

IMPACT ON BRAND INVESTMENTS AND THE SUCCESS OF THE COMPANY

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Abstract

The purpose of this paper is to identify and evaluate the value of financial performance in relation to the value of investments made in this type of intangible assets. In this context, we focused on the idea of presenting an overview of what the investment for the brand is and how it lends itself to a firm situation. In particular, in this situation, the main beneficiaries are the economic entities that want to increase your performance by attracting customers, being the main consumers who give notice to the entity.

Keywords: *investments, brand, performance, risks, intangible assets*

JEL classification: M40, M41

I. INTRODUCTION

In the elaboration of this paper, we aimed first of all to answer the question: What is the context of the use of the brand and especially when can it be used, promoted and restored within an entity, or at the level of the national economy, as a whole?

In order to be able to provide an objective and important answer for those who want to invest in the brand, it is important to emphasize that you must first of all know which markets you need to push the most for in order to make your company known. , but especially what methods to use, in order to increase the company's performance and keep it on the market at a high and stable level (Mateş et al., . There are situations where although you have a superior position in the market, it is important that this investment in the brand becomes more and more important and carried out so that this connection with the market remains in a continuity relationship. We will also discuss what are the reasons that would cause you to invest in this category, as well as the performance indicators that show you this. We must not forget that any investment involves a risk, ie that danger, danger, with an unfavorable character that can occur at any time during the course of the investment action. This category of risk encompasses a wide range, but for example one of the most eloquent that would lend itself to our situation would be the risk that the proposed investment could not be realized, so that it has no purpose.

In the elaboration of this work we will take into account certain objectives that must be met, for the resulting value to be one as high as possible and as close to what we set ourselves. Thus, one of the objectives we set out to approach would be to know the brand as a way of innovation, creativity, a means of presenting the performance, in relation to what the investment represents for it. Also, the main objective would be to maintain the entity on the threshold of economic stability and at a level of performance, which implies a certain analysis of the market regarding the factors that could impede this performance. With regard to these investments, they depend, most of the times, on the prospects we choose to carry out this operation, being closely linked to the reasons that make this action feasible.

The terminology of investments presents a wide scope, which gives us the possibility to make these investments in any field of activity, such as the brand. Investments represent those expenses incurred by an entity at a present time and from which it expects to obtain results at a future time, that is, in a subsequent period (Dixit, 1994).

"The concept of investment thus constitutes the essential element in order to achieve an intention of development and mobilization in order to fulfill the proposed purpose. From this point of view, the investment is considered, rather, a factor of action of the company, an impulse for its members, to give, both to the economic activity and to the life, a growing sense, of continuous development. The term investment can be viewed in a different way, depending on the economic policy of each country (Kitov, 2009).

Also, we can consider investments as a stimulus in any activity that any entrepreneur carries out. If we look at the level of the national economy, they are considered to be the fundamental element that initiates and develops a human activity, it represents what the element or engine that sets in motion the active system. The investments and the effects that they reflect behind them, at the level of the national economy, do not refer only to the economic growth. These in a definite morality represent the renunciation of a current and safe need in exchange for hope in the near future. The investment is in fact a definite expense, in an uncertain future due to the fact that it cannot ensure us obtaining results. Most of the time, the investment is about risk. The investment can be viewed through three elements, which we have specified in the above phrases, namely: duration, risk and efficiency or results. This is also the reason why an investment must be viewed from all sides.

As a generalization of what represents the investment we can refer to the fact that, the investment is the financial effort made in a current time for a better future, created through modernization and development, which has as a financing source the renunciation of safe current consumption, which they can be small and even non-performing, for future consumption with larger, more modern trends that are closer to meeting the needs.

The shift from what represents investment in an activity shows us and opens our horizons to new elements, namely, to a defining component of any activity, namely the brand. From the perspective of several business people, they consider that a brand is built with the people in the company and develops through constant investments. They will stand on the market, with people actually building the fir tree in the company. Also, we must mention that a brand is built quite hard, a continuous process is necessary, the people in the company being the ones who value it. This value also depends on the interaction between people, workers within a company.

The factor that leads to the growth of the economy is considered to be the brand, along with two other elements namely, ambition and values. Branding is actually a perception, being an element of people's minds.

It is worth mentioning that the brand constantly needs investments, but also new products for a company to adapt to the demands of a market (Cosmulese, 2018) The brand is not built overnight, and its power is given by the team. The brand is considered to be strong when making a high value, patience and constant image investment, as well as the same colors.

II. THE BRAND BALANCE BETWEEN CREATIVITY, INNOVATION AND PERFORMANCE OR NOTORIETY STIMULATOR

When we refer to the brand, we must associate it with all the elements to which it is related, in the sense that it works only through interaction, in a direct way with the consumer, the buyer, so that to attract it, the brand must always be on his tracks.

Brands from us in the country have a great capacity to expand and develop on the local market, but also on the international market, with small exceptions, in the sense that there is no country brand that sufficiently attracts foreign consumers, as well as the Romanian ones (Cosmulese, 2017). This is also why that key or path of brand development must be found, regardless of its type. What is really important in this situation is the story behind the curtain itself, that is, what is really inside the entity. This story, as we called it, has to be authentic, to present products with which to differentiate in the market and to attract the customers, and the brands have the role to capture their attention and to lend themselves where they are from in fact our customers.

There is a two-way relationship between the country brand and the Romanian brands developed by different entrepreneurs, or even by multinationals. Regarding the brands created by local entrepreneurs, whether they have a local or foreign impulse, they are the ones that can contribute to the achievement of the country brand. We need to be aware of the fact that, these brands must be strong, so that they can be presented on all market categories, both local, regional and international (Muniz & O'Guinn, 2001). We refer to some very powerful brands that are known all over the world, then we can refer to Dacia, Dedeman, Eugenia and Rom.

Today, it is universally accepted that a large part of the value generated by a business derives from the intangible assets, between which the brand occupies the primordial place (Cosmulese, Grosu & Hlaciuc, 2017; Moroşan, Grosu & Zubaş, 2016; Cosmulese, Mateş & Anisie, 2016; Grosu, 2013). We have always talked about what the brand is, how we should make it known, but there is also the opposite situation where the brand would not exist if, we entrepreneurs do not give the customers, consumers the opportunity to see something new on the market, different. An important aspect of the exclusive formation of the brand is that of the customer, which you must listen to, talk to him to see exactly what markets you should focus on and what, taking into account of the aspects presented

and elaborated by the consumer. The brand, once built on these premises, must convey long-term confidence (Mihalache & Bellu, 2018).

The moment when a brand is considered to be growing, is when efforts are made and not last but not least, that is, the cash availability necessary to carry out the operation. The brands that we promote and create locally can be considered impulses for all categories of consumers, but also for those who go abroad, in the sense that such a well-built element can bring people back to the country. This makes us struggle to keep our employees as close to us as possible. But for this to be possible, people must first believe in this brand, and secondly, this is not enough with just a team of specialists.

This tool of the company, which has become more and more deep in the whole market, must be built step by step, from client to client. As I mentioned before, in order to really achieve it, it is important that the persons or clients are involved in the imagined story. That is, the building of this brand can be played as a story in the sense that you have in mind an idea from which you start, with characters and you end up having a knot of it. Customers can be the ones who generate suggestions, different pictures or videos through which, the entrepreneur thus promoting his business. Therefore, it is necessary that what we have built will be improved, maintained through investments, work, performance, so we will not leave the possibility, respectively the responsibility of the state to take our name further. In addition to those methods of developing this category of company, creativity plays an important role, thus being an important source at the level of a company, at the level of a brand.

From this consideration of the brand, we can consider that one last source of advantage that could be considered in this situation would be the investments in the brand. Depending on the good management of the company, this can be done, in order to improve the quality of what is already on the market. In this sector, brand name or brand equity, are most often important. It is suggested that this equity brand contributes to the firm value through loyalty, awareness, perceived quality and other brand assets. This is obvious from the beginning, it can be expensive to reach that brand, but it is an element of the company with a competitive advantage (Aaker, 1997). This can be evident in the case of companies that produce or deliver the same products. or services, but it all depends on how they are promoted and presented on the market. The same mechanism has the brand. Investments in the brand can suffer if organizations that focus on short-term profits through price reductions and other sales promotion activities that generate faster and more measurable results.

In such a situation, we cannot identify two ways: the entity's brand is considered to be its most important asset (Mateş, Iancu & Socoliuc, 2009). It represents the total value of the way in which the entity is perceived by customers, employees, respectively over their other horizons. Modeling these perceptions is the key to the influence of behavior. Behavior is the last element that influences the final decision.

A competitive advantage is generated on the basis of the brand, the organizations having to invest in this brand. Aaker (1992) identifies perceptions about brand identity, corporate branding and loyalty programs as areas for investment. Therefore, the investment in the brand contributes positively to the cost efficiency, relational and positive advantages of the brand.

This is also why the brand is considered to be one of the healthy investments that a company can make, especially when the entity is in a stagnant growth, the profits are low, as well as the existence of an older crisis. The brand should not be regarded as another cost calculated according to the marketing budget. The brand is an investment, which, if done properly, will give exponential returns over the entire life of the business. That might sound like sales semantics, but when it comes to taking into account the benefits of a well-positioned brand, it's hard to argue that rebranding isn't one of the healthiest investments you can make.

Branding or the branding process is a term that is still wrapped up in a veil of confusion (see <https://www.thebrandingjournal.com/2015/10/what-is-branding-definition/>) Even some marketing experts believe that a brand is synonymous with a logo design. and with a commercial name, but this concept is much more complicated than that. Yes, it incorporates, among many other things, a company slogan, brand colors, design, packaging or brand voice, but it cannot be reduced to any of them. The brand influences the way customers, employees, competition and virtually everyone else perceive the company. It is a sum of all your attempts to create a particular image of your business and, although not tangible, its impact is enormous (Ciubotariu et al., 2019). Needless to say, the brand increases the visibility of the business built and inspires the loyalty and credibility of the customers we have attracted. Investing in the brand is a necessity for any business, including SMEs, start-ups or large companies.

III. BRAND INVESTMENT - POSITIVE CLAIMS ON THE ENTITY OR LOSS OF VALUE IN THE EVENT OF SATISFYING THE LEGITIMATE INTERESTS OF SHAREHOLDERS AND INVESTORS?

When investing in the brand, the first question that comes to mind is "Why invest in the brand?". Here are the main reasons why we would do this.



Figure 1. Reasons to invest in the brand

Source: Self-processing based on the information provided by (see brandingyou.ro 5 Motive pentru care merită să investești în brandul echipei tale, 2018)

In this situation, you must strike a balance between all the elements that can be affected by this operation, highlighting their efficiency, ie the effects obtained and the efforts made. We must also take into account the risks that may arise, as any investment is the promoter and risk carrier. This is also why you should anticipate all these elements, as well as the reasons that made you take such an action.

The investment in the brand can have the following positive aspects as follows:

- Attracting better customers. Brand research allows us to identify which customer categories we need to align with depending on the culture and purpose. People who are considered eloquent and interested in the activity of the company, are the ones that allow us to compose our customer chain. Thus, the right customers not only have the opportunity to purchase the product or service of the entity, but also become loyal customers throughout the activity in relation to the brand created. This loyalty becomes valuable when the clients become the brand lawyer, convincing their friends and family members to buy the products and services created by us as an entity.

- We order a premium price. It is obvious that man does not buy the product, but the brand. Thus, a customer is willing to pay a premium price for a category of premium brands. (see www.ignitebrands.com why-invest-in-branding-5-reasons-you-would-be-crazy-not-to/) In this sense, the brand offers us the opportunity to position ourselves as a leader in the industry, coming with a set of proposals with a convincing value that can be given by one of the competitors. Brands are the ones that can establish a significant differentiation, they are able to justify the value and order higher prices for the products they make and the services they provide. We can say, as we all know, the rise in prices has also generated equal revenues.

- Sales can be closed more easily. There is a difference between the fact that we want to sell an old, boring, outdated brand with a new, fresh, bold brand, a conclusive example would be the one between a wheel and a Ferrari. Well-defined brands are easier to sell because their position is woven into their brand narrative. The arguments regarding the superiority of products and services have already been expressed by the way of expressing the brand strategy. When we have a convincing and consistent brand, then the largest part of the sales agent is done just before having the initial conversation with the customer. The brand gives its sales team an advantage that helps them complete transactions more easily and with confidence.

- Reducing marketing costs. A coherent and well-articulated brand is the brand that increases the efficiency of the business, as well as the initiatives put into practice regarding marketing. When the needs of our audience are understood, then we can develop companies with very relevant messaging that addresses the most valuable customer segments. Thus, we do not waste the time we have available through normal messages. Brand

consistency also refers to the fact that marketing efforts are limited, and each initiative taken reinforces the following (see <https://inkbotdesign.com/why-invest-in-branding/>) The new identity that the entity takes makes it different from the others existing on the market, being visible right from the start. Finally, the guidelines and templates that emerge from the branding process ensure that we do not reinvent the wheel in design every time we develop a new marketing initiative.

- Increases the value of the company. Brand capital is a powerful element. It not only helps us to increase the price point of the products and services we make and we lend, but also an effect on the quantification and measurement of the share price. The way we create our brand and make it known determines the behavior of our customers, which in turn determines the financial performance of the brand thus created (Socoliuc, 2016; Mihai, Socea & Ciubotariu, 2011). The long-term result of the brand thus created is a valuable asset throughout the period, especially when we talk about sales. Just as an improvement or modernization is done at the company level, so is the brand an investment whose dividends are a welcome bonus when it is time to sell.

IV. CONCLUSIONS

In conclusion, we can note that the realization of an investment is really expensive, but at the same time it brings a number of benefits, which in the course of time become assets for the company. First of all, in order to carry out such an operation, it is best to first consider all the balances that may result from this action, and then to see if it is effective or not. It is good to weigh all the elements, so that there are no surprises that can ruin the good functioning of the company. When we have an investment in the brand, rather than a cost, we see that the benefits are clear. This allows us to attract new customers, to focus on new markets, with more authority, which leads to a new pricing policy for the company's products and services. If at some point, at the company level, there would be an unsuccessful investment, the brand would not be the case. It is an operation which, if well thought out, brings us more benefits.

Brands matter, but their value is difficult to quantify. It requires different time periods and / or different markets in which the brand capital has undergone significant changes. These contexts are not usually easy to get past. In the absence of any experimental or statistical evidence, we return to conceptualizing the role of brand capital, as do those justifying investments in people, IT and organizational culture. But it is reassuring to know that there is solid evidence to support the general assertion that brand investments, on average, have proven to be paid off.

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