

COMMUNICATION AND BRANDING – ECONOMIC STANDPOINT

CLAUDIA ELENA PAICU

Lecturer Ph.D.

Academy of Economic Studies, Bucharest, Romania

e-mail: claudiapaicu@yahoo.com

Abstract. *This article aims to analyze the communication process, starting from the elements that define its economic dimensions. The communication from the economic perspective must take into account the techniques and strategies by which information is submitted in order to inform, educate, convince or persuade, all in an economical manner, strategies and techniques that involves costs that subsequently must be recovered. The economic objective is to position the brand in the consumer public options, so that the profitability objectives to be achieved. The discussion is set in the context of economic growth.*

Key words: *communication process, branding, laws of branding, communication audit, economic growth*

JEL Clasification: *D83, E12*

1. Introduction

The processes of communication and branding processes play an important role in an organization because, through them, the organization can implement market development strategies. In other words, implementation of communication processes and / or branding processes by an organization helps it, on the one hand, to position itself on a raised step in the views and purchasing behavior of consumers and, on the other hand, helps to evolve to achieve, and even exceed, the objectives of economic performance.

2. The communication and branding process, from an economic perspective

In a market increasingly more diverse, with a consumer public better informed organizations must carefully choose those who are involved in the development and implementation of communication strategies and branding. Companies do not just manufacture products. Increasingly more, organizations offer service. (Golub, 2008) Therefore there is a need for a 5th P (Golub, 2008) in addition to the already acquaintances 4P, which is represented by Persons. The most important technique used by brands is that of the 4P. In fact, those working in the communication field know that the 4Ps is not among brand strategies because they belong, in fact, to the marketing tools, which, in time, came to be used by brands. The 4Ps are four essential tools in any new communication strategies implemented by organizations, which are product, placement (distribution), promotion and price. The 5th P, which we mentioned earlier, isn't the consumers, but the people behind the brand, those who think communication strategies and those that interact with consumers through different channels of communication available; is not wrong, therefore, to claim that they are the ones who give life to brand, and, in the minds of many consumers, they are the brand. (Golub, 2008) But in this case there is a danger, that attention could be focused, wrongly, on individuals. Many times, organizations are focused on creating a certain type of leader. So it is that the human resources department focuses on finding and developing an ideal candidate who has a strong vision, is able to coordinate and encourage teamwork, with personal integrity, with the will to learn and to have emotional intelligence. Or just focusing on desirable traits of these leaders, organizations end up creating generic models. (Săndulescu, 2007) Is therefore essential to distinguish between leaders and leadership. Attention to the leaders highlights personal qualities of individuals, while attention to leadership highlights methods that ensure good development of the company and, in the process, creates future leaders. (Săndulescu, 2007) In this very context the concept of organizational or corporate branding is developing, since the brand is built by and with the people, leaders with visionary ideas, on the assumption that the brand of a product link between the results and the reputation of an organization, on the one hand, and the needs and demands of consumers and investors on the other hand. Brand leadership, by extension, is based on market expectations towards the behavior of the representatives of the organization. In order to build a brand of leadership, however, the organizations must evaluate leaders from customer perspective. (Săndulescu, 2007) Therefore, it requires a careful attention because, as argued previously, in the minds of many consumers, the people behind the brand are actually the brand. The discussion can be carried forward, reminding the image-making technique called halo effect, well known in the literature, beginning precisely from this principle. This explains the association between many organizations and individuals with a certain social status or prestige, all based on the principle of the transfer of identity, image and credibility.

Having clarified aspects of human resource, the next step in developing a branding strategy is the choice of the communication strategies. Among them, we can mention the Ansoff Matrix, developed by Igor Ansoff and first published in the Harvard Business Review in 1957. (Teliban, 2011) This matrix is represented by a structure that offers both stability of market size and brand positioning. The matrix offers the possibility to an organization to choose an appropriate strategy in order to highlight on the market. Once established the strategy used, the matrix contributes to the welfare of the brand. To understand how exactly this matrix helps, the key elements of this matrix must be specified: emerging markets (development and market diversification), existing markets (market penetration and product development), products and existing services (market development and market penetration) and new products and services (diversification and product development). In a communication strategy that focuses on these elements do not exist, according to this matrix, the possibility of error. (Teliban, 2011)

We must not lose sight of the fact that the branding process operates with a set of laws that enables the brand to get closer to consumers and to achieve its communication goals (improving the image, obtaining reputation and renown) and economic objectives (generating profits). We are talking about twenty-two laws (Ries, Ries, 2006) but the most important, we consider, when implementing a communication strategy, are: the advertising Law, word Law, quality Law, name Law, company Law, change Law and mortality Law. (Ries, Ries, 2006) It is in fact the course which any product passes, from the moment that highlights the brand and by the time the brand dies in the customer perception, this happening because of non-compliance with these laws. (see Figure no. 1)

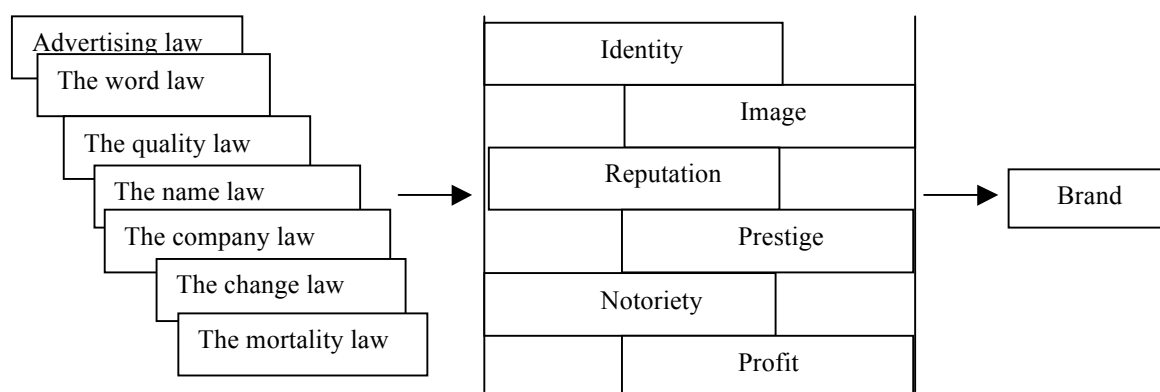


Figure no. 1 The branding process

Source: Adapted from the information previously presented

Advertising law, summarized in one sentence, highlights the idea that what others say about your brand is more important than what you can say about it. (Teliban, 2011) So, the consuming public perception matters since it is the one that keeps you in the options or can remove you from the market.

The word law campaigning for developing unconventional approach, as a need to be more relevant for consumers, more creative, more active, to surprise when least expected. (Gregory, 2006)

The quality law is meant to introduce the perception of quality into consumer's mind.

The name law and the company law are two laws that capture the existing dilemma of brand and product. It is good to use the product or the brand when we think communication campaigns? Examples of this can be many; thus, in these conditions it is not forced to say, for example, that Logan tends to become now a separate brand, by itself, although Dacia officials insist that Logan is nothing but a model produced by Dacia, which comes to support the mother brand, Dacia. Eduard Croitoru, director of advertising at Dacia at the moment of the launch of Logan on the market, stated some time ago for the magazine BusinessWeek Romania, that Renault's strategy has been to create a product that supports the Dacia brand. (Bârligă, Noel, 2007) In addition to this idea comes Psatta Sorin's statement, director of strategy and research at Graffiti BBDO in the period when the advertising agency worked with Dacia for the Logan campaigns; he states that is something as natural as possible for a manufacturer image to be supported by the image of a success product of its own. To demonstrate this, he proposes some examples already famous iPod, Cybershot, Playstation or Windows that support the image of strong brands such as Apple, Sony or Microsoft. (Bârligă, Noel, 2007)

The change law gives the company the opportunity to adjust certain elements or concepts that no longer works. The same law most often set bases for the rebranding process, (Stanca, 2008) necessary when either the brand is aging changes or when the market conditions or consumer habits are dramatically changing.

The latest law, the mortality law, is a law that applies to all brands. In the event that for a brand no longer exists demand, consumption patterns are changing and among the options of the consumers can not be

found the brand, this should be allowed to die, since investment for a rebranding would be too large and would not be justified economically.

Following some rules and implementing some strategies models proves to be more important and necessary, as from the 90s, in full process of transition, the Romanian economy, in the absence of theoretical models to follow, adopted a series of inappropriate actions and the economic recovery and implicitly the economic revival have made little progress. We have witnessed a time when uncertainty and even ignorance characterized the activity of economic agents on the market, and the Romanian economic environment in general. Romania has tried to implement occidental views, trying to implement a successful recipe, but which, however, were not applicable to the conditions and economic reality of our country. There is thus no wonder that they were doomed to failure. Over the years, Romania has tried to secure, as is natural, economic growth but this proves to be quite difficult.

Efforts in this direction have been made over time; theoreticians, beginning with Adam Smith, Keynes and ending with those of the contemporary era, have tried to develop models and theories that once they are implemented should ensure economic growth. But this does not prove to be easy, considering the multitude of variables that characterize the economic environment.

Another known author, Schumpeter, refers in his work, both to economic growth and economic development. In order to remove ambiguities concerning the two concepts, it is necessary to distinguish between the two, through a detailing analyze of the targeted goals, of the methods of quantification and of the implications and effects. (see Figure no. 2)

Therefore, the economic growth theory relates to all the factors that contribute to an increased domestic production. (Mecu, 2013) But we cannot capture also the beneficial effects felt in society, by improving the quality of life of individuals.

	Economic development	Economic growth
purpose	It concerns the structural changes occurring in the economy (changes in social structures, popular attitudes, and national institutions)	It concerns the growth taking place in the economy's output
Measurement	Qualitative indicators - index of poverty, human development index, literacy index	Quantitative indicators - growth rate of GDP, GDP / GNI
Implications	It involves changes in the structure of income, savings and investments, and the socio-economic structure of the country	It involves growth in terms of the level of output of goods and services
Use	Economic development generally relate to the use and development of unused resources in underdeveloped countries	Economic growth relates to optimal use of resources unused in the developed countries
Growth	Economic development is associated with the growth of human capital index and structural changes that significantly improve the living standards of the population	Economic growth is associated with the gradual increase in the GDP components: consumption, net exports, government spending, investment
Effect	Bring both quantitative and qualitative changes in the economy	Bring only quantitative changes in the economy

Figure no.2 Analysis of economic growth - economic development

Source: Mihut I. S. *Creșterea economică și criteriile de convergență în cadrul economiilor emergente din Europa Centrală și de Est*, Rezumat teză de doctorat, Cluj-Napoca, 2013, pp. 17-18

With the improvement of living conditions and with the evolution of society as a whole, consumers are more informed and more careful when exercise buying behavior. We are seeing a transformation therefore of both consumers and economic environment. Competition has also changed. Some time ago, the choice between goods and services was done according to relatively simple criteria: price and quality. The approach was a rational one. Over time and with specific changes of the globalization phenomenon, we see a certain uniformity when it comes to quality and price. Add in this context the emotional component that animates the organization's identity and which, therefore, brings the brand closer to its audience. It is not, therefore, surprising that organizations are investing increasingly more in organizational branding, which is an important element of differentiation. In the context of genuine branding programs, it becomes even more important to respect the laws mentioned above. Moreover, a communication audit (Olins, 2010) proves increasingly its usefulness, as it carefully examines what message needs to be transmitted, how it will be sent and to whom. This audit will work both on the external with the public, and on internally communication, with the employees or investors.

3. Conclusions

The economic environment is characterized by dynamism and change. It is an environment in which economic agents and consumers meet to satisfy their own needs. It is a strong, interdependent connection, each action being mutually dependent. The changes occurring in the economic environment are given by competition and globalization. In each of the two cases, however, the identity, that creates the brand, plays an important role in helping organizations adapt to the new environment. Environmental changes lead, in certain situations even to behavioral and organizational changes, and in this case we are witnessing a change of identity, with all the amendments thereto, so that organizations go through genuine process of rebranding.

But it is important to realize the importance of the brand, the strong identity which he creates. It is not wrong to argue that together with an organization finances, marketing, human resources and research, the identity management is a major resource. Identity management should be put in the same perspective as that of financial management and information systems. (Olins, 2010) In this context, the branding process should have clear objectives: strategic analysis, an effective corporate identity development, communication and implementation of strategies and ideas previously thought.

As previously argument, we can state that in addition to quality and price, products and services communicate through their own identity. Purchasing behaviors is emotional related to the brand accompanying products and services.

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