Accounts Receivable	-	\$10 000,00
Prepaid expenses	\$7 000,00	\$3 000,00
Inventory	\$6 500,00	\$13 000,00
Total current assets	\$18 500,00	\$42 000,00
Property & Equipment	\$30 000,00	\$55 000,00
Charity	-	
Total Assets	\$48 500,00	\$97 000,00
Liabilities		
Current liabilities:		
Accounts payable	\$2 000,00	\$600,00
Accrued expenses	\$1 000,00	\$250,00
Unearned revenue	\$500,00	\$350,00
Total current liabilities	\$3 500,00	\$1 200,00
Long-term debt	\$0,00	\$0,00
Other long-term liabilities	\$0,00	\$0,00
Total Liabilities	\$3 500,00	\$1 200,00
Shareholder's Equity		
Investment capital	\$50 000,00	\$62 000,00
Retained earnings	\$15 000,00	\$15 000,00
Shareholder's Equity	\$65 000,00	\$77 000,00
Total Liabilities & Shareholder's Equity	\$68 500,00	\$78 200,00
<i>Balance</i>	<i>-\$20 000,00</i>	<i>\$18 800,00</i>

EDJS NETWORK LTD

Date: 2023

Profit&Loss Statement		
	2023	2022
	current year	prior year
Revenue		
Sales Revenue	\$10 000,00	\$13 000,00
Service Revenue	\$15 000,00	\$9 000,00
Interest Revenue	\$300,00	\$1 200,00
Gain of Sales of Assets	-	\$1 000,00
Total Revenue & Gains	\$25 300,00	\$24 200,00
Expenses		
Advertising	\$65,00	\$300,00
Delivery/Freight Expense	\$1 800,00	\$4 000,00
Depriciation	\$720,00	\$3 680,00
Insurance	\$300,00	\$620,00
Interest	\$450,00	\$1 700,00
Office Supplies	\$330,00	\$680,00
Rent/Lease	\$600,00	\$1 800,00
Maintenance and Repairs	\$280,00	\$520,00
Travel	-	-
Wages	\$4 000,00	\$13 000,00
Utilities/Telephone Expenses	\$200,00	\$800,00
Other Expenses	\$100,00	\$400,00
Total Expenses	\$8 845,00	\$27 500,00
Income before tax	\$16 455,00	-\$3 300,00
Income tax expense		
Net Profit (Loss)	\$16 455,00	-\$3 300,00