

BRANDS IN THE EVOLUTION OF LOGISTIC ACTIVITY

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ABSTRACT

Logistics represents one of the notions with large usage nowadays. In the theoretical field, logistics is on the way to become a global scientific implement which is desired to achieve the implication of the informational flow of materials and processes. From the logistics of marketing to the institutionalized logistics, the science of logistics is going to become a brand new way of thinking for people, with deep important roots in the structural and functional aspects of the socio- economics systems. The brands represent an interesting subject for the marketing and management of the companies also for the management of the public administration. Brands express the ideas that place and develop into people's mind about the products and trade marks characteristics. Brand is the connected promise that favours a good relation between the product and the consumer. The brand always follows great trade marks and products. These assure one desired reality. If reality does not correspond to expectancy, any brand idea ends in failure.

KEYWORDS

Management, Logistics, Global Logistics, Brand, Economic Good, Trademark, Affective Background

INTRODUCTION

For the last 10-15 years, the opinion is that management, efficiency and logistics are the notions most widely used in the mass-media, current language, in numerous works of economic studies, which various scientific activities are dedicated to, some of high prestige. By the frequency by which they are appealed to, these three notions have actually become true symbols in appreciating the general and particular contemporary development. Essentially, at the level of any human activity, the management – understood as essential means of using the human resource, logistics – seen as an assembly of higher integration of energetic flows to stabilise and adjust the social processes, and efficiency – accepted as action and hope to manage the costs form the trinomial according to which every item can be assessed whether it is well done or not. Although there are obvious interconditioning relations between the three, management and efficiency have enjoyed great theoretical and practical attention, while logistics has only been trying since recently to find its place.

THE EVOLUTION OF THE CONCEPT OF LOGISTIC ACTIVITY

By simply reading the daily press, we increasingly encounter phrases such as: didactic logistics, the logistics of a counsel, meeting, assembly; the logistics of a highway; the logistics of enforcement officers; logistics of offenders; party logistics; logistic strategy; logistic plan; logistic effort; global logistics; national logistics; group logistics; hospital logistics; military logistics, enterprise logistics, logistic management, etc. From the very beginning, we are forced and accept an accomplished matter: logistics is a widely used notion, which suggests something common to all social activities. This is why at least curiosity urges us to ask ourselves how logistics appeared, to see how it evolved and especially to understand where it is heading.

Dictionaries present LOGISTICS as a noun with its origins in the word LOGISTIQUE in French, expressing the “art of computation or symbolic logic” [1] or forming a “branch of logics which investigates and aims to apply the mathematical methods in the field of formal logics in electronics, cybernetics, linguistics, etc.” [2] There are however many materials which consider LOGISTICS as a notion which developed from the Greek word LOGISTIKOS, defining someone skilled in making calculations.

From the dictionary Nouveau petit Larousse, it results that LOGISTICS has two meanings: first of all, of mathematical logics, part of modern logics such as combinatory action and, second of all, that of part of military art dealing with the transportation and revitalisation of armies. [3]

Ec. Mihai Korke, PhD, in the article Timpul – factor de optimizare a activităților agenților economici, considers that: “In the second half of the 20th century (LOGISTICS – n.s.) enters the civilian life to solve the issues of supplying the US markets which are at large distances from the industrialised North-East”. [4]

However, two-three decades ago, Romanian economists frequently used the term LOGISTICS which was understood as “... a complex of activities, including handling, transporting, sorting, storing the products, forming the commercial assortment, preparing and executing the orders, with the purpose to physically move the product from the manufacturer to the end user at the lowest costs incurred by the distribution process”. [4]

Starting from the essential content of logistics in the marketing field, to provide the physical movement of the product from the manufacturer to the end user at the lowest costs incurred by the distribution process, some researchers use more and more frequently the concept of INDUSTRIAL LOGISTICS [5] which means to optimally dimension the flows of materials, managed by an organisation and the operations related to these. We are to take into account the decisional order optimum, as well as that of physical instrumentation – to store, sort, handle, transport, etc. This approach of LOGISTICS leads to a change in the conception by means of which the operations related to the MARKETING LOGISTICS – storing, sorting, handling, transporting, etc. would not help the increase of the product value by a new one reasoning that the value of a product is closely related to its occurrence at the time and place required by the consumers. As such, logistics is actually the philosophy of production and customers' satisfaction, expressed by the formula “Just in time”. Lacking this synchronisation obviously leads to a decrease in the value of using that product, with major implications on the overall costs.

As such, LOGISTICS is increasingly perceived as a science of the future, which shall have as study objective to optimally dimension and correlate the flows of information and goods, in order to provide the permanent adaptation of the enterprise to the frame conditions of the market economy. LOGISTICS increasingly aims at the decisional aspects, becoming a component of the enterprise management. The scientific determination of the moment when a product needs to be in every point of the production and marketing chain, it is considered that it underlies the image of modern logistics.

This is why more and more specialists in the economic management forecast that the next period shall “... mark the ascension of LOGISTICS at a large scale, the specialists considering it as an essential condition of competitiveness in the current economic relations... a managerial tool, a technology of synthesis, coordinating the tasks of supply, manufacture, marketing, industrial management, after-sales performance. The basic rule of logistics imposes the principle according to which the amount of local optimums is not equal to the global optimum. From this point of view, the logistician appears as an orchestra-man or as a chief of state ...”. [6]

John Gattora, considered as a world authority in LOGISTICS, stated: “Until not long ago, many made the mistake of associating LOGISTICS with the distribution of finished products – meaning with the last stage of production. From this point of view, he has ignored the role of logistics in managing the internal flows of raw materials, subassemblies, patents of parts and packages ... This physical flow is accompanied by a flow of information in both directions, which represents the operation frame of the logistical function” [7], and the “logistic manager is the only person in the company responsible for managing all flows of information and materials, starting from the design of the product to its use, taking into account the interactions of these flows. This position gives the manager of the logistic department the opportunity to assess the company's ability to meet the expectations”. [7]

Currently, many of the ideas shown so far are already a reality. While some enterprises have in their flow charts functions or compartments of logistics, all those enjoying the success increasingly consider logistics to be a managerial function, responsible for the product, place, time synchronisation, leading to the overall optimisation of the activities to maintain the company in the competitive environment.

But the vision about LOGISTICS did not stop here. Thus, answering to the question “What is LOGISTICS?”, Professor Bernard Helmut Kortshac, PhD, from the Economic University of Vienna, stated that LOGISTICS „... makes a complex description of the interaction based on the division and specialisation of work between elements, functions, compartments and enterprises, between national and international, under the conditions of transforming the seller's market into a purchaser's market”. [7] Following his answer, the distinguished professor brought arguments towards understanding LOGISTICS as science and tool to optimise the efforts in the most various fields: transportations, operation of hospital, removal of waste resulted from any activity, in conquering the space, business negotiation, going from the enterprise's logistics to the national logistics, from European logistics to the global logistics.

Moreover, in his paper “Logistica instituțională și structura câmpului politic”, paper presented at the Romanian Sociological Association within the symposium “Romania in 50 years” in Sinaia, in 1992, the famous Romanian sociologist Ilie Bădescu said that science generally must gather those types of abilities by means of which it can control space and time, but exactly the creation and accumulation of these abilities “represent the main concern of LOGISTICS in the field of each science”. The control through science on the extent and time was unimaginable within traditional sciences. It has become possible thanks to the synthesis between LOGISTICS, INSTITUTIONS and COMPUTER.

For Ilie Bădescu, the English terms C.I.M. – Computer Integrated Manufacturing and C.I.L. – Computer Integrated Logistics represent the stage of computerising the logistic operations.... Currently, science acquires powers equal to those of religion and philosophy, meaning it can control or even intervene in the succession of temporal sequences, transforming the successive temporal sequences into synchronised sequences and therefore simultaneous or even reversible. By joining the computerised logistics with the institution, the logistic management or institutional logistics resulted. By this unification, a new power appears in the society, which is different from the political one and it is the power of managers. Essentially, Ilie Bădescu considers that: In terms of logistics, there is a transit nowadays from the small institution to the megalithic institution, which even the very powerful national states cannot control anymore.

Generally, LOGISTICS has evolved and from the moment when it has incorporated science, being responsible for the efficient operation of any social system, GLOBAL LOGISTICS has become a political tool. It spreads and extends just like a religion, but it is undoubtedly at the service of a political institution. [8]

Global logistics suggests and constrains the social groups to efficiently and harmoniously perform all activities. That who does not obey these commandments is removed from the competition.

Actually, GLOBAL LOGISTICS [9] has its source in the literature dedicated to multinational companies which justified their existence by globalising the demand, so that GLOBALISATION would shortly pass from this narrow meaning to being identified nowadays with a new phase of the world economy, “THE GLOBALISED ECONOMY”, a kind of “Procrustean bed” for national companies and economies.

By an appropriate logistics, financial globalisation is an accredited fact. Is it possible to talk in the same way also about the essence of production and trades? We have to accept that three-four decades ago, the economy was international because it expressed the interaction of some processes which were especially performed at the level of state-nations. Nowadays and for the next period, we are witnessing a process of economy GLOBALISATION, where the national economies are disjointed and rejoined based on some functional LOGISTIC constraints, directly operating at an international level. Consequently, some governments partly lose their prerogatives of influencing the national economic developments. On the other hand, the territories subject to the globalised economy model become increasingly interdependent, so that they show synchronous developments, with homogenisation nuances.

Certainly, GLOBAL LOGISTICS catalyses the processes of GLOBALISED ECONOMY based on certain global economic purposes. But, beyond the beneficial trends, ECONOMIC GLOBALISATION is accompanied by: the globalisation of the local and regional chronic phenomena: globalisation of the great organised crime responsible for drug trafficking, weapons, etc.; radicalisation of fanaticism of ethnical or religious origin, particularly terrorism, etc.

Internationally, GLOBAL LOGISTICS is the engine of all globalisation actions. But this process can be beneficial or evil. It may be beneficial to the extent where it allows those countries deemed as peripheral to integrate into the process of development, to equally participate in redistributing the wealth, to develop their own democratic life.

Certainly, in these moments, globalisation cannot be characterised by applying these commandments. Just like any powerfully germinal seed, international global logistics, respectively globalisation, needs a politically, socially and last but not least economically well prepared land, the transformations being conditioned by a genuine national will. On this land, ecological, political, urban, didactic, military and other logistics is cultivated.

Territorial, national and especially international GLOBAL LOGISTICS, as companion of globalisation, shall enhance the process of multilateral integration, resulting in the removal of economically low performance enterprises.

However, theoretically, [10] LOGISTICS is about to become a global scientific tool, available to the social structures, by means of which it is aimed to harmonise and flow the information, materials, processes, etc. - with the purpose of performing all activities at the lowest costs and largest effects. As such, it should not be a surprise anymore that more and more logistic research and design institutes appear, more and more logistic symposiums are carried out, more and more logistic subjects are studied in higher education, more and more logistic bodies and compartments are imposed in the practical activity.

Under the current conditions, the discussions about brands have become increasingly insistent. Even for the uninitiated ones, phrases like "such product is a budding brand" or "the brand approved by my friend is a famous brand" have become everyday phrases.

Certainly, the products are perceived as goods and services resulted in the context of economic activity, designed to meet certain needs. As economic goods, the products simultaneously meet the following three essential conditions: they state a mutual correlation between their tangible features and consumers' needs, based on which the degree of covering the social needs is assessed; under limited and relative time and place conditions, they are less than social needs; they are fully intended for exchange, their economic achievement fundamentally depending on the actual conditions of the market. This is why the economic products could generally be defined as: "...anything that can be provided on a market to capture the interest, purchase, use or consumption and which can satisfy a desire or a need". [11]

Throughout the historical development of mankind, along with the permanent diversification of needs, the technical possibilities of producing relatively similar goods have also developed. As such, both manufacturers and traders needed to understand that: "...the new competition is not performed between what companies produce in their factories, but in what they add to the product resulted in the form of package, services, advertising, financing the conditions of delivery, storage and other similar things valued by consumers" [12]

As these aspects have become more numerous, in order to protect their own products considered of quality and in order to assist purchasers interested in buying products of certain commercial features, for a single commercial differentiation, manufacturers and consumers were forced to turn to the institution called brand.

In relation to what is aimed, the brand can fulfil, as applicable, functions of: differentiation, guarantee of quality, organisation of the market, monopoly, promotion, consumer protection, manufacturer protection, etc.

For the entire world, the brand is a manufacturer's or seller's promise to permanently provide the purchasers products that express products specifically differentiated from qualitative features and essences. Generally, any brand is associated to the following meanings in various degrees, thus: the features of the product, the advantages provided by the product, the general values appreciated by the manufacturer and which are incorporated into the product, manufacturer's general life conceptions, the suggestion of a certain personality related to the product, suggestion of a certain idea induced to the environment by using the brand, etc. The deepest meanings of any brand have to do with the suggested values, conceptions and personality, all of these forming together the essence of the brand.

Although costly, marking provides the manufacturer or seller with a set of advantages, which make it assume the costs of marking actions, because: processing the orders is facilitated, clearly localising the possible problems arising from dissatisfaction and complaints is facilitated, the brand represents the legal way of protecting the unique features of the product, features which, as the market has proven, can be easily copied by the competition, promote the reinforcement of some particular relationships with the customers, simplify planning and performance of specific actions of marketing and promoting the products and brands, enable the formation and development of the company and product image, provide the opportunity of a just segmentation of the market, etc. But the infinite diversification of products began to lead to an appropriate multiplication of brands. In the world of brands, even in Romania, extremely interesting trends may be noticed, thus: "The situations of breaching the intellectual property rights have enhanced, both at the level of trademarks and of copyrights, which has implicitly resulted in an increase of the number of lawsuits.

For several years now, the production and trading activities, especially the marketing ones, focus on the idea of brand. At the rhetoric question on the brand, the famous brand manager, Allen P. Adamson, noted: "it is something living in your head. It is a promise which links a product or a service to the consumer. Whether it is about words, images or emotions or any combination of the three, brands represent mental associations which are triggered when you think or hear about a certain car, jeans, bank, drink, TV network, organisation, celebrity or even country". [13] In essence, the brand is not only the mark, but what is ideationally and subjectively-affectively left in the consumer's rationality and affectivity, after they purchased, consumed or used a certain product. Consequently, a generic product or a marked product becomes a brand only to the extent where it is purchased and in relation to which the consumer develops reasons or emotions meant to result in repeating the purchase, the use, etc.

As if trying to reinforce what has been previously shown, for William J. McEwen, also a great scholar in the field "Brands are not simple names used by companies to render identity to the various products or services... Brands identify, define and express the experience of using the specific products and services, which the consumers come into contact with... Brands are also the dance partners, the beings which some consumers sometimes form significant and mutual relations and even sentimental relations with... they are everywhere. They cannot be avoided: brands of cars, breakfast

cereals, jeans, laser printers, legal companies and food stores. It is required that all are to be observed, often simultaneously, trying to attract the consumers, an attempt which every brand hopes to transform into a lasting and meaningful relation... Prosperous brands provide a reward to the consumer, regardless whether it is tangible or intangible, rational or emotional. They do this every time when the customer turns to that mark. [14]

For a brand, the integrated assembly of images, words, symbols, feelings, memories, etc. must make an important differentiation between the tangible and intangible features of the product, the differentiation must be significant, must be relevant and able to be rapidly recognised.

The same management should also pay attention to the fact that differentiation for the sake of differentiating does not also lead to a commercial gain.

CONCLUSION

Starting from a curdled set of knowledge to an assembly of behavioural skills and until acknowledging the operational logistic systems, it is possible that the LOGISTICS OF ORGANISATION would materialise in the consciousness of branches, in a new way of thinking, called the logistic way of thinking.

Such a way of thinking designs the organisation as a system where information, materials, technical equipment, etc. are processed and where the inputs must be thus managed so that the overall results would be optimal. In this way, the narrow vision of compartment is exceeded, each micro- or macro-structure being analysed in active correlation with all the rest, thus ensuring the harmonious performance of the whole, which is the organisation itself. Thus, the economic thinking focused on the compartment is incorporated into the process of harmonising the whole through a logistic thinking, each compartment doing what and when needs to be done at minimum costs or with maximum results. Therefore, LOGISTICS has been, is and shall be perceived in different ways.

In the last period but, especially for the years to come, LOGISTICS is about to mark our organisational thinking and culture.

Aiming the relation of the brand with the customers, the management in the activity of logistics traverses the following major steps: the marketing promises of the brand, the connection of the brand with customers, management of an attractive experience in using or consuming the brand, management of a consumers' durable relation with the brand, etc.

The result of such a process is materialised into an emotional attachment assembled on four components: trust, integrity, pride and passion.

Trust and integrity are the essential foundations of a relationship with the brand.

They represent the consumer's beliefs regarding the performances of the brand, as well as regarding the competences of the company to keep its promises about this. Trust and integrity reflect the customers' opinions about the product and about how the company treats its purchasers or users of its products. Pride and passion reflect something even more important: the influence which the company's attitude has on the customers' feelings.

Such an emotional attachment is built in time, by reinforcing the trust in the features of the product, by daily expressing the integrity, by reinforcing the feelings of pride and stimulating the passion of consuming or using a certain brand. But all these steps in creating relationships between the brand and the consumer are only possible if the manufacturing or trading company sincerely falls into the requirements of qualitative performance.

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