

Transforming Branding Strategies from Product to Service: A Case Study About Yangshan Tourism Branding

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Abstract. With the development of service economy, some companies enter new service business such as tourism, culture or leisure industry. Traditional companies then become a product-service complex which works in a product service system.

Yangshan Peach is a traditional brand of agricultural products company group in China. Under the development in recent years, it is becoming a regional brand involving tourism and culture experience. In this case, new branding strategy should be designed. This paper is to analyze the branding process of Yangshan from product to service then to get insight about the brand equity and brand engagement. The relationship between customer and service brand equity has been concluded in case study analysis.

Keywords: Brand · Service branding · Brand-customer relationship · Brand equity · Brand engagement

1 Research Background

As the rise of the service economy is changing the framework of conventional business, some traditional product companies have been converting into product-service complex (Wilson et al. 2008) with the changing of brand value and brand engagement, the meaning of brand and method of branding have also been changed. Being different from product brands, service brands are executed as somehow heterogeneous, intangible and inseparable from the service provider. As delivering a consistent experience seems more important than before, designers are suggested to think differently about branding strategies (Llopis 2014).

1.1 Theory Background

As De Chernatony and Dall’Olmo Riley (1997) stated, “a brand is the link between firms’ marketing activities and consumers’ perceptions of functional and emotional elements in their experience with the product and the way it is presented”. This link can

be viewed in terms of the relationship between consumers and brands and that understanding consumer-brand bonds in terms of relationship marketing principles will assist marketers in enhancing brand value (Jillian et al. 2002).

Service brand is about more than relationship between companies and customers, it could also include relationship between all stakeholders (Bollen and Emes 2008). For example, customer behavior could be seen as branding which expressing the meaning of service. Because of this, the brand equity of service tends to be redefined. Brand awareness and brand meaning can be seen as fundamental factor of service brand equity (Berry 2000). Service Branding Model (Fig. 1) also differs in degree from product branding model.

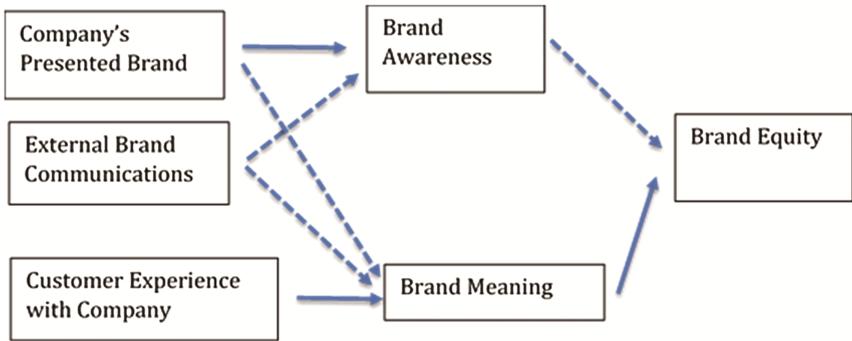


Fig. 1. Service branding model (Berry 2000)

1.2 Yangshan: Brand Not Only About Peach

Yangshan is one of the largest peach farmland in China, Jiangsu province, Wuxi, which is approximately 14000 hectares. People have planted peach there for more than 700 years and now there are about 13000 peach farmers and 700 companies.

Yangshan as a brand of peach represents a style of life: keep health and enjoy the nature. Volcano geopark locates in the west of Wuxi where is famous for its beautiful four hills, geological Heritage, cultural spots and botanic garden. As the Yangshan Volcano brings mineral rich tephra to farmland, peaches can be planted without chemical fertilizer, which means Yangshan Peach is organic.

With 41 % forest coverage and volcanic landform, Yangshan is an ideal place for leisure tourism, especially for those citizens living nearby. In another aspect, average lifetime of the peach trees is around 12 years which means farmers do not have income during the time period they plant new peach trees. Because of this, farmers always take part in the local cooperative which offer different jobs to local people.

With the development of tourism, catering and family outing service, Yangshan is no longer merely a product brand but a brand of service system which represents culture and lifestyle.

“Happy Farmhouse” (Fig. 2) is a new tourism project developed in recent years. People experience local culture and social relationship through events held by the hosts.

Yangshan Happy Farmhouse is supported by Yangshan Cooperative which organize farmers to grow organic food and build view point. Farmers will also host tourist in their house and enjoy Peach Festival together.



Fig. 2. Happy farmhouse in Yangshan

2 Difference Between Product Brand and Service Brand

Classic product brand is about product itself, as product doesn't answer back customers and perform the same every experience with a product brand tends to be identical. On the contrary, service brands are about people. The people's behavior including customer attitude, image of corporate employee, service price or environment can affect service branding (O'cass and Grace 2003). When people who represent the organization lose their tempers, get tired and anxious, and sometimes have just had enough that day, experience with a service brand is therefore different.

2.1 People as Brand

People were the first brands; faces were the first logos (Malone 2010). The way humans respond to brands could be seen as an extension of how they instinctively perceive or behave towards one another.

In the case that the person representing the brand doesn't perform properly, the relationship between the brand and the customer may collapse. The implication of this is that service-based companies have to focus on their internal employees to a greater extent than product-based companies.

2.2 Service Brand as a Relationship Partner

As conventional concepts of brand is refer to customer attitude, satisfaction, loyalty, and brand personality (Fournier 1994). The rising of service industry extends the understanding of brand dynamics. Service brand, as contributing-relationship partner of the consumers could be considered in a relationship dyad.

Designers, especially service designers, attempt to humanize and anthropomorphize brands. In this case, Yangshan local brands are described in media ads as having warm-hearted and positive personalities. However, a relationship in a person-to-person sense takes these perceptions a step further in that a relationship requires interaction and results in qualified statements about how the other person's personality interacts with our own.

Blackston (1992, 2000) conceptualizes the brand as a person with whom the consumer may choose to have a relationship. For service brand, it means which social network customers hope to build and which lifestyle they want to have.

3 Brand Equity from Product to Service

As what has been introduced in the previous sections of this paper, Yangshan Peach has been trying to develop several methods to access larger market potentials. The peach company historically worked on the products with local specialty subjecting to the mode of traditional agriculture industry, which made them as mass production supplier for retail sites mainly within regional market. While during the recent years the company has been making continuous efforts enhancing its market performance through transformation from traditional agriculture strategies to a more integrated scale, that is, branding level, or in another word, through the transformation from a product brand to a service brand. The efforts include redesign for visual presentations (e.g. logo and package, etc.), adjustment of pricing strategies (raise the price for high-quality and limited products), extension of product lines (postcards, souvenirs, etc.), and even development to tourism industry (agri-tainment activities e.g. Happy Farmhouse), which all target to provide stronger brand experience for sense of uniqueness and distinctive quality.

Such strategic transformation the company practice for its market development from product-focused to service-focused indicate an urgent need for enhancement of its brand equity through strategic branding design catering its special strengths. Brand equity from the marketing arena refers to a concept focusing on the relationship between the brand and its customers, which has been defined and interpreted by various scholars with different approaches. Feldwick (1996) tried to simplify it as a total value of a brand as a separable asset resulted from the attachment between brand and consumers. Aaker raised discussion (Aaker 1992) on the importance of brand equity significantly creating

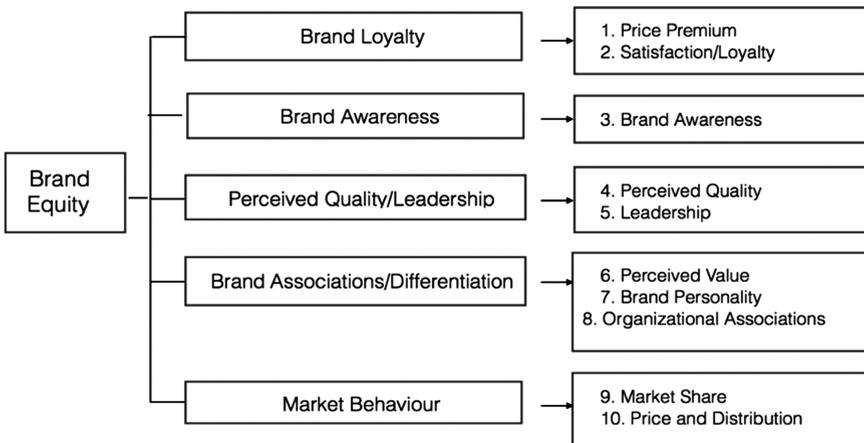


Fig. 3. Asker’s brand equity 10

value to both the brand and its customers, and later in his book *Managing Brand Equity* (Aaker 2009) summarizes a Brand Equity 10 model (Fig. 3) which indicates five dimensions that drive the understanding as well as strategies for brand equity enhancement. All the dimensions direct to the end of strengthening brand-consumer relationship, which can be formed from the holistic experience the brand offer to the consumers. This hence is able to provide theoretical rationale for the strategic branding design for Yangshan Peach, which interpret its brand pursuit as to enhance the brand equity by reaching better brand-consumer relationship through experience building.

3.1 Experience Matters—Peach, Not Only a Product for Eat, a Case of EATALY

Holbrook and Hirschman (1982) originally suggested the vital impact on consumption practice that involves consumers' participation with feelings of fun and fantasy engaging both environmental and self-input from consumers' experiential point of view. Extended from this issue, later scholars explored types of models addressing the importance of customer experience in different academic fields. Schmitt's studies on experiential marketing specifically reveal strong insights for marketing and communication strategies regarding on effectively staging holistic brand-consumer experience encountering not only sensory and emotional responses but also engaging critical, behavioral and social practices (Schmitt 1999). At this point, the case of EATALY illustrates an inclusive example for Yangshan Peach when dealing with the issue on how to transform the food concept from product of traditional agricultural industry into an integrative service level of experience through multiple channels.

EATALY is the world largest Italian marketplace concentrating on all food-concept-related products and activities including not only retail of products like food and beverage but also services like dining and cooking school. It was found in 2003 in Turin, and now has developed worldwide points of sales including New York City, Istanbul, San Paulo, and Tokyo, etc. As what is stated in their official description, their target is to promote "eating Italian food, living the Italian way", which has been fully indicated by its name linguistically. Therefore, being different from the traditional food marketplaces, what EATALY sells are no longer the tangible food products from Italy only, but also intangible service experience of the particular culture and lifestyle of Italy, to the global consumers. With holding this mission, EATALY provides extensive product categories from traditional Italian agricultural products to lifestyle products (e.g. cooking instruments, coffee machines, kitchen accessories, etc.) and even magazines and books which perform cultural education functions. For example, the books and round maps teaching audience the Italian food and agricultural culture by seasons and regions, etc. (Figs. 4 and 5). Apart from the extensive merchandise assortments, EATALY promotes the Italian atmosphere by offering several dining options and also cooking classes within the same marketplace, which provides service platforms to facilitate the social practice of communication toward lifestyle factors between the brand and its customers, between customers and customers, between culture and cultures. Moreover, being collaborated with Slow Food Association, such an integration of both tangible and intangible experiential interfaces also bound together to co-create the philosophy and value with its customers regarding the issue of "sustainability,

responsibility, and sharing” through consumption practice. Hence, this integrative strategy practically interpret Schmitt’s model (2000) of experiential marketing in dimensions of sense, feel, think, act, and relate with deep degree of brand-consumer adhesion, which effectively fulfills the power of brand equity engine. This case thereby discloses brighter possibilities of insights for Yangshan Peach to strategically transform itself from a product brand to a service brand by providing holistic channels for brand-consumer experience, especially when combining its existing strengths when considering the cultural tourism factors introduced in previous parts.

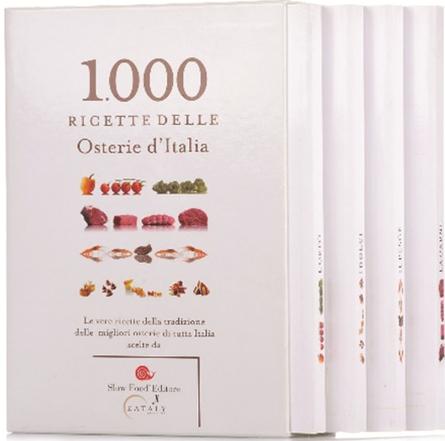


Fig. 4. Books about Italian food



Fig. 5. Agricultural culture and region map

3.2 Brand Community Building—Peach, Not Only a Concept About Eat

The strategies for brand innovation by enhancing brand-consumer experience discussed above suggested a possible pathway to construct the contact between the brand and its customers from both tangible and intangible interfaces especially within the marketplace. Apart from such direct strategies, the brand-consumer relationship should also be nurtured from indirect channels. Brand community then no doubtfully serves this function that leverage the brand equity by strengthen the attachment between the brand and the consumers. Studies have driven abundant focus on how the customer-centric brand community building exercises large positive impact on brand loyalty, brand awareness, and brand association, etc. (McAlexander et al. 2002, 2003; Jang et al. 2008; Schau et al. 2009). The concept demonstrates a set of social relationship structured by shared consciousness, values, identities, ritual and traditions, co-created by both the brand and its customers, which equips the brand asset emotionally and socially (Muniz and O’Guinn 2001).

In terms of branding for food, Wright et al. (2006) started to look from the influence of virtual brand community building by the study of “my Nutella The Community” project, which shows the empowerment of consumers by cultivating themselves to express their relationship with Nutella narrating their personal stories for the goal of self-expression for its emotional attachment to the brand. In this case, each consumer

as participant passionately shares his/her subjective experience toward the brand that is regarded as his/her extended self, and the brand community then becomes the pool feasts individualism through the virtual campaign. Compared to this case, more classical cases that have been discussed by years of brand community studies are from vehicle brands such as Harley Davison, Mini, Mercedes, etc., which strategically formed not only virtual communities but also member clubs integrating both on-line and off-line activities, both products and services exclusively for the members. For example, H.O.G club of Harley Davison in different countries organize various types of riding activities catering for consumers' diversities, during which the enhancement of brand-consumer relationship is experientially tighten up, meanwhile it also offers platforms for consumers and relative parties socializing with one another. Therefore, the brand and the experience are symbolized by social meanings which connect self with product, self with self, self with group, and group with group, for pursuance of individualism and belongingness, commonness and distinction. Combining the experiential strategies suggested in the previous part of the paper, Wuxi Yangshan Peach has the potential to develop membership program by providing series of experience-oriented activities communicating local culture, educating innovative agricultural philosophy, and promoting particular leisure lifestyle toward its target consumers, by which the community is built up to strengthen the brand-consumer relationship so as to enhance the brand equity with sustainable concern.

4 Brand Engagement for Service

Service brands elevate themselves by injecting a service element into their DNA to create a richer and more multi-dimensional brand experience. Yangshan create new channels for customer service including both online and offline. First they cooperate with Tujia which is an online tourism service system to build up a plant form sharing user experience and publishing news. Then, to enhance customer engagement, self-service tourism will be supported by local companies. In this case, Yangshan brand act as an umbrella for the whole service system, enabling efficient marketing with brand in a solution-driven way. This is then a more customer-centered process instead of putting focus too much on the brand itself.

4.1 Customer Engagement in Service

In service process, customer engagement exists in a full spectrum of experiences. It is no longer a series of one-off experiences—it is an ongoing dialogue. One aspect of this spectrum is the relationships that customers form with each other. The peer-to-peer relationships are core to the social web. As the rapid development of internet, customers will not just be interacting with companies, they will talk amongst themselves, sharing their perspectives across. For this, Yangshan cooperated with many internet enterprises to build up a huge information platform.

4.2 Real Brand Engagement

Through serious of interactive activities in Yangshan, customers get multiple experience in a well-designed customer journey.

With awareness a given, service providers will link “engagement” to how well the brand is perceived versus their category’s ideal, rather than just counting “likes” or leveraging imagery. Hosts of Happy Farmhouse is core member of service system who receive feedback from both customers and providers so that they are able to evaluate the customer experience through multiple aspects.

4.3 Brand as Mutually Beneficial Relationship

Yanshan try to build up a well-developed friendship based on interdependent needs and mutual respects. This friendship is a two-way street. On one hand, during the online platform and co-design process, customers feel heard, and they can see their role in Yangshan as a social actors. At the same time, Yangshan get feedback, and have the opportunity to improve their business, thereby by attracting more customers.

5 Conclusion

Branding strategies for service-focused brand is quite different from traditional branding. User experience is vital and branding could be anytime and anywhere. As a designer, we should stay in the forefront of customers’ minds and analyze all the stakeholders in a big map with service design tools.

With service brands, customers have a wider lens to access multiple offerings. As they take all stakeholders into consideration, it’s necessary to sharp brand image for designers.

Brand Engagement and brand equity is the vital factors in this process. Service design methodology can help designers to get insights of stakeholders and find the opportunities through the studies on brand-consumer relationship.

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