

Marketing Intangible Assets, and Credit Ratings, an International Evidence

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Abstract

"This paper aims to determine the relationship existing between the intangible assets and the cost of debt. In our study, which we conducted in 20 years, including 700 companies existing in 26 countries to construct our sample. The main purpose of our study is to highlight the importance of Intangible Assets and how they can affect the interest rate. To do so, we decided to apply a Probit regression analysis. In fact, there is a robust proof that shows the positive impact of taking care of IA on the cost of debt, and on the credit terms provided by financial institutions (Banks for example) . That is to say, enhancing the non-physical assets, increases the company's chances to get better credit terms. Our study will be the first in term of analyzing this impact, and we will try to show at what extent the relationship between IA and the cost of debt can be positively related (Increasing the IA leads to the increase of the cost of debt)."

Keywords: Credit terms, Intangible assets, Interest rate, Credit terms.

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