

BRAND EVALUATION – A BASIC FEATURE IN MODERN BRAND MANAGEMENT

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Abstract

Defined as the sum of features that make a subject unique, the brand has turned into one of the most important characteristics of the way products, services and institutions conduct their public relations or are presented to the contemporary consumer. Taking into consideration that branding is an extremely flexible process and can be applied to a very wide range of subjects, the brand management has become one of the most important instruments of modern marketing and is used in every selling/buying transaction. The purpose of this article is to make a comprehensive analysis of the evaluation methods of brands, to present the situations that usually need a brand evaluation as well as to see whether Romania has made any progress from this point of view.

Keywords: branding, company, consumer, evaluation, market, value.



1. Introduction

The Brand – defined as the sum of the features and the experiences which make an object or an ensemble unique as related to the interested parties – has become one of the defining features of the way in which the products, services and institutions are promoted to the contemporary consumer. Since the branding processes are characterized by a special flexibility and may be applied to a wide range of products, brand management has become one of the basic instruments of the contemporary marketing, always present in selling and promotion processes (Tybout and Calkins, 2005, p. 4).

Although branding is used by state institutions as well – see country or city branding – or for promoting some government programs, the most enthusiastic in adopting branding procedures are private corporations, which greatly depend exactly on the successful placing with the consumer of the goods and services they manufacture. Therefore, private corporations all over the world enclose within their portfolio one up to a dozen of brands, as an example in this respect being Procter & Gamble, which owns 21 brands with sales over a billion USD per brand (Procter & Gamble Annual Report 2010, p. 3). Each of these brands has its own promoting policy and its own marketing budget, the company's global financial income, the jobs of its employees and, basically, the fate of the company depending on their success.

The direct consequence of the increasing importance of brands for the economical evolution of the companies that own them consists in a growing attention for the management of these brands and especially for their values. It represents a major change in the way the performance of private corporations is rated. In this respect, until recently, financial analysts used to evaluate company performance based on tangible factors – production capacities, assets they owned, investments and profits. Even the factors considered when purchasing certain companies are based on some tangible elements, especially annual incomes, so that, generally, the acquisition price of a company is equal to x multiplied with the annual incomes, where x is greater as the company or its field of expertise is more promising (Lindemann, 2004, p. 36).

Therefore, introducing a factor such as the value of the brands owned by the company, in other words the evaluation of some intangible factors, besides the tangible factors like the company's income, meant an acknowledgement of the fact that a great part of the company's value derives from intangibles values, such as brands. Moreover, some Western markets surveys have shown that, in most of the cases, brands represent over a third of the company's total value (Lloyd, 2007).

But even before the existence of these surveys, there were several situations on the Western markets which have shown that those markets were admitting, at least at an informal level, the presence of a series of intangible factors, such as brands, which have a decisive influence over the company's value. So, it has become a common practice for many company acquisitions within the '80s that the price was higher than their stock market values, such as the case of the acquisition of Rowntree by Nestle or Pilsbury by Grand Metropolitan. In both cases the price paid was higher than the value of the tangible assets owned by the purchased companies, taking into consideration the growth

potential of those companies' brands or the actual value of those brands (Lindemann, 2004, p. 37).

The significant problem with this procedure, called 'accounting for goodwill' (the equivalent of taking into consideration of some supplementary costs agreed by the parties) is that it doesn't provide a scientific base for the evaluation of intangible assets value. The buyer evaluates the value of the intangible assets in a random way, based on its knowledge about the business it is about to invest into. Therefore, almost invariably, one of the two parties will end up by over evaluating or, on the contrary, under evaluating the value of the tangible assets. In order to avoid this problem, many companies have started looking for ways of accounting the intangible assets and, obviously introducing them into the calculation of the total value of the company. So, in the middle '80s, Reckitt & Colman, a British company, introduced its brand, Airwick, in the company's balance, because the legislation of the country allowed such actions (Cheverton, 2004, p. 196).

This trend continued over the following years, when intangible values of the companies came to have an increasing role in their evolution on the market. One of the turning points in brand evaluation history occurred in 1988, when Rank Hovis McDougall (RHM) Company, one of the UK's biggest food suppliers, was the object of a hostile takeover proposition of an Australian competitor, Goodman Fielder Wattie. RHM successfully succeeded in convincing its stock owners not to accept the Australian offer, explaining that this offer didn't take into consideration the intangible assets – meaning the company's brands. Moreover, after rejecting this offer, RHM introduced in its balance in 1988 the value of all its brands. This was the first time in history when a company introduced in its balance either new purchased brands or old ones. Even though at that time this practice was quite disputed because there wasn't a sufficiently standardized method for calculating brands values, in 1989 the London Stock Market accepted the intangible values in the price proposed to the shareholders, thus accepting the practice proposed by RHM one year before (Lindemann, 2004, p. 41).

Consequently, introducing the intangible values in the companies' financial outcomes became a financial, legal standard in various countries. Therefore, in 1999 the UK introduced the financial standard FRS 10/11, and in 2002 the USA introduced the financial standard FASB 141/142, both meant to allow the companies to introduce the intangible values into their balances. The legal recognition of the companies' right to evaluate their business based on the value of brands they owed, lead to different modalities of brand evaluation and of its purposes (www.brandvaluation.co.uk).

The purpose of this article is to cover as much as possible the brand evaluation methods, the situations when brand evaluation is useful, and their development in Romania.

2. Manners of use for brands evaluation

Introducing brand values in the companies' financial reports lead to the diversification in which brand evaluation is used. Consequently, brand evaluation is usually used by companies for the following purposes:

Introducing brand values in the financial balances. As numerous countries legislation requests introducing intangible values in the financial balances, and brands are the main intangible value for most of the companies, the brands evaluation is highly important and acquires a clear financial value. In these circumstances, the higher the number of brands held by a company, the more important they are for the annual balances.

The use of brand value in commercial or legal litigations. In the event of litigations such as commercial partnership dissolution, copyright issues, violation of agreements between companies take place, the company damages issue or, more exactly, the brands damage issue is brought into the dispute, or, in order to be able to quantify the damages is highly important for the companies to know the value of the brands suffering from damages. The courts of justice admit brands evaluation reports and the brand evaluators are members of various organizations such as The Institute of Chartered Accountants in England and Wales's Expert Witnesses and Forensic Accountants Accreditation.

The use of brand value for establishing the brand strategy. Companies use more and more the brand value evaluation for providing a scientific base to the decisions regarding brands promoting budgets. Consequently, if a brand has an exact value, its administrators can easily determine its budget, whether it needs increment or reduction as compared to the previous year, what is its value as compared to the other brands budgets, and if the strategy adopted shall be for development, sustainability or, on the contrary, restricting its importance. Brand evaluation influences not only the policy of the company regarding the respective brand but also the decisions at a global level for the company's development (www.brandvaluation.co.uk).

The use of brands value for measuring the efficiency of the investments. The return on investment (ROI) has become one of the most operated elements in measuring the efficiency of the investment by private corporations. Brand value evaluation correlated with the investments made by the company can help place resources, rewarding the brand's promoters with good results and adjust the investment policies on the short and long run.

The use of brands value in case of purchase offers. If a total or individual brands purchase offer is made, it is highly important to know the exact value of the brands. This will help the stock holders and the buyer to clearly determine whether it is a right offer or not, if it needs increment, decrement or rejection. Subsequently, very important decisions depend on brand evaluation.

The use of brands value for obtaining financing. A more rare practice in the past, the use of brands value in the portfolio for obtaining bank financing or for attracting new investments has been more frequently used over the recent years, along with the brands evaluation methods standardization, a fact that made the intangible values owned by the companies much more attractive.

The use of brands value in case of insolvency. In case of company bankruptcy, the administrators of these procedures can recover a part of the debts value by selling the brands. Also, in this case, the standardization of brand evaluation methods played an important role in spreading the practice (Collings, 2012, p. 61).

The use of brand value as PR measure. For many companies, the fact that the brands are very valuable or ascendant may be of great importance for the investors or consumers. Therefore, many companies use this value as a PR measure, including appearing in business publications such as Business Week's 100 Top Brands.

3. Brand evaluation methodologies

Since brand evaluation appeared as a response to the necessity of introducing their values into the financial reports of the companies, the most popular methods of evaluation are those based on different financial indicators. Three main brands evaluation methods are well known: (1) economic income approach; (2) market comparable approach; and (3) cost approach (World Intellectual Property Organization Study, 2003, p. 1).

Economic income approach. This method is based on projected incomes conversion into a unitary sum, subsequently adjusted based on different factors that lead to determine a final value of the brand. This method is subdivided into:

- A. Relief from royalty method: this method considers how much the owner of the brand should pay for its use if it had been leased with a license from another company. The amount saved by the owner of the brand is combined with the projected incomes of the brand in order to have a final value of the brand.
- B. Excess earning method: this method divides the incomes into tangible actives incomes and intangible ones. First, a tangible actives market value is determined and a standard income is attached to it (between 8% and 15%) for a certain future period. The amount resulted is subtracted from the total value of the existing incomes, the result is an additional earning, that can be allocated only to intangible assets and practically represents the value of the brand.
- C. Price premium method: this method compares the incomes with the respective brand and the incomes from selling the same product, but with no brand or with general brand. The additional incomes from the supplementary price of the brand are the base for determining the value of the respective brand.
- D. Capitalization of historic profits method: this method sums up the recent years profits and multiplies them with a multiplier determined by a series of factors, such as the market position, the market situation and the development possibilities (King, 2003, p. 21).

The first two sub-methods are also the most popular, because they are very transparent and offer a clear differentiation between the incomes from tangible assets and intangible ones. The price premium method has its flaw in concentrating on the price paid by the branded product, which in many cases can be an unclear indicator, because many brands don't focus that much on getting a price as higher as possible, but also on other objectives: getting on various distribution channels, getting large quantities by signing long term distribution contracts which lead to a price diminishing and consequently to a under evaluation of the brand. Capitalization of historic profits method has another flaw: it concentrates only on some factors in the brand's history, with no attempt to project the future of the brand, unlike the first two methods, which

are generally based on some income projections for a certain future period (Salinas, 2009, p. 145).

Market comparable approach. This method is based on evaluating the brand by comparing it with the selling values of similar brands and the use of some different factors based ratios, such as the price – earning relationship. The following sub-methods exist:

- A. P/E ratio method: in this case the brands earnings are compared with the price obtained in similar transactions, determining what the P/E ratio in the respective transaction was and determining the final ratio for the actual evaluation. So, if a similar brand has been purchased for a 4 times bigger price than its earnings – so, a 4/1 P/E ratio, the evaluation will have this multiple of 4 as a starting point in the evaluation process and it will increase or diminish based on other brand's development factors.
- B. Turnover multiples method: a method similar to the first one, used mainly in the cases of companies administrating only one brand and where the purchase of the whole company is intended. Also, in this case similar transactions are studied and a turnover multiple is determined, a multiple which is the starting base for a final one, adjusted as accordingly to other brand's development factors (Salinas, 2009, p. 164).

One of the main arguments against this method concerns the fact that the starting point of this evaluation method, specifically a multiple based on similar previous transactions is an artificial one. In most of the cases, similar transactions from other periods are not exactly identical – there can be different market conditions, maybe an expansive or contractive market or different brands situations: there is an important difference between the price paid for an ongoing developing brand and for a distressed one. Even after determining a base multiple, the price can be adjusted; this base multiple has been artificially determined and therefore has an arbitrary character (King, 2003, p. 21).

Cost approach. This approach is based on brand evaluation throughout determining base costs necessary for the creation of a similar brand and their introduction in an equation which allows for a brand's final value determination. There are the following sub-methods:

- A. Creation costs method: this method is based on estimating the amounts invested in the brand's creation, plus, in the purchase case, the percentage requested by the brand selling company.
- B. Replacement value method: method based on estimating the necessary investment for the creation of a similar brand at the same level of position and market rating with the evaluating brand.

Although quite attractive on the grounds that their basic factors (brand investment) are very reachable and controlled by the company, this evaluation method is not as popular as the economic income approach, because the invested

amounts are not necessarily an indicator for the brand's success. For instance, a brand can be very successful on the market even if small amounts were invested into its development, in which case, relying on the creation costs approach would certainly under evaluate the value of the brand (www.jpggroup.com). There is also the possibility that a not very well ranked brand had very big development costs, in which case the brand is over evaluated. The big flaw of this evaluating method is the lack of a direct link between the financial investment and its added value. A big investment does not automatically guarantee a successful brand, fact that greatly reduces the efficiency of this approach.

3.1. Other brand evaluation methods

The methods based on financial indicators are not the only ones used for brand evaluation. Mainly, market research companies have proposed various brand evaluation methods, based on measuring the behavior and the consumers' position as related to the respective brand. These models include a wide range of measures meant to determine the consumers' perception at different levels: brand's specific features, its relevance, popularity etc. and to provide an accurate image of the value of the brand. Even if it doesn't provide a clear financial value of the brand, the brand evaluation throughout market research determines the consumers' attitude which has a direct and absolute impact on the economic performance of the brand and provides relevant indicators for its market position (Salinas, 2009, p. 164).

The market research evaluation methods' flaw is that it provides only a general and untypical brand value image. Focusing mainly on the consumer's perception, it offers no clear correlation between the market position of the brand and its investments. Therefore a brand can have, according to some evidence, a good market position and consequently a high value, but several financial factors neglected by the research, like the very large investments, can lead to an actual reduced value of the brand (Interbrand, Perrier and Stobat, 1997, p. 35).

For these reasons, the market research evaluation method is not one of the standard methods, but its use is not neglectable, especially on the less mature markets. On these markets, the scarce value of the brands and the lack of transparency in publishing the financial data can turn the market research into a much easier and extremely useful tool in determining brand value.

4. Brand Evaluation in the Public Sector

However, it is really important to understand that, while born out of a need to evaluate commercial brands, the brand evaluation method had become quite relevant and used in the public sector too, especially in recent years. There are several reasons for that:

1. Important actors in the public sectors have started to use marketing and branding to promote some of their assets. It is especially the case of cities which have started to build city brands, or are looking to further promote or increase the value of other assets, such as museums or other city attractions.

2. Public sector entities such as the state are also looking to use brand evaluation methods in order to complete the sale of certain assets, such as state companies.

Thus, brand valuation is used both as a driver for brand strategy and as a value indicator in case of purchase offers for certain public sector assets. The use of brand evaluation methods has become most stringent in the case of cities. The last twenty years have seen a huge increase in the number of city branding projects. Such projects help cities attract tourists, funds, or new residents (Virgo and de Cheratony, 2006). Also, according to some authors, cities with strong brands have an easier time overcoming hard times such as economic crisis (Tschirhart, 2009).

The main premise of city branding is creating added value for the managing organization (the mayor's office, or the local council) by using specialized brand management tools (such as brand strategy). The first wave of city branding projects actually came from middle-sized cities, such as Edinburgh, Glasgow or Bilbao, who started such projects at the beginning of the '90s. The results were very encouraging: after a 10-year period of implementing city branding, Edinburgh became the second most visited city by tourists in Great Britain, Glasgow measured an increase of over 40% in the annual number of tourists, while Bilbao manages to attract annually around 3 million tourists (most due to the Guggenheim museum, on which most of the Bilbao city branding is based) (Anholt, 2003, pp. 23-26).

The successes of these cities in developing city brands that to a large extent brought the benefits of larger tourist numbers and thus better brand recognition for those entities have managed to attract the attention of larger cities, such as Helsinki or London, which also started their own projects. This onslaught of city branding projects in Europe brought the need for the value of such city brands to be properly assessed. Thus, several brand evaluation projects were carried out regarding European city brands.

The most well-known is the 'The European City Brand Barometer', a study created by London-based Saffron Consultants, a well-known brand consultancy. This study ranks 72 of Europe's largest cities based on a comparison of their assets and attractions against the strength of their brands, a variation of the excess earning method. The study (unsurprisingly) finds that Paris and London are the top two cities, while Bucharest is only the 44th (Pike, 2011, p. 51).

Such efforts are not only confined to Western European cities though, since some cities from Asia have also followed suit. Once again, it's the middle-sized tourist-oriented cities that are starting such projects first, with the notable example of the Chinese city of Rizhao, a seaside city in China, with many fine resources such as the coastal deep harbor, the seashore sand beach and its University. After starting a Rizhao city branding project in 2005, the success was such that in 2008, according to the author Qingjun Wu, a brand valuation project showed that the city brand for the city of Rizhao had already become the biggest intangible asset of the city (Wu, 2008). Thus, it is not unconceivable that, just as in Europe, bigger cities in China and indeed Asia will follow suit and develop their own city branding projects and, consequently, brand valuation on their cities' brands.

Another area of importance for public sector institutions is the use of brand evaluation methods in order to complete the sale of certain assets, such as state companies. This practice has been met lately in developing economies, where the opening of these economies to foreign investors has brought about a lot of privatization of state-owned companies. While a lot of these sales have been completed based on the value of assets owned by the state-owned company, a lot of state-owned companies have been looking to better measure their own value by using brand evaluation methods.

Such an example is the State Bank of India the largest state-owned banking and financial services company in India, which has carried several branding initiatives for the last 5 years, aimed at increasing its value. As a result, a brand evaluation of SBI's brand in 2010 showed that its brand value had tripled from 1.4 billion dollars in 2005 to 4.5 billion dollars in 2010 (Rewari, 2011).

Another example is that of PetroChina, the biggest state-owned petroleum organization in China, which has at various times been in partnership or outright sale negotiation with several foreign companies. For the last ten years it has been developing a very ambitious branding strategy. As a result, a branding evaluation project developed in 2011 showed that its value had risen to 11 billion dollars, making it the fifth biggest petrochemical company in the world by brand value (WPP Annual Report 2011).

Several conclusions can be drawn from this. First, that city branding and brand valuation projects are not adequate only for big cities. Middle or small-sized cities can have just as much success by running such schemes, and the public institutions usually running these cities should try to explore them more. Second, brand valuation is not accessible only to 'first-world', well developed areas. Smaller cities from developing countries can and should develop their own city branding and brand valuation projects, since they are proven methods to increase the value of the assets under their administration. Third, state institutions that are involved in the sale of state-companies can increase the value of their companies by running brand evaluation projects, in order to show the value of the intangible assets that the company holds.

Thus, Romanian public institutions should also increase their activities and look more into developing city branding and brand evaluation projects. Actually, some of them are already looking into that, along with Romanian private companies, as it can be seen in the following chapter.

5. Brand evaluation in Romania

The local and foreign brand evaluation in Romania is still at an early age, with very scarce activity in this area. Among the causes are the reduced dimensions of the specialized market in Romania, at the existing brands level and at the low level of merges and purchase of companies in Romania.

The number of transactions over 100 million Euro, the type of the transactions that involve complex procedures as brands evaluation, is very low, under 25 from 1989 until now. Moreover, most of these transactions consist of a foreign company purchasing a Romanian one. In this situation, the foreign company will call a foreign evaluator.

The situations in which a local company is purchasing another local company in a big transaction are very rare, even though this kind of transaction would help the creation of such brand evaluation by Romanian specialized companies (Bâra-Iacob, 2011, p. 10).

Another issue is the low transparency of the financial situation of most of the companies. Since the Romanian law does not require the severe separation in the balance of the expenditure as compared to the Western legislation, it is very difficult to evaluate a brand based on financial indicators. Only the companies that keep accountancy records in the Western type can have this kind of evaluation, but their number in Romania is very low.

Even so, some of the Romanian branding companies have launched brand evaluation instruments. Such is the case of Brandient and D&D Research which have jointly launched a brand evaluation instrument based on relief from royalty method, combined with the projected sales for the next 4 years and the market growth perspectives. In base of that, in 2006 Business Week Romania made a top of the 50 most valuable brands. Dacia ranked number one with 384.7 million Euro estimated value, followed by BCR, 355.6 million Euro and BRD with 208.3 million euro (Vrînceanu, 2006, p. 3).

In immature market conditions, market research brand evaluations are more common. One of the most complete is the Reveal Marketing Research's Brand Rate which surveys the Romanian urban population perception of Romanian brands, offering a quite complete image of their market performances. Even if there is a surveyed brand rating indicator, this is only a helping tool for rating the market brands, not a complete instrument providing financial indicators as well (Wall Street Romania, 2008, p. 9).

Among the attempts of ranking brands there is Unlock Market Research's Top 50 published in September 2011 by Biz magazine. This classification, where Borsec ranks first, followed by Poiana and Kandia, is also based on the same principles of market research, survey of consumers' perception, with no financial data correlated with the market performances of the companies. In fact, as stated by its promoters, 'this classification is not of the results, but of the potential' (Diță, 2001, p. 11).

Therefore, the brand rating in Romania is at the same level with the market's level – very low. Its improvement will not be possible unless certain conditions are fulfilled. Among these is the restart of the economic growth, the only phenomenon capable of re-launching merging and acquisitions, basic activities for brand rating. In the same time, adapting financial Romanian legislation is necessary for the transparency of the local companies in order to complete financial projections and costs decrement and investments acceleration for developing brands in Romania.

When it comes to the Romanian public sector, brand evaluation activities have also been at a low level. The most active seem to be public institutions managing Romanian cities. The Western trend where smaller or middle-sized cities are the ones that are looking to do city branding first also seems to hold true in Romania. One of the first cities to put city branding and brand valuation on the city council's agenda was Blaj, which discussed the matter in 2006, but without pursuing the matter further. It was Alba-Iulia, another middle-sized Romanian city that launched, in 2010, its new city

brand: *Alba-Iulia. The Other Capital*. The project, coordinated by the Mayor's Office, included a chapter regarding brand evaluation, to be carried out in a few years' time (Stanciu, 2010, p. 4).

Recently, other bigger cities in Romania have been looking to develop their city brand. In 2010, the Mayor's Office of Cluj-Napoca held three public debates on the matter and several organizations presented branding proposals. As a consequence, a small branding committee has been set up and has voluntarily worked for more than a year in order to decide the best fit direction for the city branding. However, that project is undergoing with no final results as yet (www.newmediainstitute.ro). As pressure grows on Romanian cities' management to increase the value of their assets, their future endeavors regarding city branding and subsequently brand evaluation more likely will become less timid. At the moment however, these efforts are quite few and far between.

Regarding the use of brand valuation in order to increase the sale price of state-owned companies, there's no data regarding the usage of such methods by Romanian authorities in their negotiations with foreign investors. Neither the sale of the biggest Romanian state-owned company, Petrom, to the Austrian conglomerate OMV (the biggest sale of Romanian state-owned assets to date), nor other such acquisitions of state-owned companies have taken into account or made efforts to measure the brand value of said assets. That has most likely resulted into under-valued offers for Romanian state-owned companies, something that should be taken into account for future negotiations between the Romanian state and interested parties.

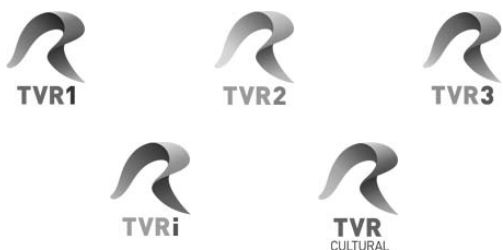
5.1. Rebranding the Romanian public television – a challenge worth taking

The Romanian public television is probably the only public institution in Romania that really undertook a rebranding initiative. The process started in 2003 with an official call for proposals from Romanian branding firms. That was however a failed endeavor, with none of the proposals found satisfactory. As such, the process was restarted in 2004 with a thorough analysis on the impact the former brand had on the audience. The conclusion was that the public television used to be seen as being too official and too distant. But above this, the old brand lacked coherence. More specific, TVR looked like four unrelated entities by having TVR1 handling news, technology and social issues, TVR2 doing more personal and family programming, TVR Cultural dealing with art and TVRi (international) drawing from the other channels to broadcast. TVR definitely needed to be better understood and to have an appreciated image, and this was possible only by creating a clearer and stronger brand.

First of all, there was the decision to create two more channels specialized in news (TVR info) and in local information – TVR3. Another step to achieving the objectives was to emphasize the letter R like a brand umbrella. As the process went on, the decision was taken to choose as branding agency the firm English & Pockett, a British agency that was specialized in TV station branding. This firm had a very impressive portfolio, being the firm that had created the Discovery, Animal Planet and UEFA

Champions League brands. Also, the whole process was overseen by a Romanian branding agency, Brandient, which consulted with the TVR management on strategy and on which were the best proposals to be chosen among the existing ones. Thus, this was one of the first cases in Romanian branding history where a public institution used a renowned international branding agency to design and re-brand its new identity, with the whole process overseen by a different branding entity, thus using a much more refined branding process than any public institution and indeed more refined than most private companies too.

One of the main contributions from English & Pockett was to bring up the R letter strong, clear and visible, like a brand umbrella. It helped rebranding the entire nation by increasing public awareness, respect and support for the public television.



Also, the new brand brought up a newer, more modern design language, by abandoning the rectangular, traditional shapes of the old TVR logo, in favor, of round, swooping lines that enhanced the impression that TVR was opening itself up to a new, more modern and contemporary public.

While the main TVR channel, TVR1, used a chromatic palette reminiscent of the Romanian flag, the other TVR channels logos used different colors to individualize their own character, with more sober chromatic palettes for the news station and more vivid ones for the cultural stations. That shows the re-branding chose to enhance each station's individuality through the colors used in their graphic identities, while showing that they belong to the same family of brands through using a common logo shape.

The brand does not refer only to the image seen, but also to the spoken or unspoken message delivered. And the brand of the public television covers this aspect too. English & Pockett came up with a brand concept that is commonly known as *Forward looking*. Thus, the brand is supposed to look not just after the brand's current public, but also try to anticipate and meet the needs of a new, more modern public, thus extending the reach and target audience of that brand.

For instance, TVR1 logo became *The image of your days*, as referring to contemporary events means opening to the world and to what the world is expecting from you. To be contemporary means to belong to something, to be a part of the world around you and to care for its needs and expectations. From this point of view, TVR1 started being seen as caring and socially involved/active. The tone of voice was fresh, original, simple, elegant, natural, credible and self-confident. The target referred to over 98% of the Romanian people, from all social layers, no matter of sex, religion, age or location.

TVR2 on the other hand, turns towards individuals, being a positive, optimistic, warm TV channel, covering over 70% of the national potential audience defined not by demographic elements, but by attitude. The tone of voice is accordingly warm, optimistic, and relaxed.

Preferred by highly educated people, TVR Cultural has an elegant sophisticated and stylish tone of voice. It addresses to a very special audience as it refers to the psychological criteria.

Last, but not least, TVRi seeks to capture the international audience by adopting a professional, but positive, deeply Romanian tone of voice.

The result was an obviously increased visibility, a more active presence on the social stage and, eventually, a larger audience. The success that was Romania's public television rebranding goes to show that branding and re-branding processes are just as accessible to public institutions as they are to private companies, bringing tangible benefits and extending their brand's reach over their usual audience.

6. Final conclusions

As the pressure grows on public sector institutions to increase the value of their assets in order to extract better sale prices or be able to attract financing or to justify the way budgets are spent in front of their voters, it is only normal to assume that branding processes and brand evaluation methods will become much more common.

That is mainly because the use of such processes has two main advantages: (1) they are intensely focused towards increasing and measuring the value of the assets they are being used on; (2) they are based on very clear, mathematical grounds, which allows for standardized use, on a wide variety of objectives, and helps these institutions to be much more accountable to their stakeholders.

At a time when the public's confidence in public institutions is plummeting against the background of corruption stories run by the media, large-scale usage of brand valuation methods such as these could do a lot to restore the public's confidence. Brand valuation methods are based on very clear standards, and they are aimed exactly at offering a very clear picture of how the policies regarding the promotion of a certain brand or asset have worked, which is the current value of that asset, and hold accountable to people who have designed and implemented those policies.

Also, these are not just theoretical models, but practical models that have been used, as shown in this article, in the private corporate area. It is exactly the proven efficiency of such methods that have led to them become the golden standard for the way private companies are measuring the value of their assets and conduct their policies. It is only normal, then, and also our recommendation, that public institutions decide to lead towards the large-scale adoption of branding and brand valuation methods towards the promotion and measuring of their assets. On the long run, this will help public institutions achieve the following goals:

1. Design and implement their communication strategies and policies based on clear figures and values and having the possibility to conduct result measurement;

2. Become more accountable towards their stakeholders and show exactly how successful their communication strategies and policies have been;
3. Help them extract better value out of public assets and thus complete the sale or privatization of assets such as state companies at better prices or under much better terms than at present.

As shown above, certain institutions from the developing world (especially in Asia) have already started using such processes, but a wide-scale adoption in other developing countries has yet to happen. Such a thing would be especially needed in Romania. While we have shown in this article that some Romanian cities have made tentative steps towards using branding, there are no standards or general policies designed to bolster their use. However, there are many factors that, when taken into consideration, make it very clear that the large-scale usage of branding and brand-valuation methods should be adopted by Romanian public institutions.

First, more convergence is needed with EU models regarding branding and brand valuation, so that by aligning themselves with such practices, public institutions find it easier to attract financing and increase the value of their assets. Second, the drive to weed out corruption and bring in more accountability regarding the way public institutions spend their budgets definitely calls for processes that can be easily standardized and are based on very clear facts and figures regarding the assets that are the object of any policy. Third, in an era of growing austerity, shrinking budgets and growing pressure on public institutions to maximize the efficiency, especially when it comes to the management of public assets, the use of branding and brand valuation methods can only bring gains and help these institutions manage their budgets better. Thus, we believe the large-scale adoption of branding and brand valuation processes by Romanian public institutions to be of the utmost importance, and a policy that should be introduced as soon as possible.

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