



# Analysis of the Role of Design Management in Corporate Brand Development Take RED as an Example

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**Abstract.** Nowadays, as the concept of design management continues to evolve, the research on design management has constantly been conducting. The use of design management methods has become a way to improve the competitiveness of corporate brands. Taking the RED platform, a two-in-one platform for social networking and e-commerce, as an example, this paper analyzes its brand establishment, brand color, brand development dynamics, and user stickiness of RED from the perspective of design culture management and design innovation management, respectively.

**Keywords:** design management · design innovation management · design culture management · e-commerce platforms · social platforms

## 1 Introduction

Design and management are originally different theories and disciplines, but in recent years, the concept of design management has emerged. Design management is a new industry arising from the intersection of design and management fields, which aims to use design management to improve the business competitiveness of enterprises from the macro perspective of enterprise development [1]. Up to now, design management involves a wide range of disciplines, not only in design and management but also in economics and other disciplines. However, design management research in China is still in its infancy, and the development of design management in China is still far from adequate compared to developed countries such as the United States and Japan.

In the research of design management, firstly, the research objects of design management need to start from the management of designers and their teams, design innovation, design process, design network as well as design culture, etc. The second is to attach importance to methods of empirical research, interdisciplinary research, qualitative and quantitative analysis, comparative analysis, methodologically [2].



Fig. 1. The RED logo (from <https://www.xiaohongshu.com/>)

## 2 Red Platform and Design Management

The RED platform, also called Xiaohongshu, was established in June 2013 in Shanghai, China, and launched as an overseas shopping sharing community in December of the same year. Since its development, the RED has been continuously received financing and constantly cooperated with various platforms. For example, in 2015, it started to establish its self-operated bonded warehouses and reach cooperation with Australia's largest health care brand (Blackmores) and began to launch its online international logistics in 2017 and so on. With the development of the RED, the platform's volume is constantly increasing (Fig. 1).

The difference between the RED platform and other e-commerce platforms is that the RED platform started as an online community for social communication. Initially, users simply shared their various shopping experiences, and as the volume of community users increased, the scope of information shared by users began to expand, gradually expanded to skincare, beauty, and even sports, travel and food, etc. Subsequently, with the increase in the amount of information and the expansion of the reach of information, the content on the RED platform can be said to have met most of the requirements of the e-commerce platforms in the early development, such as the ability to analyze the most popular products in the current period and predict the trends of product shopping based on the shopping data collected by the platform and calculate users' preferences and then recommend corresponding products to them based on their posted content.

At the same time, the functional design of the RED platform is constantly diversifying and optimizing, and after continuous iterations, its features are increasingly able to satisfy the requirements of users. In the process of constantly meeting users' needs and experience, RED has gradually and vigorously grown up to be a unique e-commercial and social platform. During its continuous development, design management is a crucial part to the evolution of the media platform. Furthermore, the role of design management applied to the RED platform is indispensably throughout its own continuous optimization process. Therefore, in this paper, we analyze the role of design management in corporate brand development from two major aspects of design culture management and design innovation management by taking the RED platform as an example, and finally summarize how design management has a role in the development of enterprise brands.

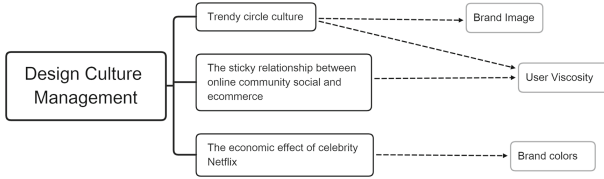


Fig. 2. Design culture management of the RED platform [Owner-draw]

### 3 Design Culture Management on the Red Platform

During the development of the RED platform, RED has continuously established its brand characteristics and brand culture. The following design strategies were obtained from the analysis of the design culture management of RED (Fig. 2).

#### 3.1 Trendy Circle Culture

At the beginning, the RED platform was mainly based on pure social sharing, and different from general e-commerce platforms, RED relies on original sharing by users [3]. Therefore, RED formed different social trend circles around different users’ diversified content from the beginning, not only included common trend circles such as beauty and sports but trend circles centered on celebrities, brands, or even a certain designer or artist as time goes by. When searching for or sharing interesting experiences, users enter the corresponding trend circles.

At present, the main users of the RED platform are young people under the age of 30. These users are mainly concentrated in highly economically developed coastal areas. It means that they generally have a high standard of living and strong spending power and have certain requirements for the quality of life, and the frequency of using domestic and overseas e-commerce will be higher, coupled with the consumption habits of young people, which means that users will spend quite a bit for their own needs and interests. The trend circle of the RED platform plays a big role at this time.

Compared to general e-commerce platforms just only with simple basic information such as schematics, descriptions, and consumer reviews of products, the RED platform with several trend circles, enables its users to access to diverse experiences, specific reviews of using the goods and interact with other users among the corresponding trend circle, more than basic information. In this way, users are more likely to be attracted to products and thus their consumption desire will greatly raise, which is the effect of what we call “Zhong Cao”.

#### 3.2 The Sticky Relationship Between Online Community Socialization and e-Commerce

The e-commerce development of the RED platform is mainly based on online community socialization, deriving its e-commerce line. Therefore, its e-commerce part is interlinked with the main community socialization part. When users search and read the experience sharing published on RED, they are attracted by the products, thus generating

consumption desire and demand, and then naturally enter the e-commerce part of the RED platform. The process forms a natural cycle of consumption desire generation - consumption - consumption desire realization, leading to the evolution of e-commerce on the platform.

The development of e-commerce is also the era of online shopping, users are most concerned about the quality of goods, that is, the quality and authenticity of the issue. The e-commerce part of RED is a self-owned plus warehouse model, from a certain degree also to protect the quality of goods. With its online community social development, the platform is better to attract the attention of brand owners, constantly promoting them to authorize brands on RED, which is in all aspects to protect the source of goods. The quality of goods and the guarantee of supply have enhanced user stickiness.

### **3.3 The Economic Effect of Celebrity Influencer**

Currently, celebrity culture has become a trend. The RED platform continuously invites celebrities in all areas to settle in. On the platform, the main user group, of whom mostly are young, is interested in and learns what various celebrities wear in their lives, the products they use, and their lifestyles, bringing considerable business opportunities for RED.

The celebrity influencers stationed on the RED platform embody their business value in a way different from previous commercial endorsements. On this platform, celebrities widely recognized share with users using soft articles and videos instead of direct propaganda, making their shared content more persuasive. Moreover, the stationed celebrity influencers will simultaneously bring a large number of users and views because of the fan effect.

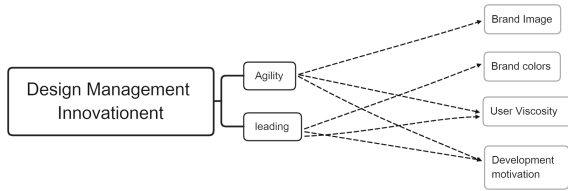
In addition, many young people have a unique and fervent pursuit of celebrity netizens under current star chasing culture. Just like the trend circle mentioned above, there are also various trend circles centered around a celebrity influencer on RED. In these trend circles, diverse sharing contents of celebrities with business value, such as their lifestyles, wears and high quality products they use, etc., contribute to corresponding consumption of star-catching users and promotion of RED.

## **4 Design Innovation Management for the Red Platform**

Recently, RED still holds a significant market share among a large growing number of e-commerce platforms based on social features are starting to increase. Its stable expansion and development are due to the correct analysis of modern market demand and demand-based design innovation. Taking the current development of the platform as an example for analysis, the design innovation management of RED is mainly based on the following strategies (Fig. 3).

### **4.1 Agility**

Because of its young users, the information shared on the RED platform is also based on the most cutting-edge trends of the moment, laying the foundation for high freshness



**Fig. 3.** Design Management Innovationent [Owner-draw]

of the contents on the platform. Due to its high freshness of the overall sharing through big data, the grasp of the market trends will be more accurate and powerful.

In terms of user online community socialization, when a new consumer hotspot appears in the social market, consumer hotspot speculators will share relevant information on RED, then users will be able to focus on this new hotspot quickly through searching or big data promotion. Then by the continuous superposition of user sight, consumer hotspot will gradually become a consumption boom, thus rapidly promoting consumption.

From the perspective of e-commerce development, with the occurrence of new consumer hotspots, the most direct part of the benefit is the e-commerce part of RED after it quickly obtains the tendency and demand of consumer hotspots through its community social features.

By analyzing the tendency and demand of consumer hotspots, the e-commerce management of RED quickly reflects the demand objects in the e-commerce line and quickly pulls up the consumption chain by linking with the web-celebrity bloggers within the platform. The overall platform carries out the linkage of internal links through the mastered consumer hotspots, and pushes the relevant consumption hotspots through the clicks of the page or the recommendations of the search bar, so as to promote the conversion of these hotspots into business value.

## 4.2 Leadership

In November 2015, the RED platform launched the “Red Friday” promotion, which was mainly based on foreign “Black Friday” and translated into China. During this activity, users could enjoy free shipping by overseas direct mail and 50% off on featured products. At the same time, the logo of this “Red Friday” promotion were everywhere in the interface of the platform for users to click, browse and participate in. The promotion enhances activity of users and reputation of the platform.

In 2018, RED sponsored two large variety shows, “Idol Practice” and “Creation 101”, both of which were at the top level of popularity in that year. As a result, the exposure of the platform boomed greatly, and the user growth could be said to be a blowout.

From the above, it can be realized that the RED platform can grasp a fresh and be on the cutting edge in many design planning and choices. Due to the agility mentioned in 4.1, the RED platform can rapidly understand needs and preferences of users. According to these, different activities and leading investments are arranged by the enterprise designs, thus ensuring a leadership of its enterprise.

## **5 The Role of De the Role of Design Management in Corporate Brand Development**

Design management is both a special design approach and management approach, and the innovation lies in the introduction of the concept of Design Thinking for resource coordination and corporate activity planning. [4] Through the analysis of the RED platform, the following points about the role of design management in branding are come up with.

### **5.1 Establishing Brand Image**

Design management is conducive to brand positioning, thus laying the foundation for its long-term development. The RED platform is positioned as a dual platform with both social and e-commerce functions. The key point of its success is high-quality content dissemination and community exchange based on the trend circle culture to drive consumption, establishing a novel and good brand image in the minds of users.

### **5.2 Reflecting the Brand Color**

The RED platform makes full use of celebrity influencer effect integrating with its social trend circle to determine the general basic color and constantly upgrade for the dual development of social and e-commerce of the platform. This provides users with a better experience, brings higher profits to themselves and continuously expands brand channels.

### **5.3 Providing Development Momentum**

The above strategies of agility and leadership in design innovation management provide a strong impetus for the evolution of brand enterprises. The agility and leadership of RED are mainly reflected in its sensitivity to current consumer hotspots and ability to align well with user needs, respectively, triggering the constantly promotion of RED.

### **5.4 Enhancing User Viscosity**

As a social and e-commerce with two-in-one model, the RED platform can turn the consumption path of users into a closed loop within its own internal platform, greatly enhancing user viscosity. The platform has a quick grasp of real-time consumer hotspots and enables users to constantly obtain fresh information, thereby increasing the use frequency, dependence and trust of users to its platform. Through big data analysis, it offers users with corresponding recommendations, meets their corresponding demand and brings the convenience for them, which further enhances the user viscosity.

## 6 Conclusion

Design management in a corporate brand, for its establishment of brand image, reflects the brand color, to provide development momentum and enhance the user viscosity of the important method. The process of design management and the process of brand development are complementary and accurate, and good design management can bring better development for the brand. The rapid development of the brand will also promote the continuous iterative update of design management methods.

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QiuPing Lin: Writing - Review and Editing.

ChenLu Sun: Writing - Review and Editing.

WeiHai Zhang: Writing - Review and Editing, Supervision, Project administration, Funding acquisition.

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