

The Essence of Brand-Relationship Based on Innovation

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Abstract—The essence of corporate competition is to compete for brand control. By analyzing the connotation, meaning, and several influential theories of the brand, the paper reveals the internal and external relations and the construction principles of the essential elements of the brand. It shows that the basis of the brand is the concept of corporate culture and products and the way of development is from product innovation with Contemporary technology. The essence of the brand is interactive relationship between a group of products and consumers. This study aims at giving an alert or reference to the majority of managers in small and medium enterprises and some aspiring independent entrepreneurs.

Keywords: *brand, constituent elements, products innovation, consumers, substantive relationships*

I. INTRODUCTION

The construction of a famous brand is a system project. It has larger connotation and denotation, involving national and international environment, economic policy, folk culture, history and culture, science and technology, which is result of a variety of complex factors working together. In the recognition and understanding of the brand, people from all walks of life generally recognized that the enterprise competition is all-around, regardless of geographical, time, language, etc.

II. BRAND OVERVIEW

Enterprises maintain the relative advantages in the market environment of fierce competition, if there is no good corporate image to win the trust of the audience, it is difficult to imagine how enterprises to retain users. While, if the enterprise wants to draw the difference between each other, it have to rely on the identification tool - Brand. Therefore, superficially, the competition between different enterprises is that the image of the brand in the minds of potential users. However, why A brand will be able to stand out in the same industry N multiple brands, and why its reputation, user goodwill, user evaluation is better than the B brand. To uncover this mystery, we must start from the elements of the brand system and restore the bottom of the brand of the underlying elements which determine competitiveness, then, uncover the essence of the brand.

A. Brand Definition

For a long time, the relevant agencies, the advertising industry and the business community have given many definitions from their respective perspectives about brand: Describe the brand in the Oxford dictionary: "Used to prove ownership, or as a sign of quality and some other uses[1]", that is used to distinguish between its kind and prove its quality. David Ogilvy (1955) defines the brand: "brand is an all-encompassing complex, which is combined by the series of factors such as goods, prices, reputation, image, advertising, etc." Marketing Authority P Doyle's point of view: "the brand is the name of the product + the company of visual symbols, in order to show different from other commodities[2]." Describe by another influential scholar P. Feld Wick[3]: "the brand is an exclusive symbol of legal effect and its derived influence, which belongs to the intangible property of the enterprise[4]." Feld Wick emphasizes something other than a trademark that covers the power of all non-material enterprises associated with the logo: Logo is part of the brand, and the brand is a symbol of the wealth of enterprises. It covers the scope of a new expansion, resulting in the understanding of the essence of the brand taking a big step forward. Some other scholars argue that the external measurement indicators of the spill over of the competitiveness of the enterprise. The main body of the measurement is consumers, which is a kind of "answer" or "evaluation" of whether consumers satisfied with the product of the brand and its quality of service. Consumers express the goods of goodwill or hate of product in the psychology and emotion, which solidifies into the brand in concept.

From the above point of view, the brand has multiple meanings. From the point of view of symbol, it is a combination of factors such as enterprise name, logo, symbol or design, etc. whose purpose is to expanding the distance against other enterprise products or services. The most basic brand meaning is taking the enterprise's products or services as a visual symbol, which is vividly described as a banner of the enterprise by some people. Modern marketing thinks that the deep meaning of the brand is that the brand is a comprehensive reflection of all products of the enterprise, which not only is the difference between the products of different enterprises, but is a potential wealth which reflects the enterprise's future potential and is as the public on the company's future expectations. Therefore, the brand which should be a combination of tangible visual symbols and invisible emotional

identity is an indicator that reflects the core values of enterprises and their competitiveness, belonging to the spillover effect of corporate assets. The more stable performing of the quality of this brand product, the user is more trusted in the brand, in other words, they have become a brand of psychological believers. Some people think that “the relative stability of the distribution of goods and its scale determine whether the existence of a certain brand be or not in a certain market range”. In other words, the degree of recognition of the market determines the formation of brand management and efficiency, and there is no brand recognition degree before obtaining a certain stable market share, which is the theory of brand market reaction.

B. Theory of Brand Market Relationship

China National brand strategy leader Ai Feng pointed out that the brand is a connecting relationship between the enterprise and the market[5], which can be recognised as a rich ore, and the more developed the more endless. According to this idea it can be further applied to the product level. There are always a number of enterprise product the same kind of products. Therefore, the product is the carrier of this trust and the trusted receptor. The consumer has a relationship with the product. If the relationship is good then the logo symbol representing the product rises to the brand in the mind of the consumer. In contrast, when the relationship is weak or negative, it will not being symbol of a real brand. Only if product is good and welcomed by users, having market based, it can continuously provide nutrition for the brand. From view of this point, the essence of the brand is the relationship between the product and the user, which represents the user's trust, longing and charm of the product. The better products, the stronger the competitiveness, the greater the base of its user. It represents the more powerful for the vitality of the brand than others. As can be seen in the picture, the product cannot become commodity without advertising photosynthesis that is the medium of communication between the user and the product.

C. Brand Culture Theory

Scholar Chenfang argues that the innovation is in front of the brand, the temperament is above the brand, the service is under the brand, the image is on the surface of the brand, and the core of the brand is the quality, some Culture is behind the brand, sustainable brand depends on management[6]. It points out that the essence of the brand is a comprehensive concept of integrated culture, and the market competition among the brands is concentrated in the competition of culture. Here, is the excavation of the relationship between the surface layer and the bottom, as well as services, quality, culture, management and other elements, especially the concept of cultural integration, cultural competition, etc.

D. Brand Process Theory

Some scholars take brand as a dynamic process, through the basic elements of constitution of interaction to perform, the process including brand positioning, brand design, brand marketing, brand management, etc. For example, from the product point of view, the process can also be understood as

product positioning, product design, product production, warehousing and transportation, advertising marketing, consumer experience, market evaluation, brand management of the whole life cycle. The process theory can make people realize the generation mechanism and ecological growth of brand system.

E. Quality Reputation Theory

Hurun private enterprise brand list evaluates the brand mainly by visibility and sales, so that the evaluation method is too simple to achieve rigorous ranking. Brand is not a simple visibility or sales ranking, but the quality and credit as the premise, for consumers to identify the product and service differentiation advantage. This kind of advantage includes the function difference and advantage of product and service. As the advantage of difference, it means that the products and services are better than the rivals, which can bring more value to the consumer. Visibility is only one multiplier, while the differentiation advantage of the product and service is multiplicand. When the quality of the product or service is good, good reputation, differentiation advantage is positive. Under positive conditions, the greater the multiplier, the greater the visibility, the greater the market for products and services. When the quality of products and services is poor and poor credibility, differentiation advantage turned negative. In the negative case, the multiplier is more known, and then the more notorious it is. The Melamine incident Occurred in China in 2008 is a typical example that the product quality and the credibility change into disadvantage of differentiation.

F. Comprehensive Strength Theory

Brand as the integration of all the elements of the service to consumers, is essential for the survival of the enterprise, symbolizing all aspects of the overall strength of the enterprise from inside to outside. Fundamentally speaking, the enterprise provides consumers with excellent quality products, rich and unique cultural connotation, distinctive good image, perfect service, in order to show a full range of its strength. Generally speaking, it is a comprehensive behavior which is good for the consumers, which is based on the quality, around the product value, function, service. Brand not only represents the product quality and good image, but also reflects the company's overall appearance: it is the result of many factors, such as product quality, after-sales service, enterprise management level, technology and design innovation ability, marketing mode, enterprise culture and so on [7].

III. RESEARCH ON THE ESSENCE OF ENTERPRISE BRAND

The above theory from a variety of different angles to understand the basic attributes of the brand, the analysis of the essence of the brand out of a series of factors related to the brand, the preliminary classification analysis as follows:

A. The Division of the Hierarchy of the Constituent Elements of the Brand

Davidson (Davidson) brand iceberg theory argues that corporate logos, signs, VI image is only a small part of the brand that float on the water, and most immersed under water

is the core value of the brand concept, organization, resource and culture. The views of Davidson told us the support of brand decision factor is not the surface of things, but certain operation results formed by various types of resources in a dominant of culture, in which exist complex elements of structural group. These elements can be divided into two types: implicit and explicit. The external explicit elements can be perceived by the user, such as: audio-visual elements, including the brand logo, name, shape, price, features, music and brand billboards, etc. The main content of the internal implicit elements is commodity connotation experienced by users, such as: functions, performance, quality, and so on, but also including behaviour, service, promotion, advertising, events, visibility, etc.;

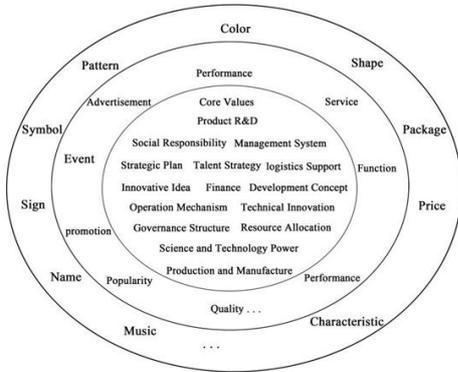


Fig. 1. Schematic diagram of brand system elements.

It is difficult for users to perceive the enterprise development concept, social responsibility, strategic planning, governance structure, resource allocation, innovation concept, product development, technology updates, talent strategy, management system, logistics, technology, manufacturing, finance, operating mechanism, even the culture of behind, core values, etc., which involves all sectors of society.

As can be seen from Fig. 1, many elements of the brand can be seen as a complex system. However, no matter how complex the structure elements are which is essentially the external part of corporate connotation determined by a deeper concept of corporate culture. What is the mission of the company? What kind of product or service is prepared for the consumer? For whom? How to serve and so on, so as to take the appropriate image strategy, product strategy and marketing strategy, by which derive from a variety of secondary business operations strategy, such as: product function positioning, product innovation mechanism, marketing network, sales, etc., which objectively become the root causes of the formation of the brand so as to ultimately form a brand effect.

The view of dialectical materialism tells us that the internal cause of things plays a decisive role in determining the direction, appearance and nature of things. This study reveals the internal causes of the development of the brand, from the root of the development to the outer elements, as far as possible to review the overall structure of the brand elements, so as to let us thoroughly understand the brand.

B. Corporate Culture: the Origin of Brand Gene

Corporate culture is the most profound soul which can profoundly affect all business activities[8], which is the core values of all employees must be deeply understood. Tracing the source, the product is the concept of materialization. Because you reap as you sow, the concept of personal corporate culture is born of the corresponding products, and the both of the quality and appearance of product are determined by the gene of the product which is clearly the corporate culture. What kind of use value for the user to determine what kind of product development. Attitude towards the user determines the quality of the product. The spirit of pioneering and innovative determines the birth of new products. Modern management system determines the degree of product. "enterprise culture and performance" the author of John Kurt and James Hatskt had conduct research on hundreds of companies, whose results show that the development of the concept of corporate culture and core values play an important role in the long-term brand, while the main material basis of the performance of the company is products, which indirectly points out the relationship between the enterprise culture and products. Some scholars believe that the corporate culture shows the final results of the enterprise management from the genetic level[9], and the quality of the enterprise determines the quality of the product[10]. In addition, the both of technological innovation and design innovation are the direct driving force for product progress.

C. Products: Foundation Carrier of Brand

Mr Lang Xianping described (Acer founder Stan Shih proposed) the smile curve Fig. 2, it pointed out that China's national brand in a weak state, domestic enterprises in the low-end manufacturing processing of raw materials, and market mainly controlled by many foreign strong brands. Because most corporate is in the status of migrant workers, whose profits come from raw materials and low cost advantages of human resources, it is hard to mention the survival of independent brands. In the fierce competition of mature and strong brands in the developed countries, it is a very difficult way to achieve transcendence through the traditional mode of enterprise development. The relationship between the product and the brand can be regarded as the relationship between the material and the spirit in general.

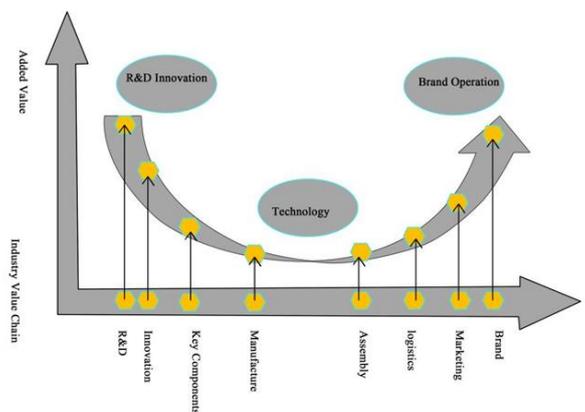


Fig. 2. Smile curve illustration.

We can find from the diagram:

1. the highest position of the added value is at the ends of innovation, research and brand operation;
2. the way to increase added value is to move toward innovation and global brand operation;

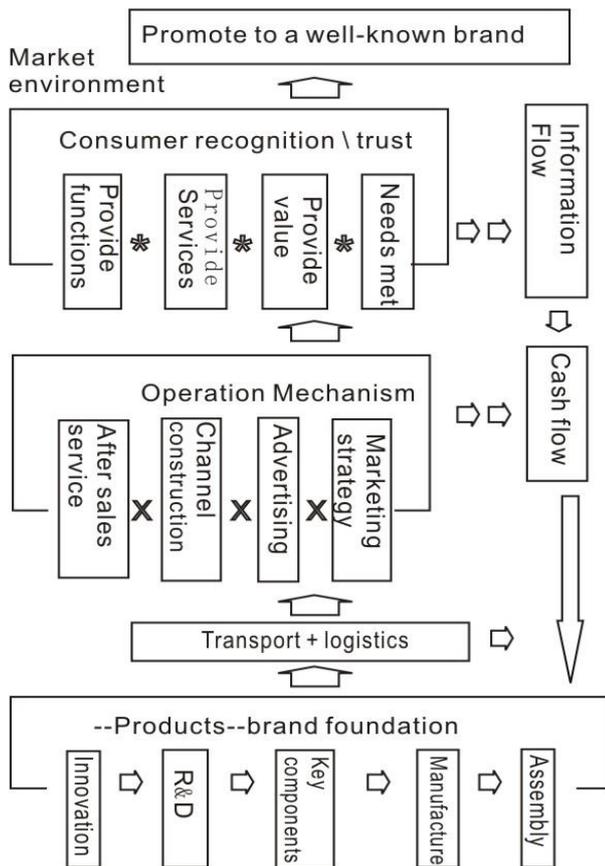


Fig. 3. A product based relationship representation.

3. the curve spindle is actually a product that connects the link between innovation and brand operation;
4. the product is the object of the research and development, at the same time, which is the material carrier of the brand.

D. Symbiotic Relationship between Product and Brand

Through the analysis of the structure of the smile curve, once it is found that the composition of the relationship, the purpose of the study is clear. Only in the way of starting from the source, grasping the leading of product innovation research and development, can enterprise grasp the initiative of the terminal high added value. Only in the way of starting from the source, grasping the leading of product innovation research and development, can enterprise grasp the initiative of the terminal high added value, truly revitalizing the national industry, boosting economic restructuring and upgrading, and finally build a well-known brand. The brand of the product and the product can be regarded as the root and leaf (fruit), which is apparent symbiosis relationship.

The two different forms of expression, product and its brand, are the assets of the enterprise. In most cases, the product that is tangible material coexist and support each other with the brand that is the intangible crude as wealth, which gradually develop and grow in the common role of human, capital, technology, system. From the Fig. 3, we can see that the product plays a basic role and determines the healthy and sustainable development of the brand, while the brand will influence the development of products with its own advantages in return.

The brand and its environment maintain the life vitality through continuous physical quantity (such as raw materials, logistics, etc.), energy (such as technical ability, capital, talent, wisdom, intellectual property etc.) and the amount of information (such as advertising, reputation, influence, market, customers) exchange. Any one of the channels blocked, will have a global impact on the brand system, because the root causes of the product innovation, is a fundamental role of the decision. Many enterprises can't continue scenery after boom, whose life is extremely fragile. Its most cause may lie in the product innovation foundation link which is not firm, like the water without a source. It can be seen from picture that the main reason for this kind of problem is in narrow views of resources abuse and the speculative idea of a hammer sale.

IV. CONCLUSIONS

In short, on the one hand, the brand involved all aspects of the enterprise, is not only the symbol of the enterprise, the word of mouth, the banner, but also the enterprise culture concept response from the product to the marketing model. In the other hand, consumers create the brand image in the end; Brand is a commitment to product quality, and is deeply recognized by the relations of enterprise and market. Its growth is a process in itself, which synthetically constitute three-dimensional and comprehensive connotation of all elements which reflects the strength of enterprises. Among them, the most important core of the foundation and the spindle is the product; the most critical thing is to focus on product innovation and research and development; and the most important is the brand image of the consumer oriented market. Therefore, the substantive of the brand is the relationship which is based on a set of product innovation and combined by multiple factor between the consumers.

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