

## **BUILDING A BRAND - A NECESSITY FOR THE AGRICULTURAL COMPANIES IN DIGITAL ERA**

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### ***Abstract***

*The digital industry is advancing at the speed of light, constantly evolving: new technologies, diversification or innovation of social platforms, changing the behavior of digital consumption, changes in the algorithms used by social networks to display relevant content. All of these are challenges for anyone who cares about a brand image, but more importantly, they can be turned into opportunities, both for small, early-stage agricultural companies trying to build their identity and image, and for reputable agricultural companies that try to keep their brand and improve or maintain their reputation and authority in the agricultural field.*

**Key words:** brand, agriculture, branding, communication, market, digital era

### **INTRODUCTION**

Agriculture has been around since ancient times and continues to be a vital area of human activity today (Tiberiu Iancu et al., 2020). It remains the only source of food, an important supplier of raw materials for the industry and also a significant market for its production (Adamov et al., 2016). Thus, agricultural companies need to build a strong brand in the context of intensive digital development (Keller KL, 2002). Consumer behavior and mentality in the society we live in is constantly changing. The way we perceive the products and services offered today is heavily influenced by the creation of strong links between the product and the consumer. That is why it is necessary to distinguish between two often confused terms: marketing and brand. In general, marketing is what you do, branding is who you are, in other words, marketing is a tactic that pushes a product or service to consumers, while branding makes sense of the company's purpose, communicates the business's set of values to the public and helps to form a consistent and coherent image (Lenny H. Pattikawa, 2012). Thus, if marketing is a strategy that uses persuasive techniques to persuade consumers to try a product or buy more, brand building aims to establish a connection with the consumer (Salinas, 2009).

Nowadays it is vital to build the company's brand in the digital environment, where user behavior is constantly changing and where speed of

reaction is essential in most cases. This is why branding is so important and why, from our point of view, no business should neglect it (Barth M.E., et al., 1998):

- Branding is a tool for developing and maintaining an advantage over competitors.
- In the digital environment, competition is even more evident and always staying one step ahead of others is a daily challenge.
- The consumer has more autonomy than ever.
- Access to information means that the only chance for a company to build a favorable image is to communicate correctly, consistently and consistently.
- There are many cases of companies whose poor communication has gone viral on the internet, turning into a real image crisis.

Brands have less control over what is said about them. As a consequence of what I said above, companies are much more vulnerable to criticism and more exposed to image crises when they make a mistake (Philip Kotler, 2012). This is also because consumers are more easily influenced by the online opinion of virtual friends.

Consumer interaction rarely ends with a conversion. The big challenge for companies is to persuade those casual consumers to become loyal to the brand (Lenny H. Pattikawa, 2012).

The traditional model of the marketing funnel is disappearing. In the digital environment, communication takes place in both directions: the brand communicates its message, while the consumer can provide real-time feedback (Pablo Fernández, 2008). This also means that users expect more responsibility, communication, involvement and interaction from companies.

## **MATERIAL AND METHOD**

The paper has a deep analytical character on the topic, based on theoretical documentation, comparative method, data processing and representation method and analysis method.

Theoretical documentation is based on bibliographic resources in the fields of marketing, agriculture, communication and advertising. The comparative method was used to make the necessary comparisons between two agricultural companies. The method of analysis was the main tool through which we analyzed the Facebook pages of the two agricultural companies, and based on them we processed and rendered them graphically.

## **RESULTS AND DISCUSSION**

Brand work, in a broad sense, is the focus of all the expectations and opinions of customers / consumers, employees and other stakeholders about an organization and its products and services. Starting from this hypothesis, compared to the digital age, the need to build a strong brand among companies with activity in the field of agriculture is extremely important.

According to Kevin Lane Keller's model, one can see the improved value of a brand (the value of a brand found on consumption, for example the improved value offered by the brand to customers / consumers), which Keller (Keller K.L., 2002) defines as follows: the different way consumers I perceive a brand in response to that brand's marketing campaigns. The model is made by following several steps that can be taken in a fixed order.

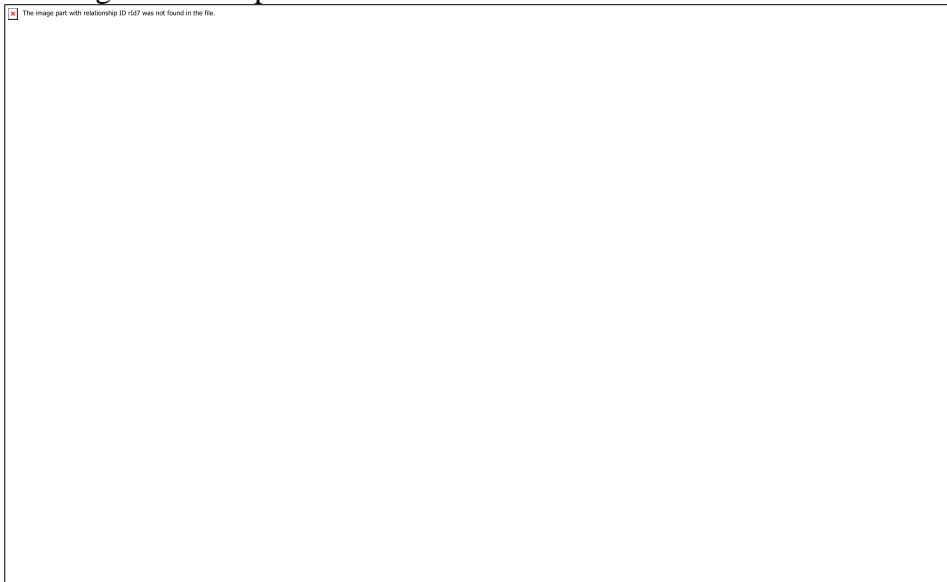


Fig. 1. Customer-Based Brand Equity Model

When consumers resonate to a certain extent, the highest degree of brand voluptuousness is reached, thus reaching the brand resonance, ie the top point of the pyramid (Keller K.L., 2002). In Keller's view, the brand consumer manages to reach a higher level of understanding and association with the brand, making strong associations of the respective brand values with personal values (Keller K.L., 2002). In essence, brand value is a relationship (like a tacit contract) that is built between a brand owner and a consumer (Keller K.L., 2002). A brand allows itself a price surplus or a higher market share as long as it reduces the risk associated with a purchase and meets certain emotional needs of the consumer (status, sense of belonging to a group, etc.) (Pablo Fernández, 2008). For those who believe that branding is just image and advertising, brand evaluation is not good news.

Next we proposed the comparative analysis of the two agricultural companies, named in Company A.1 and Company A.2. Unfortunately, only 2 agricultural companies are among the top 50 strongest Romanian brands, according to Brandfinance. These two companies have generally seen an upward trend from 2017 to 2022. Thus, if the brand of Company A.2 was ranked 47th, in 2017, reaching in 2020 on the 29th. Compared to this, Company A .1 ranked 36th at the beginning of 2017, rising 10 places in 2020. The year 2021, strongly marked by the consequences of the pandemic, brought the decrease by 3 positions of the two agricultural companies (Figure 2.). It can be seen that both brands currently still occupy positions in the lower half of the ranking, which emphasizes the sources of value generation of a brand that are consumer loyalty to the brand, which translates into higher sales volumes and allows the maintenance of other sales at the same time, and the quality perceived by consumers, which allows the implementation of prices higher sales and therefore obtaining differential returns. Therefore, a brand adds value on both the supply side and the demand side. First, it allows for more stable demand for its products or services by creating barriers to entry. It can also allow the projection of increased (elementary) sales volumes by introducing new product brands or searching new customers by giving different services. Second, brands allow for increased pricing and increased profit margins, as well as increase product sales and turnover volumes and, therefore, achieving economies of scale. On the other hand, there are certain factors that can influence the value of a brand.

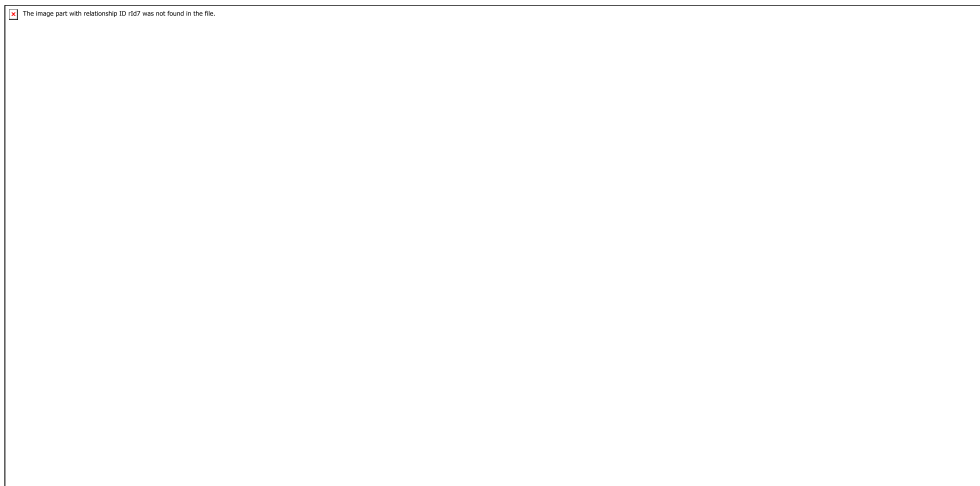


Fig. 2. Brand ranking for A.1 and A.2 Companies

Starting from the idea that the brand is built primarily on the product, tested on consumers and then communicated to the financial markets in order to be incorporated in the value of shareholders, and thus the financial markets must

have a vision of the brands to take care of their long-term impact on the value of the company, in the conditions of a growing communication in the online environment (Hirose et. al., 2002; Aswath Damodaran, 2009), we analyzed the two Facebook pages of agricultural companies (frequency of posts, interaction with the public, respectively consumers and the number of appreciations).

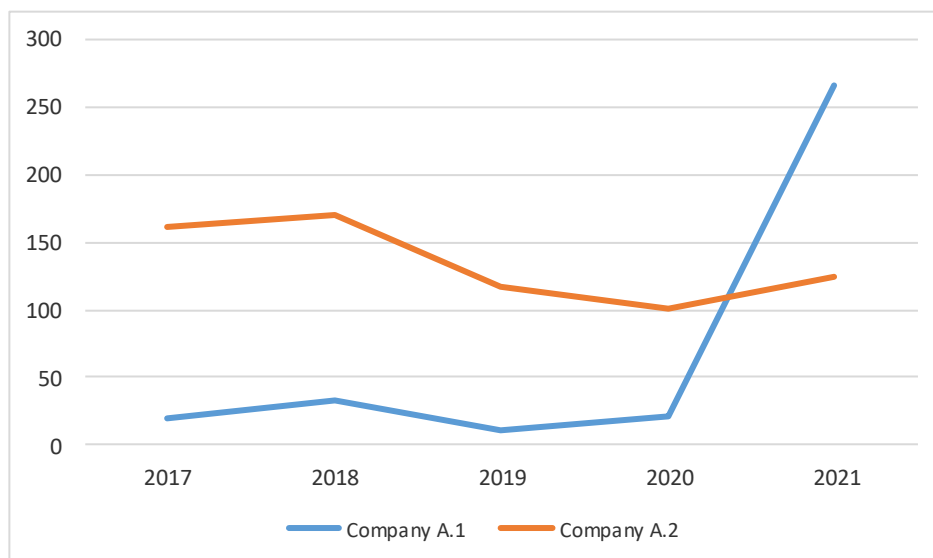


Fig. 3. Number of post / year

Even though the activity on the Facebook page is constant in terms of the number of posts, in the case of Company A.2, compared to Company A.1 in which the number of posts increased sharply in 2021, according to the Brandfinance classification, the Company's Brand A.1 is a stronger one.

## CONCLUSIONS

Certainly, in the coming years, these digital trends will continue. There will be more and more media channels and more and more brands trying to conquer them. And this overcrowding will make it harder and harder for companies to build a consumer-friendly image, and the order of their preferences will matter more than ever.

Therefore, at the moment, agricultural companies have the opportunity to integrate communication strategies in the digital environment with such effective marketing methods in order to strengthen their market position and build a loyal customer base for both products and services. offered, as well as the values expressed by the respective brand.

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