

Chapter 131

Regional Brand Development Model Under the Perspective of System Theory

Lai-bin Wang

Abstract The regional brand development is to enable regional brands sustained, orderly, stable and coordinated development under the constraints of the four elements of the government, business, social and other intermediary organizations, from this, the structural model of the regional brand development is formed. The article argues that the regional brand building and development must proceed from the following points: First, in the social subsystem, focus on the cultivation of social cultural, change people's traditional concept, nurture a kind of social culture of brand share, and strengthen the basic research for technological innovation; second, in the enterprise subsystem, improve product quality, good brand marketing, management and technological innovation; third, government subsystem, in terms of policy, capital, infrastructure, branding promotion, offer support; fourth, in other intermediary organizations subsystem, give full play the coordinating role of industry associations, human resources, financial resources, legal advice, and other aspects are inseparable from intermediary organizations.

Keywords Development model · Regional brand · Resource system theory

131.1 Introduction

The regional brand concept was first proposed by Keller et al. (1998), the location like the products or services as branding, brand name is usually the actual name of this region. The brand makes people aware of the existence of the region, and related associations. Keller et al. (1998) also believes that the region can be like as the brand of product or service (Kevin 1999). Rosenfeld (2002) believes that the

L. Wang (✉)

Department of Political and Management Science, Chizhou University,
Chizhou, China
e-mail: laibinw@yahoo.com.cn

implementation of the regional brand strategy based on industry clusters in less developed countries is a kind of way to enhance the competitiveness (Rosenfeld 2002; Simon 2007). In the development process of regional brands, Allen etc. believe that traditional brand theory is applied to the regional context, two especially critical issues must be considered, namely the management of stakeholder groups and government leaders to play the role (Simon 2007; Malcolm 2006; Eraydn 2010).

Domestic studies of the regional brand theory date from 2002. With the vigorous development of industrial clusters in China, in the industrial clusters of Zhejiang, Jiangsu, Guangdong, Fujian and other brand-name products gathered growth and brand regionalization phenomenon, theoretical studies of the regional brand begins to be the part of the attention of scholars. Xia Zengyu explores the regional brand building. After 2005, the regional brand research articles were published extensively, and researches involving the content, nature and characteristics of the regional brands, the formation mechanism and affecting factors (Sun 2009), regional brand values and interests regional brand and corporate brand, the effect of the regional brand, the regional brand equity and assessment (Yang 2005), regional brand governance mechanisms, regional brand building in the role of government (Cai 2008), dynamic evaluation and coordinated development of regional brands, the regional independent brand cultivation mode, regional brand management and other aspects of a more systematic study (Zeng 2000).

The current study mainly uses case studies, mostly stays in the qualitative phase, lack of quantitative research tools and methods, and seriously impact on the establishment of the theoretical framework of regional brands, therefore, on the basis of qualitative research, to develop a regional brand quantitative measurement tools which enhance the quantitative study of the regional brand, is an important direction for future research in this field.

Regional brand studies are now beyond the narrow boundaries of the marketing application, involving disciplines such as sociology, history, political which is little attention in the past marketing and branding. So disciplines involved with regional branding have extensive features and present the trend of multi-disciplinary.

131.2 Connotation of the Regional Brand

Since the establishment of a socialist market economy, have emerged around a number of products suitable for local production, and gradually formed a large-scale industrial clusters and business clusters, and thus become regional brand being characteristics of region. The regional brand is the “industrial products” which have considerable size and strong production capacity, higher market share

and influence within an administrative (geographic) area, is an area of industry group to build a unified brand. In addition to general brand unique, easy to distinguish and irreplaceable features, it has non-exclusive unique features, as well as non-competitive, external, regional, cluster and dispersed such.

Regional brand is the outward manifestation of the regional competitiveness, the strength of the competitiveness of the regional brand can reflect the level of regional economic development and government performance level. Therefore, regional brand is not only the practical issues of corporate, is also a scholar of great concern academic proposition.

It is generally believed that the regional brand is a product of regional economic development, is the industry within the region of considerable size and strong manufacturing capabilities, higher market share and influence of business and business-owned brand goodwill sum. It consists of two elements: regional and a good brand effect. In the backdrop of economic globalization, regional brand can make people will a certain image and its association with this region, there is a link up to drive regional economic development through regional brands to create and disseminate. The regional competition has become an important form of competition in the market; the regional brand has become a contemporary economic development and significant features. Regional brand is the inevitable outcome of the regional economic development, reflecting the core competitiveness of the regional economy, representing the subject and the image of a region.

In addition to general brand characteristics, regional brand has its own unique characteristics: First is symbiotic. Regional brand is a public brand and resource within a regional. Therefore, it has positive externalities; the utility has a good symbiotic which can be shared by enterprises in the region.

Second is the persistence. Regional brand is the result of collaboration of many enterprises in the region, the extraction of a number of brand essences, have a solid foundation, and brand effect more extensive and lasting.

Third is regional. Regional brand has a certain degree of regional and rooted. It deeply affected by local cultural, economic, political, regional factors and overall performance.

131.3 Formation Process of the Regional Brand

Regional brands have distinct characteristics and formation processes. Regional brand in China under the reform, opening up and the market economy environment, the formation process has a strong era, nationality. The formation process of the regional brand is the main formation of the regional brand building elements, including regional competitive industries to choose, the formation of industrial clusters, regional brand creation and the formation of brand economy chain.

The choice of regional advantage industry is the basic link of the regional brand, has a direct impact on the quantity and quality of the regional brand building. In a way, it is the premise of the formation of industrial clusters. The

formation of industrial clusters is the basis of regional brands. The continuous development of the regional brand will inevitably bring about the brand economy chain. At the same time, the creation of the regional brand permeates every aspect of being.

131.4 System Theory and Regional Brand Development

131.4.1 System Theory

In this paper, the regional brand building still is a regional industrial clusters as the foundation, regional industry cluster stakeholders will naturally become the main body of the regional brand building, and these stakeholders is to constitute the elements of the regional industrial clusters, exist the complex contact among them; regional brand building is a strategic development to execution and then to the outside world to exchange feedback rating system, regardless of the strategy establishment, the follow-up implementation, the final regulatory assessment for feedback to the strategic plan amendment is influence each other, so the regional brand building based industry cluster is a complex system works.

131.4.2 Whole Course Regional Brand Development Model

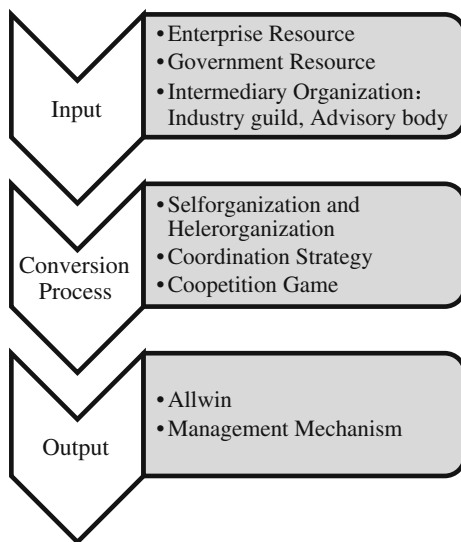
(1) Input stage

In different brand-building phase, the investment of resources is also different. In the start-up period, due to the extremely limited resources of the enterprise, the lack of first-class industrial clusters, this requires the government to increase investment, make the related policies, and other intermediary organizations in technology, human resources, and financial resources need give strong support. Resources focus on investment to a single market to achieve rapid breakthrough of a brand, is a universal model for a regional brand to be established firmly in a market (Fig. 131.1).

In the period of rapid development, with the region brands is becoming well-known in the market, followed by rapid growth in the size of the industry cluster, government support and policy makers should be biased in favor of SMEs, to develop a reasonable market access system, and other intermediary organizations should strengthen resource inputs.

At maturity, the regional brand has a strong competitive position in traditional markets; status in the industry is about to changes from the pursuer to the transcender and the leader. The input resources are relatively abundant, but because of loss of the development of benchmarking, will have a more technical or market

Fig. 131.1 Whole course regional brand development model



trial and error behavior. The right strategic choices of region brand development will lead to greater efficiency; otherwise it will bring huge economic losses.

In the recession phase of the regional brands, in order to re-establish the brand market image, you must change the development strategy, the liberal market access system, excellent products and good social public relations which can make regional brand reemerge to the former presence.

(2) Transformation process

The transformation process is the integration process of the resources, between enterprises, between enterprises and governments, enterprises and other intermediary organizations by competing collaborative strategy, heter-organization and self-organization, yield the greatest returns on investment resource.

Self-organization theory is called by a joint name including the dissipative structure theory, collaborative theory, super-cycle theory, and chaos and fractal theory. It is generally believed that the self-organizing mechanism is through the various elements of the system of “competing-Synergy”. Synergy can be divided into positive and negative, positive synergy is Pareto improvement by repeated game, resulting in “social promotion”, the negative synergy produce “social inserting”. Visible, the results of competing is not really expected, in fact, a case in point is that a large number of clusters decline and disappear in external competing, which is manifestation of non-adaptability of the industry cluster and the regional brand.

Similar regional brand should not be conflict and contradiction, but should be a mutual learning, learn from each other, enhance each other the fraternal competing synergies, therefore, must be designed new means of communication, change the concept of the development of regional brands interested parties (enterprises,

industry associations, government), and guide the development of similar regional brand moving in the benign interaction competing relationship.

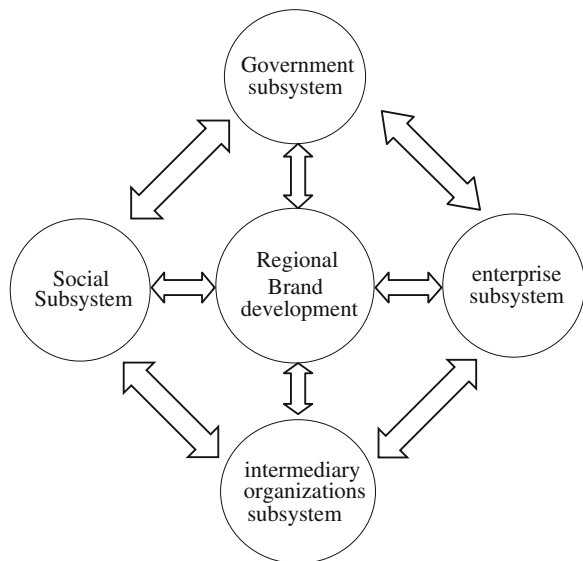
(3) Output stage

After reasonable resources transformation process, business, government and other intermediary organizations achieve a win-win situation, regional brand of scientific management system, to promote local economic and socio-economic development, mainly reflected the knock-on effect in the regional brand.

131.5 Systematic Regional Brand Development Mode

Government, business, social and other intermediary organizations, regional brand building as the core, constitutes an interrelated complex system. The core of the regional brand development system is composed of four subsystems that is the government, business, social and other intermediary organizations, the basic structure shown in Fig. 131.2. Shown in Fig. 131.2, a regional brand development system not only has the characteristics of the general system, the interaction mechanism between the internal structure and systems, is much more complex than the general system. The sustainable development of the system depends not only on the coordinated development of the various subsystems, but also depends on the degree of coordination between the various subsystems.

Fig. 131.2 Systematic regional brand development model



131.5.1 Government Subsystem

The government plays an extremely important role in regional brand building and development process. From the perspective of systems theory, government subsystem, use of local advantages of resources, take a variety of marketing tools, establish and promote regional brand, and in combination with the needs of the regional brand development process, make scientific support policies.

First of all, the government must conduct regional image marketing. In addition, the government should rationalize the ideas and mechanism in macroscopic level of the regional economic development, strengthen macro-guidance and promotion, improve relevant mechanisms, and develop appropriate policies and measures. The government need encourage brands to create famous brands, implement brand strategy and corporate incentives, and make preferential policies and incentives for brand-name enterprises to play a designer demonstration effect.

131.5.2 Enterprise Subsystem

Enterprises play a leading role in regional brand building, by nurturing large enterprises in particular in a comparative advantage industry in the region, as the core, and corresponding formation of a series of supporting vendors, large-scale enterprise communities can be formed in the region, through the corporate community acts to promote the development of competitive industries and industrial clusters, and form a certain reputation and influence of regional brands in the market.

In the enterprise subsystem, the enterprises of different sizes create quality products in the use of local comparative advantage resources, increase brand awareness and reputation, and lay a solid foundation for the construction of the regional brand. Then, this enterprise make use of modern marketing management concepts, methods, strategies and means to improve their own brand influence at the same time, strengthen the regional brand promotion. In addition, it is necessary for enterprise to improve the technological innovation capability. If no R&D innovation, always behind the others, the production would be not market advantage. The enterprise can improve production efficiency, reduce operating costs and improve management of resources, only through innovation of product design and production technology, establishment and improvement of the technological innovation system, the active use of advanced technology to transform traditional industries; only with high-tech, regional brand has a high brand value and market competitiveness.

131.5.3 Intermediary Organizations Subsystem

The development of regional brands requires a large number of professional intermediaries in professional support services, such as policy coordination withered, standard setting, trademark use, legal services, technical support, management consulting, disciplinary mechanism, as well as qualified guarantee (such as loan credit guarantee), etc. Thus, industry associations, chambers of commerce and other intermediary institutions should give full play to its functions.

Industry Association plays an important coordination and communication role between enterprises. The Association is composed of voluntary corporate, non-governmental organizations, has connection function in the construction of regional economic between the enterprise and the market, business and government. Association does depth analysis of the regional brand development, in consultation with relevant government departments to help enterprises solve difficulties and problems of brand development process, through the development of a regional brand development plans and unified applicable policies of regional brand, the exchange of experience in regional brand building in the industry and strive to create a higher value of regional brands.

131.5.4 Social Subsystem

Long-term development of the regional brand cannot be separated from local economic development, support services, is also affected by the impact of local social and cultural environment. In the beginning of the construction of regional brand, creating a brand-sharing culture has an important role in the development of the regional brand. It is necessary to establish and perfect a set of brand sharing mechanism that is shared investment, shared interests, to coordinating operation, the formation of clusters acting criteria, and accompanying cost estimates and cost-sharing mechanism, with a strict barrier to entry, put an end to the subversive opportunistic behavior to the regional brand image.

Social progress is also very important to the development of regional brands. We should speed up reform of the scientific research system, and construction to meet the requirements of the market economy, the investment system, scientific research and development mechanisms and the growth of talent and incentives. The same time increase the distribution system reform to meet the requirements of the market economy; enhance technological innovation through technology shares and other forms of power. To create a social environment of the growth of technology professionals, scientific and technological personnel to be able to get enough market-oriented, institutionalized incentives for technological innovation to develop and retain a sufficient number of qualified personnel.

131.6 Conclusion

Through the above measures, the contradiction in these subsystems can be effectively avoided, and promote the coordinated development between the various subsystems, finally achieve economic benefit, social benefit and environment efficiency unification, so as to realize the sustainable development of regional brand system.

Of course, the article on regional brand development structure model is only limited to theoretical studies, large amounts of data investigation and analysis on the basis of use of systems analysis tools such as system dynamics on empirical research, which can be better to provide a reference for the development of regional brands.

Acknowledgments I would like to thank Anhui Education department humanities and social science fund (SK2012B338) for their support in this research.

References

- Cai L (2008) The application of system dynamics in the research of sustainable development. China Environmental Science Press, Beijing, pp 28–30 (in Chinese)
- Eraydn HA (2010) Environmental governance for sustainable tourism development: collaborative networks and organization building in the antalya tourism region. *Tour Manag* 31:113–124
- Keller KL (1998) Strategic brand management. Prentice-Hall, Upper Saddle River
- Kevin LK (1999) Effective long-run brand management: brand reinforcement and revitalization strategies. *Calif Manag Rev* 41(3):102–124
- Malcolm SA (2006) Bangkok: the seventh international conference on urban planning and environment. In: Place branding, pp 11–14
- Rosenfeld SA (2002) Just clusters: economic development strategies that reach more people and places, regional technology strategies. North Carolina, Carrboro
- Simon A (2007) Competitive identity: the new brand management formations, cities and regions. Palgrave Macmillan, New York, pp 25–41
- Sun L (2009) Progress analysis of foreign regional brand theory. *Foreign economic and management*, pp 40–49 (in Chinese)
- Yang G (2005) Targeting model of sustainable development in ecotourism. *Hum Geogr* 5:74–77 (in Chinese)
- Zeng R (2000) System analysis of harmonization development among population, resource, environment and economy. *Syst Eng Theory Pract* 20(12):1–6 (in Chinese)