

other case, entrepreneurs are not able to establish links with a judge or an attorney. When the administrative and managerial advantages leave out of competition, the market advantages usually become crucial. If entrepreneurs are able to apply the administrative and managerial resource, the market advantages take a back seat. The mixed relevant structure of competitive advantages complicates competition and makes it more unpredictable.

Consequently, there is the specific structure of competitive advantages of legal services firms in Ukraine. In some case, social capital and the administrative and managerial competitive advantages formed on the basis of this capital play the important role in the process of formation of firms' revenues.

It is worth mentioning that the structure of competitive advantages, which are needed for gaining high revenues, is not always principled for legal services firms oriented towards profit of organizations. If there is a need to give bribes and to establish informal relationships with governmental officials for the purpose of gaining and maintenance of advantages over competitors, some firms will hand out bribes and develop informal networks of influence. If there is a need to enhance quality of legal services and to decrease their cost for the purpose of intensification of marketing efforts, firms will work towards these goals.

However, there is a principled difference for Ukraine and its citizens. In the first case, destructive relationships develop. These relationships negatively influence the society: they lead to development of criminality, loss of confidence in the authority, the spread of mistrust in the authority, they distort public morality, deteriorate social and psychological climate. The second case comprises enhancement of quality and reducing the price of legal services, the increase of effectiveness of a legal system, development of legal culture and consciousness, and regaining confidence in justice.

UDC 334.72+34

O. M. Levkovets

*Ph.D. in Economics, associate professor
Yaroslav Mudryi National Law University, Kharkiv*

REBRANDING A LEGAL SERVICES FIRM: POTENTIAL AND RISKS

Rebranding is referred to as a complex of measures, which causes change of brand perception. It is one of the most complicated marketing processes, potential of which is compared to new fuel for a racket that is able to provide entering new

orbits or to inflict large losses. Legal services business is reputational. In the process of promotion, the firm is primarily based on public relations and building correct external communications rather than direct advertisement. It is hard to overestimate importance of branding, which provides identification and differentiation among rivals. A *brand* is defined as a famous trade mark, which establishes and maintains relations with consumers through supply of a *particular promise* (a brand contract) and facilitates formation of a unique stable image in consumer consciousness related with the additional values of a product in the form of real, illusory, rational, or emotional benefits, for which a consumer is willing to pay. A brand of a legal services firm is recognizable standards of servicing, which include specialization, reputation, and a set of symbols, which are combined into a single whole. It enables a company to gain additional profit, to form stable competitive advantages, to facilitate entering a market with new services, and provides connection with a customer.

A brand is characterized by the following features: *a mission, the values, positioning* (informing audience), *an identifier* (a name, corporate identity). *Corporate identity* is visual components of a brand (a trademark, a logotype, corporate colors or their combination, corporate constants, font family, etc.). It should maximally express specificity of firm activity. Development of brand components is influenced by certain rules and requirements. The following characteristics should be inherent to a firm name: pithiness; a name should contain information on advantages and quality of services; it should be individual and easy recognized; it should be easy translated to foreign languages without distortions of meaning; simplicity of registration. A logotype, which is a basic identifier of a brand, should “express DNA” of a company (its values, activity). Elements of a symbol influence subconscious, form emotions, and analogies. Particularly, direct lines, smooth forms are associated with order and reliability (a square and a rectangle, which are frequently applied in logotypes of legal service firms, are symbolized stability, reliability, and protection). Diagonals and inverted triangles symbolize movement and changes. In addition, the color scheme is of considerable importance: bright tones may be perceived as too aggressive for conservative legal services business; muted colors may remain unnoticed. Contemporary tendencies of development of a legal services market in Ukraine are as follows: the change of requirements to services (a customer more and more frequently desires to receive a complex business solution rather than a particular consultation; a customer anticipates that a legal adviser will understand specificity of firm activity); uberization of services, automatization of business processes; increasing competition against a background of reduction of customer solvency and deterioration of their financial discipline; mergers and acquisitions of legal services firms through an intention to accumulate resources and

to enter a new level of providing services. These processes stipulate *the necessity of changes*: indication of branch legal practices; legal services firms begin to supply a complex product (jurisprudence, auditing, finance, etc.), et al. Rebranding has become external expression of such changes, which enabled to get information on company changes across to a target market. Actually, rebranding means renovation of a brand and the change of one or several components. Expediency is concerned with a firm development strategy, market trends, and the current state of relations with customers (the loyalty level). A purpose is differentiation and visibility for maintenance / change / expansion of target markets. Auditing a brand (perception by stakeholders, relevance of a mission, the values, identifiers, analyzing a competitive environment, consumers, firm potential), because of which an optimal way of actions is selected, precedes a decision. Legal services firms need rebranding for reasons that include:

1. *The change of target markets. The change of identity and the brand sense, a new strategy of firm development.* For instance, a LSF “*Sayenko Kharenko*” rebranded their brand name after approval of a new strategy of development (2010) in order to diversify services, to provide a full cycle of legal services, to form an image of a business consultant rather than exclusively a legal service firm in target markets. A decision was preceded by researching stakeholders’ views, which has revealed that a company is associated with innovations, dynamism, a complex business approach, and international recognition. New design of firm advertisement is an image of a complicated microchip with a Qr-code (a link to the firm website) at its core and an inscription: “in the center of a chip of your business”. A graphic part of a new logotype of *the Attorneys Association “PwC Legal Ukraine”* (a rectangle, which are superimposed) symbolizes knowledge, experience of a team, and *the sense of a brand* (multifaceted, combines auditing, legal, business consulting services; *a complex product is proposed to a customer*). Rebranding of a LSF “*As-ters*” (“stars”, which mean the highest quality standards) has been particularly related to “growing beyond” a segment of small companies, which do business in Ukraine, and determination of large foreign corporations (including transnational) as a target market.

2. *Shifting into new business directions, branch diversification* (IT, an agro-industrial complex, finance, etc.: messages for these target markets should differ).

3. *Merger with other company, withdrawal of name partners* (especially, when new partners introduce other values), and other organizational changes. Rebranding of a LSF «*Arzinger*» was accompanied with withdrawal from a network “*Arzinger & Partners*” (2009) and corresponding changes regarding principles of work and target markets.

4. *Obsolescence of corporate identity* (identity does not explain a firm mission; emergence of new players in a market or rebranding leading firms are frequently a boost for such changes), *simplification, and on-line adaptation*. 30% of Ukrainian legal services companies use traditional paraphernalia (a shield, scales, Themis...). However, laconicism, modernity, and getting away from a “one-size-fits-all approach” are the main trends concerned with identity of legal services firm. The website ranks third among criteria of selection of a legal adviser. Hence, names and logotypes, which are too cumbersome for smartphones, are changed. For instance, Goldblum&Partners has changed a lion with heraldic elements for the stylized first letter and a firm name in order to increase visibility of a brand. The change of a logotype of LSF “Vasyl Kysyl and Partners” consists in simplification and abandoning words “and partners”. The LSF “Asters” carried out successful rebranding in 2008, having selected a name in the form of one word instead of “Shevchenko, Didkivskii, and Partners”.

5. *Entering markets of other countries* (taking into account their traditions and legislative norms). To maintain identification, a re-stylized brand is frequently based on the former. For example, a LSF “Hvozdi and Oberkovych” has carried out rebranding in order to enter international markets. This rebranding includes the change of the name for GOLAW: it was hard for foreign partners to perceive the former name. A current name is conscious. It is easy pronounced, translated, and based on the former (the first letters of partners’ surnames), recognized by customers. It also points to a sphere of activity.

6. Violation of rights to intellectual property, *scandals, harm to reputation, rectifying errors of incorrect positioning, etc.*

Depending on scales and complexity of changes, marketers indicate *restyling, renaming, repositioning, and rebranding*. *Restyling* is the change of a visual component of a brand (corporate identity), *renaming* is the change of a name. *Complex rebranding* means reformatting a brand: the change of the values; new messages, and communications. The very complex rebranding is a powerful instrument of strengthening a brand, which enables qualitative changes for development of a company. However, it contains a set of *risks*. For instance, a market may not perceive a new name, values, and messages. At the same time, a niche, which has been left by a firm, turns to be occupied. The firm and its services may be just not recognized. In the process of trademark registration, checking its components for absence of violation of intellectual property rights is important. Explanations and communications with target markets are necessary for normal perception of rebranding. The practice shows that it is expedient to carry out rebranding under interaction between professional designers, firm staff, and stakeholders.