



# How to Revitalize China Time-Honored Brand through Marketing

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**Abstract.** “Laozihao”, also known as China time-honored brand is the emblem of traditional Chinese commercial culture, which has a huge influence on Chinese people. Faced with the influx of foreign brands and the fierce competition from domestic rivals, the century-old home brands have experienced survival crisis. Therefore, it is time for traditional brands to take steps for revitalization. This paper mainly proposes two strategies: emotional marketing and brand rejuvenation. It looks at the emotional marketing strategy from four dimensions, including nostalgia, patriotism, traditional culture and companies’ social responsibility, and analyzes three ways to realize brand rejuvenation from product innovation, following the trend of the times to social media marketing strategy. Considering the actual situation in China, the paper cites many practical cases recently which can offer some references for the “laozihao” to attract more customers.

**Keywords:** China Time-Honored Brand, “laozihao”, emotional marketing strategy, brand rejuvenation

## 1 Introduction

China time-honored brand, or “laozihao” in Chinese, is the title that has obtained official recognition from MOC (The Ministry of Commerce) in Mainland China whose brand has a long history of about 160 years on average. There are currently 1,128 time-honored brands, with more than 60% engaged in pharmaceuticals, catering and food. Rich in traditional culture, characteristics, history and heritage, these brands are famous for their products, techniques or services which are passed down through generations, and usually cultivate a positive brand name, thus occupying a phenomenal position in the heart of Chinese people.

However, many “laozihao” is struggling. In an era of globalization, an enormous amount of foreign companies have flowed into the domestic market, and many start-ups have sprung up in recent years, which plunged Chinese traditional local brands into a predicament. Commonly small and medium-sized, century-old national enterprises face a grim survival crisis due to their dearth of competitiveness, limitations of marketing strategy and vulnerability to fierce competition amid rapidly-evolving technologies and business scales. And usually labeled as outdated and

unfashionable, those old brands are not so popular among the younger generation who is the main force of consumption nowadays. Or in a nutshell, they are lagging behind.

As the number of China time-honored brands has gradually diminished these years, it is time to help them restore their former glory.

## **2 Emotional marketing strategy**

### **2.1 The necessity of emotional marketing**

As the embodiment of traditional Chinese commercial culture, China time-honored brand is often connected with nostalgia, patriotism, traditional culture or ethnic corporate social responsibility. The cornucopian cultural symbols hidden in the products, techniques or services are the essence of the brand, which could make them stand out from the competitors, the one without rich history and unique cultural connotations. Therefore, leveraging those emotional elements appropriately is indispensable for the old national brand to grab consumers' attention once again.

"Emotional marketing", a new concept of marketing, is used to target specific human emotions and persuade consumers, and aims to form a sturdy emotional link between the company and the consumer. These emotions incorporate happiness, sense of pride, sympathy, anger and sadness, which can show the brand's response to current events or their attitude that appeals to those who feel the same. The power of this fresh strategy can be reflected in the influence on brand awareness, consumers' perception and their consumption decisions. The previous studies have already proved it. The results show emotional marketing has a positive impact on brand recall, brand recognition and perceived quality of the product which are all important variables correlated with the purchase decision [1]. The quintessence is to awaken people's emotional identification, by instilling the values in the products or brands and making them perceivable to the customers.

And according to the research, all factors of emotional marketing are positively associated with consumers' product perception, brand awareness, and consumers' purchase decisions [2].

### **2.2 Feasibility analysis**

The prerequisite is the growing significance of emotional needs in today's consumption environment, thanks to the improvement of people's living standards and consumption levels. Chinese customers are no longer content with the products that can only satisfy the basic demands, and become willing to pay for something that can meet their emotional needs in the bargain. People opt to put more emphasis on the cultural symbols beyond the utility of the products and brand stories that can strike a chord with them [3].

In addition, in an age fraught with uncertainties and tensions between countries, Chinese people are inclined to show their preferences for home brands. In recent years, China has witnessed a surge in consumers' interest in domestic brands and products that incorporate Chinese traditional style and culture. The trend dubbed

“guochao” or “Chinese fashion trend” is emerging. Also the government is taking steps to increase support and publicity for time-honored brands. It is an opportune moment for “laozihao” to capture this opportunity for their rebirth.

What’s more, “laozihao”, the title itself represents a splendid reputation with a great influence on most Chinese, especially the elderly, which is the inherently superior to other brands. Therefore, it is not difficult for these century-old brands to take advantage of their positive brand images and long history to do more work in storytelling and deliver them to their target customers.

### 2.3 Key elements of establishing an emotional connection

Based on the realities and the characteristic of Chinese consumers, there are several aspects that the brand can establish an emotional connection between the companies and the customers, including nostalgia, patriotism, traditional culture and social responsibility.

**Nostalgia.** With a deep historical accumulation, China time-honored brand preserves special culture and memories. Typical and unique packages or appearance, and special usage can reflect the unique epoch style. Accordingly, stressing the nostalgic value of the products can be considered a workable marketing tool for “laozihao”. Arctic Ocean company, or Beibingyang sets an example. It is a soda brand, founded in Beijing in 1936, which loads our parents to their childhood memories. It maintains the typical styles, while injecting new elements into the brand. Its package remains the same as several decades ago - a slender glass bottle with a polar bear on the front. And last summer, Beibingyang opened “Beiping Ice Factory” a new experience store, which created a familiar scenario to evoke the consumers of the good old days, strengthening the experience of the buyers. The big white bear image, the huge soda bottle decoration, freshly made drinks and bread, and abundant cultural products made it an internet-famous shop. Therefore, it is the integration of the old element and the new form of marketing that rekindles customers’ nostalgia and helps Beibingyang return to the public with a brand new look. It was reported that the store had just been open for an hour, and nearly half of the drinks in the freezer was sold out.

**Patriotism.** The three dimensions of patriotism are national pride, national economic sense of hardships, and national collective self-esteem. The concept of nation has a prominent place in every Chinese heart, opposing any act to smear China. They are unquestionably a proud and united nation. And that’s why the anti-Chinese advertisement of Dolce & Gabbana which reeked of racism led to a boycott by Chinese consumers, and why anger with Nike and H&M erupted on Chinese social media for their false statements about forced labor in Xinjiang. The patriotic sentiment is so powerful that can significantly stir consumers’ awareness of domestic products, and then encourage consumers’ purchase intentions. HUAWEI, a Chinese multinational technology corporation, that is ranked the second-largest R&D investor in the world, is not “laozihao”, but succeeded in patriotic marketing strategy that traditional brands can

take pieces from. Confronted with foreign technical restrictions, it devoted to R&D, and achieved technological breakthroughs, taking a lead in 5G wireless technology that many carriers cannot replace. Some Chinese customers even equal buying HUAWEI with being patriotic. Although this behavior is irrational, it indeed improves marketing effectiveness. According to a report released by Strategy Analytics, a market research institute, Huawei's (including Honor) smartphone market share reached 17.6% in 2019, ranking among the top two in the world.

**Traditional culture.** In modern society, more and more attention is paid to the inheritance and protection of traditional culture. China time-honored brand can date back to a century ago, so there are many stories to tell pertaining to the founders, national culture, ethnic enterprise spirit and craftsman's spirit. Tong Ren Tang is a good example of using traditional Chinese medicine as a marketing effort. Founded in 1669, Beijing Tong Ren Tang is a brand of Chinese medicine, and the emperor granted Tongrentang's imperial supply of medications in the 1st Qing Yongzheng reign, which demonstrated Tongrentang's superb quality and reliable brand name. The Chinese medicine culture of Tong Ren Tang integrates the essence of traditional Chinese medicine with the medical standards of the Chinese imperial family. Fully adopting the authentic traditional techniques and ensuring the preservation and inheritance of core techniques, it continuously improves the intrinsic quality of the traditional product.

Another "laozihao", Zhangxiaoquan, the knife maker famous for its scissors and kitchen knives since 1628 is the representative of the craftsman's spirit. According to records, the mainstream scissors on the market at that time were mostly made of copper and pig iron. However, the founder of Zhangxiaoquan broke the ground by introducing the casting process of Longquan sword into the production of scissors, and created a unique "inlaid steel" process. The spirit of craftsmanship is greatly valued in the past. It needs the artisan to buckle down to produce the best products. As a symbol of striving for perfection and concentration, this spirit is about quality, passion and production embodied both in skill and spiritual level. Cherished in the modern era, the craftsman's spirit is a basic code of conduct for people to follow, and also a piece of compelling evidence that helps Zhangxiaoquan build customer trust. That's why Zhangxiaoquan is never forgotten as the most "laozihao", and turned itself into a listed enterprise with the total value of over 5 billion yuan.

**Social responsibility.** Brand image is tied to consumers' purchase decisions, and one effective way to generate good word of mouth and enhance the image is to undertake more social responsibility. It includes lending a helping hand to contributions for disaster relief, caring about the interests of disadvantaged groups, employing more women and minority workers, making contributions to protect the environment, and other public welfare undertakings [4]. Demonstrating the social responsibilities taken by enterprises is one of the fastest methods for a remarkable comeback. Baixiang instant noodles and ERKE shoes have proved it. Baixiang food is the manufacturer of instant noodles which was out of the limelight for many years since the instant noodles market in China was being overwhelmed by so many brands. But faced with

operating problems, Baixiang remains true to its original aspiration. It refuses to accept foreign investment and recruits handicapped employees. These acts became widely known this year, leading to sales increased by 353% year-on-year on JD.com, one of China's biggest B2C e-commerce platforms. And ERKE, a sports brand in China, donated 50 million yuan to record rainstorms in Zhengzhou, Henan in 2021 on the verge of bankruptcy, touching the hearts of many consumers. Chinese consumers emptied the inventory of it, and its sales soared 52 times to around 6.3 million yuan on JD.

### **3 Brand rejuvenation**

#### **3.1 The necessity of brand rejuvenation**

The development of the times and the rapid updating of the technology have brought a dramatic change in consumers' consumption habits and aesthetic standards, which made the popular commodities in the past cannot meet the diversified needs of modern consumers. In particular, "laozihao" is reeling from the brand aging problem because of a lack of innovation. Being out of step with the times is one nonnegligible reason that set a large number of China's traditional brands on a downward trajectory.

On one end, it connects a rich and precious cultural heritage, and at the other end, it leads to a modern society that is changing with the times. A long history is one incomparable treasure for China time-honored brand, but sometimes it can be counted as a burden on creation. Nowadays, the rise of the young generation is inevitable, and soon they will be the backbone of consumer groups. How to strike a balance between tradition and innovation, and shatter stereotypes of the outdated image? Brand rejuvenation is indispensable.

#### **3.2 Target consumer analysis**

Since traditional brands are ramping up efforts to reach the younger generation, analyzing their consumer psychology is needed. There are a few characteristics of millennial shoppers. They are willing to embrace the diversity of the commodities, and crave the features of creativity, personalization, uniqueness, novelty, entertainment, and fashion. Decisive and curious, especially for the popular element, young people are very sensitive to new things. Impulsion and irrationality often induce them to consume, and their consumption behavior is tentative and exploratory [5].

What's more, their strong sense of self makes them easy to "impulsive consumption" and pay attention to the pleasure of the purchase process. Usually, as the trendsetters, teenagers incline to buy something that can be a reflection of their identity to express themselves. And according to the reports, social media is number one for shopping information. Therefore, the brands have to take into account the new way of communication, perception of product value and motives for consumer behavior when designing and developing innovative products.

### 3.3 Brand rejuvenation strategies

**Product innovation.** As consumer demand has diversified these years, products have to tilt in favor of the various needs. One major reason for the decline of “laozihao” is that they are too old to keep up with the rapidly changing demand. The old seems to be at loggerheads with the new. How to deal with this paradox? Maybe this can be done through product innovation. From adding more flavors, varieties, to improving package design, there exist many spaces to upgrade the brand image. Just like lots of domestic apparel brands injected “Chinese element” into their product design, delivering a fresh and creative message to the customers, which has successfully become a trend among youngsters. Wufangzhai is taking a lead in this respect. It is a food manufacturing company specializing in glutinous rice dumplings since 1921, which enjoys the reputation as being the “king of zongzi”. It contrives to line extension and has done a good job. Their products are no longer limited to the dumplings as before, but Wufangzhai developed new rice-oriented products, such as tangyuan, moon cake made of sticky rice, eight-treasure rice pudding, qingtuan and other Chinese Dim Sum. They are trying to provide more choices for customers. And those efforts actually bear fruit. Variety evolution stimulated the rise of its net profit margins, from 4.00% in 2018 to 6.50% in 2019.

**Keep pace with the trend of the times.** New things are emerging every day, discern the fad is essential for companies. The brands have to understand the things and topics that are trending and popular among adolescents, and then can better pitch to the younger generation. There are mainly two ways for traditional brands to show that they are advancing with the times.

The first one is brand crossover marketing. In detail, the product crossover strategy means the alliance occurs among different product categories, thereby it can create a new selling point for the company [6]. The aim of the crossover strategy lays emphasis on expanding its brand to other areas. With the assistance of crossover, “laozihao” is capable of getting rid of the stereotype of being obsolete, breaking field boundaries, creating new branding values, establishing interaction relationships with young adult customers and enhancing brand freshness which can enrich the brand image. For instance, Moutai, well-known as China’s “national liquor”, has launched baijiu-infused ice-cream recently. Moutai, a clear and potent spirit famed its incredibly strong taste, is known for being the drink-of-choice amongst many Chinese politicians and businesspeople looking to impress their colleagues. And now, the prestigious brand is hoping it can tap into a younger market by launching its very first Moutai ice cream store, selling sweet treats infused with the notoriously strong spirit that’s 53% alcohol. The ice-cream caters to the interests of young people, closing the gap between high-end Baijiu and young customers. The statistics show on the day of the debut of Moutai ice cream, the flagship store of 002 sold more than 5,000 ice creams for 7 hours, and Moutai was all sold out in 51 minutes with sales of about 2.5 million yuan.

Another way is brand collaboration. Co-branding is a marketing arrangement to utilize multiple brand names on a single product or service. Basically, the constituent brands can assist each other to achieve their objectives. It is an increasingly popular

technique for transferring the positive associations of one company's product or brand to another [7]. The "brand +" model can often produce a "1+1>2" effect, for the fusion of two distinctive styles and features of brands can offer customers an exceptional experience. Therefore, collaborating with other brands that are popular among young people endows China time-honored brand with some new and fresh attributes that may be mesmeric for teenagers. White Rabbit Candy is a brand of candy manufactured by Shanghai Guan Sheng Yuan Food since 1915. It carries the childhood memories of many generations. In recent years, it is doing something different. It launched perfume with Scent Library, a domestic perfume brand, and lipsticks with Yumeijing, a skincare brand in China. Especially the joint production of the lip balm, its Tmall flagship store pre-sale of 920 in half a second and the sale of 10,000 sets within three hours the next day becomes a classic case of brand cooperation. All these avant-garde co-branding attempts pander to the taste of young adults and signify that Dabaitu is keeping abreast with the time and, breaking away the brand image as a traditional confectioner.

**Attach importance to social media marketing.** In recent years, given the accelerated upgrade of the Internet, the popularization of smartphones and the variety of application programs, social media has gathered a large number of users and is increasingly connected with social life. Among all of the people that have access to social media, young adults are undeniably the most ardent fans. Therefore, taking advantage of social media to discover marketing opportunities, obtain interactive marketing values and ultimately achieve companies' marketing goals.

Simply put, social media marketing is the use of online communities, social media platforms, blogs, forums, influencers, etc. Based on interactive marketing, it provides the consumers with a chance to directly converse with the brands. Furthermore, it retains a close relationship with Word-Of-Mouth marketing and viral marketing by building and preserving the benign public relation to do the promotions [8]. According to the studies, the spread of "laozihao" on social media is trapped by three difficulties - devoid of brand recognition, disjointed ad content and consumer engagement deficiency [9].

First and foremost, identify the social media platforms that the young generation loves to visit in order to realize a more refined target advertising reach to improve brand recognition. Weibo, Little Red Book, Wechat, Douyin and Bilibili are the platforms that gather most of the young users. Basically, placing ads on them is efficient to reach adolescents.

Then, apply proper patterns to communicate with the young adults. Too much attention is paid to the profound historical accumulation of traditional Chinese culture, but the brands usually ignore the vitality that traditional culture is releasing in the contemporary world [10]. Many marketing contents of "laozihao" overemphasizes the features of history which might create a sense of alienation at a cognitive level. It needs "laozihao" to keep an eye on trends and flexible use of internet buzzwords in its ads or blog. And lately, KOL marketing is coming to the fore. The rise of social media has spawned a new group of KOLs (key opinion leaders), those who have more accurate and timely product information that is accepted and trusted by the consumers

with a great influence on their purchase decision. Compared to celebrities, KOLs on social media are closer to average people than celebrities, and the content shared between the two is more authentic. With the help of KOLs, it can establish the connection and interaction between the brand and the audience, so as to enhance the credibility of the brand's promotion plan, enhance the brand attributes, and obtain potential customers [11].

In addition, it is imperative to enhance the interactions with social media users. Official account operations, short video marketing, live-stream e-commerce and VR brand experience are all optional measures [12]. Focusing on the interactive effect of social media marketing is where the future trend lies. Users can freely comment, forward, and share their opinions about the products, which can not only give consumers more sense of participation, but also point out the direction for brand value improvement.

## 4 Conclusion

Focusing on the status quo of China time-honored brand, this paper suggests two possible ways to help “laozihao” revitalize, including emotional marketing strategy and brand rejuvenation. This paper argues the feasibility and necessity of the two methods, and demonstrates the specific implementation measures by providing actual examples and business cases in China. It introduces the emotional marketing strategy from nostalgia, patriotism, traditional culture, and brands' social responsibility, which can enlarge the research vision. And it also emphasizes the innovative strategy in three respects, including brand evolution, brand crossover and collaboration, and social media marketing, providing a unique angle for brand rejuvenation research. Many cases are time-efficient and accord with the domestic trend that can be used for references by the struggling China time-honored brands. However, this study is not comprehensive enough, and some exceptions are not capable of applying to all the traditional brands.

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