Inherit or innovation? Research on the brand revitalization of China Time-honored Brands

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Research Article

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Abstract

The sustainable development of time-honored brands in the new era is faced with the dilemma of inheritance or innovation. By selecting Wufangzhai company of Jiaxing city in China as the research object and conducting case study, it is found that the enterprise not only inherits the quality, ingenuity and culture of the time-honored brand, but also innovates in R&D, marketing, organizational structure and business strategy. The process of inheritance and innovation of time-honored brands is a blend of “DAO” and “SHU” in Chinese. “DAO” (principle) refers to the brand's concept rules and deep cores; “SHU” (skill) refers to the brand's methods and forms of display. Analysis from the perspective of levels constituted the brand, what is inherited are the real core internal elements and powers of the brand, which help to maintain the internal authenticity, consistency and continuity of the time-honored brand; what is innovated are the external levels of the brand, which helps to promote the external elements of the time-honored brand in fashion, novelty and flexibility. The ambidexterity equilibrium of brand management and revitalization in the “DAO” of inheritance and the “SHU” of innovation, reflects the dialectical logic of change and changeless: centering on improving the value of brand equity, adhering to the core of the brand on the one hand, breaking through the external form on the other hand, its essence is unified around better meet customer's needs.

I. Introduction

“China Time-honored” is referring to old -fashioned companies and their brands in mainland China identified by the former Ministry of Trade of People's Republic of China. They had a long history and many years of successful business experience, distinctive traditional cultural background and deep cultural heritage, and obtained widespread social recognitions and good reputations.. Large numbers of time-honored brands such as “Quanjude” “Go belive” and “Zhang Xiaoquan” are China's brand treasures. They have unique products, exquisite skills and good services formed by long-term development, and share huge brand value, economic value and cultural value(Zhang, Li, Liu, Ruan, 2021). Time-honored brands are not only a commercial landscape, but more importantly are a historical and traditional cultural phenomenon(Li, Cui, Chen, Zhou, 2019). Therefore the protection and development of time-honored brands are of great significance for improving the value of traditional brands and promoting the excellent traditional Chinese culture. However, many time-honored brands have lagged behind in terms of product innovation; sales channel reform, customer service concept and method update, and they are facing operational difficulties under the new situation. According to the survey data of the Ministry of Commerce in 2018, among the 1,128 “Chinese Time-honored Brands” identified, only 10% of the enterprises are flourishing, 70% of the enterprises are facing operational difficulties, and 20% of the enterprises are facing bankruptcy. To this end, in early 2017, 16 departments including the Ministry of Commerce jointly issued the “Guiding Opinions on Promoting the Reform, Innovation and Development of Time-honored Brands”, emphasized the need to actively promote time-honored brands in increasing varieties, improving quality and creating brands.
It can be seen that the development of time-honored brands faces the dilemma of inheritance or innovation, “change” or remain “unchanged” (Xu, Zhang, Feng, 2018). How to inherit the time-honored brands to maintain their excellent traditional brand advantages, and at the same time achieve sustainable developments through innovation? Which aspects should be inherited and which aspects should be innovated? How to handle the dialectical relationship between “change” and “unchanged”, and achieve a balance between inheritance and innovation? All these are major theoretical and practical issues facing China's time-honored brands.

2. Literature review

2.1. Brand and brand revitalization

A brand is a name, mark, symbol or design, or a combination of them. From the perspective of brand management and brand promotion, brand is a multi-level and multi-element concept. A brand includes three layers: surface layer, inner layer and core layer. The surface layer of the brand includes trademark, packaging, price, publicity, etc., the inner layer includes quality, technology, service, etc., and the core layer includes image, personality and culture (Singh, 2022). The elements that make up the brand are the focus of brand management and the foundation of brand equity, and brand equity is the most valuable strategic resource of an enterprise. The purpose of implementing brand management is to continuously improve brand equity (Keller, 1999). Brands may grow old over time. From the perspective of brand value and brand equity composition, brand aging is the change of the original brand equity value component over time, which does not adapt to market demand and technological change development, and results in a decrease in brand value and brand’s attractiveness to consumers (Lehu, 2004). Brand revitalization is an effective way for enterprises to deal with brand aging. Brand revitalization is also called brand Rejuvenation. The term was first proposed by scholar Berry (1988), which refers to re-capturing the lost brand equity through “root-seeking” to reverse the decline trend of the brand and promote the regeneration of brand value (Amujo, Otubanjo, 2012). That is, by finding the root cause of brand aging and tracing the core value of brand equity, and taking targeted measures to achieve sustainable development of the brand.

2.2. The nostalgic perspective of brand revitalization and the strategy of time-honored brands

The theoretical analysis of brand revitalization mainly includes two different schools: cognitive psychology and social psychology (Berry, 1998). Since the brand is reflected in the consumer’s identification with the product, process, service and culture, the cognitive psychology school regards the customer’s brand equity as the core, and believes that the key to brand revitalization lies in the change and remodeling of consumers’ brand knowledge (Keller, 1999), they emphasizes that brand revitalization should base on brand awareness and brand image (Dion, Mazzalovo, 2016; Singh, 2022). The social psychology school believes that the “authentic core” of a corporate brand is the key factor for gaining recognition and competitive advantage, and maintaining the truth of the brand’s internal concept and the consistency of its external style to form brand authenticity helps bring the brand Identity (Schallehn,
Burmann, Riley, 2014), emphasizing the excavation of the original success factors of the brand, arousing the nostalgic connection between consumers and the old brand, using the brand tradition to fully explore the brand identity and nostalgic complex of consumers (Zhang, Li, Liu, Ruan, 2021), in order to revive the brand meaning. For time-honored brands, since the creations of time-honored brands are mainly rooted in original products, exclusive skills and specific cultural situations, they have formed a unique production process, strict quality management methods, and a good culture in the course of their development. These are the unique brand assets of time-honored brands. Therefore, from the perspective of nostalgia, we will explore the profound traditional cultural connotation and cultural personality of time-honored brands (Sheng, Juyoung, 2022), carry out creative design and strengthen brand culture marketing help to realize the brand revitalization of time-honored brands.

2.3. Innovative perspective of brand revitalization and the strategy of time-honored brands

Brand aging is the premise of brand revitalization. Due to changes in the market and technological environment, brand equity and brand aging are brought about. Therefore, some scholars emphasize that by seeking and adding new elements of the brand to transform and innovate, to create new competitive advantages of the brand and achieve sustainable development (Aaker, 1991). Its essence is to achieve brand revitalization through innovation, such as increasing use, discovering new uses, entering new markets, repositioning brand, adding products or services, making existing products obsolete, and extending brands (Young, Sik, Shin, Kyoung, Cheon, Cha, 2013). The purposes of expanding brand awareness and improving brand image can be achieved through innovations in four aspects: new products (uses), new markets, new positioning (Young, Sik, Shin, Kyoung, Cheon, Cha, 2013) and new images (Muellner, Kocher, Crettaz, 2013). According to the innovative strategy of brand revitalization, for time-honored brands, some studies have pointed out that it is necessary to reposition, innovate in marketing models, and innovate in material culture such as products and technologies, and spiritual culture such as values (Li, Cui, Chen, Zhou, 2019). It is also necessary to communicate the image of fashion with consumers and rebuild the market boundaries of the brand (expanding product lines and expanding brands) (Munthree, Bick, Abratt, 2013) to obtain the cultural continuity of brand revitalization.

2.4. The integrated perspective of brand revitalization and the strategy of time-honored brands

Brand revitalization not only emphasizes “root-seeking”, but also emphasizes the rebirth of brand value through reform. Therefore, it is necessary to tap the traditional advantages of the brand itself, and at the same time to find the reasons for decline and aging to innovate. From the perspective of brand revitalization integration researches point out that brand revitalization not only needs to tap unique assets, but also actively develop new assets (Xu, Zhang, Feng, 2018). Enterprises can revitalize aging brands through the inheritance and renewal of the true core of the brand. According to the analysis of the time-honored brand strategy from the perspective of integration, some scholars pointed out that by revitalizing cultural traditions such as restoring traditional craftsmanship and rebuilding the spirit of products, and at the same time stimulating innovations in elements such as technology, system, culture and market, the brand revitalization of time-honored brands can be effectively achieved (Zhang, Li, Liu,
Other studies have pointed out that on the one hand, the nostalgic value of the brand name and brand history should be inherited (Dion, Mazzalovo, 2016), and on the other hand, the success of brand management can be achieved through innovation strategies such as brand repositioning (Dev, Keller, 2014), market innovation, sales channel innovation and sales communication innovation (Sheng, Juyoung, 2022).

Based on different perspectives, different theoretical schools analyze the causes of brand aging and propose strategies for brand revitalization, which have important significances for the research on brand asset management and revitalization of time-honored brands. Among the three different perspectives of brand revitalization, brand nostalgia perspective advocates to stimulate the unique brand equity of an old brand by maintaining its classics, and brand innovation perspective emphasizes to update the old sources of brand equity by seeking changes. These two different perspectives regard inheritance and innovation as an alternative choice. For the revitalization of time-honored brands, only focusing on innovation may lose the authenticity, continuity and consistency of time-honored brands, and make the original brand recognition and brand equity of time-honored brands disappear. However, if only the existing culture, technology and packaging of time-honored brands are inherited, they may face challenges brought about by changes in the market and technological environment, resulting in aging of the brand and reduced attractiveness to consumers. Therefore, only focusing on inheritance or innovation, and considering brand revitalization as a strategy of choosing one from the other has great limitations in research logic, and the guidance for practice is also one-sided. The perspective of brand integration regards inheritance and innovation as a binary relationship that can be coordinated and balanced, emphasizing that inheritance and innovation can be binary compatible, but in brand management, which elements of brand equity should be inherited? Which elements of brand equity need to change? The dialectical logic and intrinsic nature of the change and immutability between inheritance and innovation are not clear enough, and there is still considerable controversy over how to realize the management of inheritance/reform of these brand assets, so the practical guidance for enterprises is also lacking in pertinence.

3. Research methods and data sources

3.1. Research design

Case study is a qualitative research method for analyzing problems. It is suitable for two research situations: one is the research basis, case study is suitable for the case where the existing relevant researches are immature and the internal mechanisms of the things are not clear; the second is the research question, case study has an advantage in answering the “why” and “how” questions (Eisenhardt, 1989). Since this article focuses on the study of “how to inherit the time-honored brand to maintain its excellent traditional brand advantages and achieve sustainable development through innovation?” That is, “how to handle the dialectical relationship between the inheritance and innovation of the time-honored brand”, and according to how to maintain the time-honored brand, there are still a lot of controversies on whether brand revitalization should be inherited or innovated for sustainable development, and the
relevant researches are not yet mature, so it is reasonable and necessary to use case study to explore(Eisenhardt,Graebner, 2007).

3.2. Data source and data analysis

Case studies use theoretical sampling, emphasizing the need to select objects that meet the needs of theoretical research. The commonly used method to select case is to select typical, abnormal and extreme cases(Yin, 2003). The Wufangzhai brand was founded in 1921 and was the first batch of “Chinese Time-honored Brands” in the country. According to the 2018 “China Time-honored Brand Development Index” by the Ali Institute, among the 184 Chinese time-honored brands in the food and catering industry, Wufangzhai’s brand development ranks first. Therefore, it is typical to select this enterprise as the research object. Wufangzhai brand has been developing for nearly a hundred years, and there are many distinctive practices in the development of brand revitalization. Through the detailed analysis of the typical practices of Wufangzhai enterprise, it is possible to better extract and compare various measures for the inheritance and innovation of time-honored brands and explore their internal reasons, which is helpful to obtain more general generalizations from the in-depth and detailed study of typical cases.

This research follows the specification process of case studies(Eisenhardt, 1989; Yin, 2003), using multiple data sources to collect data. In the process of data collection, the objective, true and comprehensive data sources are effectively ensured through interviews with multiple people, and relevant data obtained from multiple channels, which are helpful for triangulation of data(Yin, 2003). The data sources are as follows: (1) First-hand information. In July 2019, the authors of this article went to the headquarters of “Wufangzhai” in Jiaxing city of Zhejiang province, and visited the factory and administrative office of “Wufangzhai”. Two senior technical and market management personnel of the company had been conducted face-to-face interviews. The interview time was between 1 and 1.5 hours. The interview contents were organized into a written manuscript of about 20,000 words, and a wealth of first-hand information was obtained. (2) Second-hand information. We also inquired a lot of information related to the brand building of “Wufangzhai” on the Internet, and obtained textual materials from the enterprise, which provided lots of data support for the research of this paper.

In the process of data analysis, the two authors coded the data obtained according to the ideas and steps of qualitative coding(Strauss,Corbin, 1990), and subdivided the data according to the two themes of inheritance and innovation. Relevant data were grouped into two themes and further categorized.

4. Balance inheritance and innovation to accomplish Brand revitalization of “Wufangzhai”

Wufangzhai Company was founded in 1921. From the opening of the first rice dumpling shop, it has gradually developed into a national group company. Wufangzhai Group has experienced key events such as brand creation, collectivization, chaining and operating internet in the process of development. "The
old and the new cannot be separated; the tradition and innovation complement each other.” Wufangzhai adheres to this concept. On the one hand, it carries on the inheritance of the brand, and on the other hand, it continuously implements brand innovation, and promotes the enterprise to become “the keeper and innovator of Chinese cuisine”. Based on the grounded method, this paper codes the interview data and relevant internal data of the company (see Table 1).

4.1. The classic inheritance of time-honored brands

As the guardian of Chinese cuisine, Wufangzhai’s classic inheritance of its time-honored brand mainly includes three aspects: quality inheritance, ingenuity inheritance, and cultural inheritance.

4.1.1. Inheritance of quality

Wufangzhai has experienced nearly a hundred years of historical changes, but still respects historical heritage and sticks to the way of good quality. From the three aspects of quality, process and guarantee to guarantee product quality, the three strict requirements of strict access, strict standards and strict acceptance are adopted to implement a series of quality and safety guarantee measures from source control, factory control to marketing control to ensure that each rice dumpling is safe, reliable and delicious.

1. In terms of raw materials, Wufangzhai adheres to the excellent quality raw rice all year round. At the same time, it is matched with high-quality fillings and wild rhubarb leaves from the world to ensure the quality of raw materials. First of all, Wufangzhai’s requirements for glutinous rice have always been high standards and strict requirements. Wufangzhai Group selects rice bases nationwide. At present, Wufangzhai has established 4 glutinous rice production bases in Wuchang and other regions in Northeast China, and has obtained organic product certification. In order to further obtain high quality and stable rice sources, Wufangzhai Group also established Wufangzhai Rice Industry Company and Wufangzhai Rice Research Base in Heilongjiang province to promote the development of local rice industry. Secondly, Wufangzhai always insists on using high quality fillings to produce rice dumpling. In order to achieve the perfect quality of each filling, Wufangzhai has been selecting materials all over the country and even around the world. For example, adzuki beans are purchased from special cereal bases in Heilongjiang, Jilin, and Liaoning; ginger juice, dried apricots, and dried peach are purchased from Shandong. In addition, egg yolks from Guangdong, Jinlan soy sauce from Taiwan, red dates from Xinjiang, and dried peaches jam from Yunnan, etc. In the end, Wufangzhai also strictly selects and standardizes the leaves used to package rice dumpling. Due to the strict requirements on the origin of wild rhubarb leaves, Wufangzhai established wild rhubarb leaf base in Jing’an, Jiangxi Province, and established Jiangxi Wufangzhai Agricultural Development Company to guide local villagers to pick and process wild rhubarb leaves according to unified standards.

2. In terms of production technology, Wufangzhai inherits intangible cultural heritage skills and optimizes workshop production. In the production process, “Wufangzhai” rice dumpling has gone through 36 processes such as selecting materials, soaking rice, and boiling leaves, striving for
perfection in technology. In order to protect and inherit the traditional Chinese technique of rice dumpling wrapping, the wrapping and tying of “Wufangzhai” rice dumpling still retains the traditional manual skills. The wrapping technicians operate according to the procedures of preliminary modeling, adding rice, filling, weighing, shaping, and binding. “Wufangzhai” strictly carry out the training of rice dumpling wrapping technicians; it takes 5 months for a wrapping technician to take a job from training to work. In addition, Wufangzhai’s original crafting formula has continued to this day. Every seasoning and recipe of rice dumpling is carefully and secretly made, forming the unique taste of Wufangzhai rice dumpling. The rice dumpling which produced through the traditional craftsmanship of Wufangzhai has finally formed the unique skills and secret recipes. In 2011, the craftsmanship of Wufangzhai rice dumpling was officially included in the national intangible cultural heritage list.

3. In terms of acceptance criteria assurance, Wufangzhai drafts industry standards, attaches great importance to quality certification, and protects the rights and interests of consumers. As the chairman unit of the Chinese rice dumpling Industry Association, Wufangzhai has exclusively drafted the rice dumpling industry standard and the rice dumpling national standard. After taking the lead in the industry to pass the ISO9001 international quality system certification, it has successively introduced the ISO14001 environmental management system and OHSAS18001 Occupational health and safety management system.

4.1.2. Inheritance of ingenuity

Wufangzhai also attaches great importance to the inheritance of employees’ ingenuity and the cultivation of employee stickiness, so as to better promote the inheritance of the company’s century-old ingenuity.

(1) Driven by the ingenuity of rice dumpling masters and outstanding employees. The craftsmen weave traditional skills with their hard-working hands, and inherit the craftsman spirit with simple ingenuity. The best wrapping master in Wufangzhai will be awarded the title of “Rice Dumpling Master”. The company’s 14 rice dumpling masters and numerous rice dumpling wrapping masters lead young technicians from all over the country to stick to the production line all the year round. The rice dumpling masters not only impart years of practical experience, but also convey the persistence and love of ingenuity with their own words and deeds, which drives the nurturing and growth of the ingenuity of every front-line production employee.

(2) Various publicity and related activities of the enterprise promote the inheritance of ingenuity. The company also organizes outstanding employee commendation conferences, compiles various internal outstanding employee deeds materials, etc., establishes advanced models of outstanding front-line employees, and cultivates the “craftsmanship” of excellence and devotion to work. Through the promotion of the enterprise and the leadership of rice dumpling masters, the century-old ingenuity of Wufangzhai has been continuously passed on in the changing times.

4.1.3. Inheritance of corporate culture
As a time-honored brand with a history of nearly 100 years, Wufangzhai has always attached great importance to the inheritance and development of traditional national culture, and has also formed a corporate cultural map with traditional cultural characteristics.

1. Inherit the Dragon Boat Festival culture and form a characteristic corporate culture. Wufangzhai advocates the “harmonious business” culture, emphasizing “harmony but difference” and “harmony and honesty”, which is in line with the traditional Chinese Confucian cultural thought. Wufangzhai not only pays attention to the promotion and dissemination of the Dragon Boat Festival culture related to rice dumpling, but also always takes the promotion of other traditional cultures as its own responsibility, and actively integrates its own brand into traditional culture. As early as 2005, Wufangzhai Group hosted the first Chinese Rice Dumpling Cultural Festival in Jiaxing. Since 2007, Wufangzhai has actively sponsored various activities in Jiaxing Folk Culture Festival, by holding a series of activities such as the Dragon Boat Race, the Dragon Boat Rice Dumpling Wrapping Competition, and the Dragon Boat Canal Food Festival; it has played a role in effectively disseminating traditional culture, and thus has accumulated a strong characteristic corporate culture.

2. Long-term commitment to social responsibility and inheritance of public welfare culture. Wufangzhai has undertaken countless social responsibilities in the course of nearly a hundred years, leading the positive energy trend of the social atmosphere. The courage to assume social responsibility makes public welfare an important part of corporate culture. Wufangzhai has carried out a number of themed public welfare activities, such as the Dragon Boat Festival Public Welfare Campaign themed “In the Name of Love, Warming the Dragon Boat Festival”, and organized a nationwide series of “Inherited Family Taste” and “Share the Taste of Happiness” Charitable activities. Other long-term public welfare activities such as charity donations, scholarship establishment, and voluntary trips have also been carried out. The company not only enjoys social honors while undertaking social responsibilities, but also establishes a long-term and solid public welfare culture connotation for the company.

4.2. Innovative development of time-honored brands

As an innovator of Chinese cuisine, Wufangzhai is also constantly exploring innovations, which are mainly reflected in four aspects: R&D innovation, marketing innovation, organizational structure innovation, and business strategy innovation.

4.2.1. R&D innovation

Wufangzhai actively conducts product research and development, technological improvement, basic research, and raw material inspection through the construction of internal technology centers and external technical cooperation to improve the technological content of traditional food, promote the innovation capabilities of the entire rice dumpling industry.
1. In terms of product innovation, Wufangzhai has established its own Food Research Institute since 2003, and the institute regularly launched various new products every year. At the same time, it has continuously strengthened school-enterprise cooperation. At present, it has established long-term and stable cooperative relations with Zhejiang Gongshang University, Jiangnan University, Nanchang University and other universities with strong scientific research strength in the food industry. In recent years, more than 30 new products of rice dumpling have been developed, and at the same time, Wufangzhai is constantly seeking breakthroughs in packaging, and has developed many new gift boxes and high-end gift boxes.

2. In terms of product line innovation, Wufangzhai designed different product concepts according to different customer groups. On the basis of redefining the original six product lines, it added high-end culture series, cross-border alliance series, and innovation series, which are widely praised by consumers of different ages. In addition to product line innovation, the Group also continues to extend product lines. Wufangzhai mainly focuses on rice dumpling products, and gradually extends to glutinous rice food. It has successively released categories such as moon cakes, rice, cakes, and rice products. At present, it has initially formed the competitiveness of the glutinous rice food market.

3. In terms of technological innovation, Wufangzhai has developed or introduced technologies earlier such as laser rice selection, no-washing technology, hot mesh cooking, automatic washing, recycling of water, etc., and realized mechanized production. At the same time, Wufangzhai has formulated a complete working process of raw and auxiliary materials to implement green production technology, and formulated the “Acceptance Specifications for Raw Materials and Packaging Materials” according to its product characteristics, inspected each batch of raw materials before entering the warehouse to ensure the quality and safety of raw materials.

4.2.2. Marketing innovation

In the face of today’s fast-developing industry and constantly escalating consumer demand, Wufangzhai has actively transformed according to market trends, made bold attempts in marketing, and continued to innovate in sales channels, sales models and marketing promotion.

1. Innovation in sales channels and sales models. In order to better meet different consumer needs, Wufangzhai has opened a rice dumpling store in the Shanghai-Hangzhou Expressway service area since the beginning of 2000; In 2003, Wufangzhai launched rest assured breakfast, in 2015, Wufangzhai’s e-commerce company officially settled in Xiuzhou, thus creating Wufangzhai fast food, breakfast cart, “Youmi Family”, e-commerce and other channel models. At present, Wufangzhai has built a national sales channel resource of more than 50,000 retail terminals, with 448 catering stores offline and 160 e-commerce stores online. In addition, Wufangzhai chain stores are gradually promoting digital transformation, such as mobile phone ordering, self-service meal pickup, and cloud shelf scan code shopping, etc., and are constantly exploring the new retail model of catering + retail. At present, Wufangzhai has established an Omni-channel marketing model integrating traditional retail, online e-commerce, and restaurant chains.
2. Marketing and promotion innovation. According to the positive transformation of the offline market, Wufangzhai has made bold attempts in marketing and promotion to strengthen the interaction with young consumers. Since 2016, Wufangzhai has announced cooperation with giant brands such as Disney and Marvel, integrating some core elements of Disney and Marvel into product packaging and new product promotion. In 2017, Wufangzhai successively launched the “Moon Landing Project” pop-up store, the “Gathering Rice Dumpling for Fun” black technology pop-up store, and continuously launched various fashion and creative brand advertising videos. Wufangzhai achieves multi-channel brand promotion through brand cross-border co-branding, brand creative videos, and brand pop-up stores, injecting vitality into the consumer market in the new era.

4.2.3. Organizational innovation

In a long period of development, Wufangzhai has implemented a division system. In order to meet the needs of diversified business expansion, in 2016, Wufangzhai successfully accomplished the transformation of its corporate organizational form from traditional the pyramid structure to a flat platform structure, called “big platform and small front end”.

1. Small front-end—product manager-driven system. “Small front-end” refers to the establishment of three new centers in the headquarters, including the product planning center, the Omni-channel sales center, and the new retail user center, as the company's core front-end facing the market and users. The product manager-driven system is implemented in the small front-end, that means the product manager of each project is the CEO who leads the product. From product research and development, material selection, production to marketing, the whole product life cycle management is carried out according to the internal market thinking. At the same time, the internal incentive mechanism is optimized, and performance is linked to income, treatment, promotion, etc., thus greatly mobilizing employees’ creativity and work enthusiasm. Meanwhile, product managers select team members and establish cross-departmental cooperation, which significantly improves internal resource efficiency.

2. Big platform—background service support system. The “big platform” refers to the back-end service support, including not only the back-end functional departments such as finance, personnel, administration, etc., but also the business support departments such as procurement, quality management, and supply chain, which together provide shared guarantee service support for business departments and product managers. Through the reform of the organizational structure, the entire organization will be flattened, and the reform goals of light labor cost, internal fast process, and enterprise internal Internet transformation and upgrading will be gradually realized.

4.2.4. Business strategy innovation

In order to realize a major leap from rice dumpling to glutinous rice food and create a leading brand of rice products with glutinous rice food as the core, Wufangzhai has implemented the “light, fast, Internet-based” development strategy and the “glutinous rice+” brand strategy.
(1) “Light, fast, Internet-based” strategy. In 2015, Wufangzhai proposed a new strategy of “light, fast, and Internet-based”, that is, light assets, light labor, rapid market response and Internet-based marketing. Focus on strengthening product research and development capabilities and Omni-channel management and control capabilities, becoming the exporter of product standards and quality control systems.

(2) “Glutinous rice+” strategy. At the beginning of 2019, Wufangzhai proposed a new “glutinous rice+” strategy, which shifted the focus from rice dumpling to the entire glutinous rice food, so as to realize the layout of the glutinous rice industry in the whole supply chain, thereby improving the operation quality and efficiency of the three major channels of commerce, chain and e-commerce, stimulating the vitality of the brand continuously.
<table>
<thead>
<tr>
<th>Core category</th>
<th>Main category</th>
<th>Initial category</th>
<th>Typical evidence cited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand heritage</td>
<td>Quality inheritance</td>
<td>Inheritance of the use of raw materials; Production process inheritance; Inheritance of product acceptance criteria;</td>
<td>In terms of raw materials, choose raw rice and high-quality fillings; Inherit the intangible cultural heritage skills in the production process and optimize the workshop production; Strengthen the guarantee of acceptance standards;</td>
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<tr>
<td>Ingenuity inheritance</td>
<td>Inheriting craftsmanship and ingenuity; Encourage craftsmanship;</td>
<td>Drive the craftsmanship through outstanding employees such as “Rice Dumpling Master”; Carry out staff commendation conference etc. to promote craftsmanship;</td>
<td></td>
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<tr>
<td>cultural inheritance</td>
<td>Integrate into traditional culture; Promote public welfare culture;</td>
<td>Integrate their own brand into the excellent traditional Chinese culture; Continuous public welfare activities make public welfare an important part of corporate culture;</td>
<td></td>
</tr>
<tr>
<td>Brand innovation</td>
<td>Research and development innovation</td>
<td>Strengthen product development; Extend product line; Production technology innovation;</td>
<td>Establish food research institute to strengthen research and development of new products; Extend the product line, from Zongzi products, gradually extend to glutinous rice food; Develop or introduce automation technology, implement green production technology;</td>
</tr>
<tr>
<td>Marketing innovation</td>
<td>Marketing model innovation; Marketing channel innovation; Marketing promotion innovation;</td>
<td>Establish an omni-channel marketing model integrating traditional retail, online e-commerce and catering chains; Cater to fashion, implement multi-channel brand promotion;</td>
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</table>
5. Discussion

“DAO” is the core concept of Lao Tzu’s philosophy. Lao Tzu believes that all things in the world are born from the way of nature. “DAO” is the essential law and idea spirit, “SHU” is a practical method and skill of “DAO”. Based on the analysis of the dialectical relationship between “DAO” and “SHU”, combined with the specific practice of Wufangzhai, this study finds that the inheritance and innovation process of time-honored brand Wufangzhai is a blend of “DAO” and “SHU”.

Through the analysis of the logic behind Wufangzhai’s brand inheritance and innovation, it can be found that Wufangzhai inherits the traditional advantages of the brand and the real core elements of the brand. Through quality, ingenuity and cultural inheritance, the consistency of the brand quality, the stabilization of brand culture and the persistence of brand ingenuity are achieved, maintaining the authenticity, consistency and uniqueness of the brand, which is the way the brand lives. What is innovated is Wufangzhai adopts the brand external level change with the development of the times and the change of consumer demand. Through the innovation of research and development, marketing, organizational structure and business strategy, it has realized the diversification of brand categories, fashionable brand promotion and brand service. People-friendly, flexible brand strategy, increasing the brand’s fashion, novelty and flexibility to respond to market changes, this is the brand’s longevity and excellence. The inheritance and innovation of Wufangzhai brand has well handled the relationship between “DAO” and “SHU”. While protecting the time-honored brand, it has carried out the innovation of gourmet food according to the needs of the times, realizing the brand revitalization of time-honored brand Wufangzhai and the appreciation of brand equity (see Fig. 1). The inheritance and innovation of Wufangzhai coincides with the concept of “preserving the core and stimulating progress” proposed in the book “Built to Last: Successful Habits of Visionary Companies”, that is, the long-term sustainable development experience of an excellent company is that “it must adhere to its core concept, in order to adapt to the ever-changing market environment, companies must carry out various innovations”.

<table>
<thead>
<tr>
<th>Core category</th>
<th>Main category</th>
<th>Initial category</th>
<th>Typical evidence cited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational structure innovation</td>
<td>Organizational change;</td>
<td>The front-end of organization changes to product manager-driven system;</td>
<td></td>
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<td></td>
<td>Organizational division of labor changes;</td>
<td>Organize backend to adopt background service support system;</td>
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<td></td>
<td></td>
<td>Make organizational structure flat and flat through innovation;</td>
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<tr>
<td>Business strategy innovation</td>
<td>Development strategy change;</td>
<td>The implementation of the &quot;light, fast, Internet-based” strategy, increase the brand value;</td>
<td></td>
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<tr>
<td></td>
<td>Brand strategy change;</td>
<td>Implement “glutinous+” strategy, improve supply chain, and carry out glutinous rice industry layout</td>
<td></td>
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</table>
Firstly, the inheritance and immutability of Wufangzhai lies in the “DAO” of guarding ingenuity. Wufangzhai brand has always adhered to and inherited the quality, spirit and culture in the course of a hundred years of development, which is the essence of Wufangzhai’s brand assets, but also the core level and source of brand elements, and finally formed the “DAO” of ingenuity with specific historical development factors (see Fig. 2). Wufangzhai’s inheritance of raw materials, production processes and acceptance standards reflects not only Wufangzhai’s inheritance of traditional craftsmanship, but also its commitment to the high quality of rice dumpling, thus ensuring the consistency of quality. The spirit of ingenuity is the spiritual principle that Wufangzhai must strictly abide by from the front-line workers to the top management, which shows the ingenious attitude and service quality of the century-old brand Wufangzhai in treating products and users, making the brand ingenuity lasting. The harmony culture of an enterprise is not only to follow the traditional culture, but also to be responsible for the employees, customers, partners and competitors of the enterprise. At the same time, it also actively promotes the Dragon Boat Festival culture and inherits traditional Chinese culture, all of which demonstrate the stabilization of the brand culture.

Secondly, Innovation and change of Wufangzhai comes from the “SHU” of pursuing excellence. Innovation manifests in multiple types. With the pursuit of excellence, Wufangzhai seeks its own “SHU”, and finally settles in four main aspects: organizational structure, strategic system, marketing, and research and development. These elements constitute the external level of the brand and are also important parts of brand equity (see Fig. 3). Wufangzhai continues to carry out the research and development of new products and the transformation of production technology, and constantly expands the width and depth of the company’s product line, which promotes the diversification of brand categories. Under the guidance of Wufangzhai’s strategy of “light, fast and Internet-based”, the company innovated the organizational structure, realized the flattening of the organizational structure, improved the efficiency of internal information transmission and decision-making, as well as the adaptability of external organization to the consumer market, and realized the flexibility of brand strategy. After the structural reform to “big platform and small front-end”, the entire organization tends to be flat. Through the product manager-driven system, each product manager can directly contact the market, which accelerates the speed of information collection and feedback, and realizes the brand service to be user-friendly. According to the development of internet technology and intelligent technology, Wufangzhai vigorously uses the internet media for publicity and promotion, and at the same time uses intelligent technology to bring users a better product experience, which promotes the fashion of brand promotion.

Thirdly, “DAO” and “SHU” interaction achieved brand management and revitalization. Wufangzhai inherits quality, ingenuity and culture, and realizes the consistency of brand quality, the stabilization of brand culture and the persistence of brand ingenuity. At the same time, it has continuously innovated in research and development, marketing, organizational structure and business strategy, and realized the diversification of brand categories, fashionable brand promotion, people-friendly brand service and the flexibility of brand strategy. Brand inheritance and brand innovation, the former is “DAO” and the latter is “SHU”, which seem to be completely different and incompatible, but they are all components of the brand, unified in the brand ontology that constitutes the brand equity (see Fig. 4). What is inherited are the real
core internal elements and source power that constitute the brand; what is innovated are the transformation of the external elements of brand levels with technological innovation and changes in consumer demand. “DAO” is the principle and deep core of the brand; “SHU” is the way, method and explicit form of the brand. The “DAO” that constitutes the core of the brand must maintain consistency, stability and continuity; and the “SHU” that follows the explicit form under the “DAO” can keep changing and innovating with the times. The interaction between the “DAO” of ingenuity and the “SHU” of excellence dialectically unites the “unchanged” and “changed”, so that the long-established Wufangzhai rejuvenates in the modern economy, realizes the important goal of time-honored brand management, and constantly improve the brand equity.

6. Conclusions and Implications

6.1. Research conclusions

Inheritance does not mean conservative, innovation does not mean abandoning the fundamentals. Time-honored brands should grasp the essence of thinking of change and immutability; handle the relationship between “DAO” and “SHU”, so that time-honored brands can successfully achieve sustainable development and innovation while maintaining their roots.

Firstly, the dialectical logic and the essence of changing and unchanging for time-honored brands: the development of time-honored brands is essentially a matter of integrity and innovation for the purpose of maintaining the attractiveness and brand value of brand assets around the needs of consumers. What does not change is the core of the brand - quality, spirit and culture; what changes is the external form. Changing and unchanging, their original intention and essence are the same. (1) The dialectical logic of change and immutability: stick to the core of the brand and break through the external form. The time-honored brand has formed its own brand image, personality and culture in the process of development, and with this as the core, it has its own differentiated form in each era. Learning to change and to make breakthroughs is not only a challenge for time-honored brands under changing circumstances, but also an opportunity for sustainable brand development around the brand core. (2) The essence of thinking of brand revitalization: focus on customer needs and better meet the needs. Since its birth, the time-honored brand has been aimed at the needs of specific consumers at that time. With the development of the times, the consumer groups and the needs of the original consumers will also change constantly. The foundation of a time-honored brand is to use innovation to meet the needs of consumers in the new era, so as to maintain the original unique brand elements of the time-honored brand, and continue to maintain the brand's attractiveness and brand value.

There are existing researches on the old-fashioned, innovative and integrated perspectives of brand revitalization research. Although the theoretical perspectives and implementation methods of how to carry out brand revitalization are different, the common idea is to maintain the value of brand equity(Lehu, 2004), therefore, the research of this paper starts from the brand composition level and brand management, emphasizing the parallel brand management and revitalization implementation of
the “DAO” of brand inheritance and the “SHU” of innovation. Analysis of the constituent elements and value attributes of time-honored brands, as an important basis for inheritance or innovation, can provide new perspectives and ideas for the revitalization of time-honored brands and other brands.

At the same time, most of the existing research results analyze the brand as a single whole, which is easy to form an opposing choice between innovation and inheritance. Recently, although some scholars have proposed that inheritance and innovation of time-honored brands have the characteristics of “YIN” and “YANG” of opposites and unity based on the interactive view of “YIN” and “YANG”, the two are mutually inclusive, co-exist (Xu, Tang, Wang, 2020), but did not fundamentally analyze how inheritance and innovation are coordinated and unified. Based on the idea of brand equity and brand management, this study draws on the theoretical basis of different levels and constituent elements of brands, and further combines the role of different levels of brands with the development of time-honored brands, indicates the “changed” and “unchanged” of the “DAO” in brand core and the “SHU” in the external level can be compatible and coordinated with each other, analyze the different content and internal logic of brand inheritance and innovation, and highlight the essence of user thinking and customer needs, thus reconciling brand revitalization. The debate between the conservative perspective and the innovative perspective (Aaker, 1991; Lehu, 2004; Stephen, Kozinets, 2003), solves the contradiction between inheritance and innovation (Xu, Zhang, Feng, 2018), and answers the theoretical confusion and practical problems of which should be inherited and which should be innovated.

Secondly, the inheritance and innovation of time-honored brands need to deal with the relationship between “DAO” and “SHU”. Handling between “DAO” and “SHU” means to do a good job of balancing between inheritance and innovation. “DAO” is the core of the inheritance of time-honored brands, and it is the foundation that needs to be inherited. Specifically, high quality, ingenuity, and traditional culture are the way of inheritance, and they are also a model for time-honored brands to adhere to the core, showing the importance of quality, spirit and culture to time-honored brands and the necessity of retaining the essence, help to inherit and maintain the consistency, stability and continuity of time-honored brands. Innovation in product development, marketing strategy, organizational structure, and business model are the “SHU” of innovation, and it is also a model of time-honored brands in terms of form breakthroughs. The core idea of “DAO” and “SHU” of inheritance and innovation is to maintain the consistency, continuity, fashion and innovation of time-honored brands. This coincides with the duality of Beverland et al. to achieve brand consistency and relevance (closely related to innovation) to create value (Beverland, Wilner, Micheli, 2015). There are also scholars who emphasize that different time-honored companies need to adopt contingency inheritance and innovation strategies according to their different technical/market advantages (Xu, Zhang, Feng, 2018). This study further clarifies that this contingency situation of inheritance and innovation is based on the coordination between brand core and forms, it is a balance based on whether it is conducive to the maintenance and appreciation of brand equity as the fundamental standard.

6.2. Management implications
Firms’ managers should recognize the “DAO” and “SHU” of the inheritance and innovation of time-honored brands. In order to develop better in the new situation, time-honored brands must insist on doing two things well: one is “inheritance”. That is to maintain its core competitiveness, inherit the essence of traditional culture, and maintain the reputation, quality and service awareness that it has relied on since its establishment, this is the core of the brand and the essence of the time-honored brand. The second is to “innovation”, that is, innovating products, marketing, business concepts and models; time-honored enterprises should use new technologies to develop new products, update publicity methods and expand communication channels, so as to better meet the development of the times and adapt to changes in consumer demand.

Firms should strengthen the management of time-honored brands and promote brand revitalization and sustainable development. The core of the time-honored brand lies in the long-standing heritage and unremitting management of its brand. Strengthening the management of time-honored brands should form effective brand management by revitalizing the excellent culture, spirit, and quality of the brand, and establish a strong image of a time-honored brand in the minds of the public. However, with the development of time, the traditional advantages of becoming a time-honored brand in the past may disappear. Therefore, the time-honored brand must not be clinging to, and attention should be paid to the revitalization of the time-honored brand. This requires time-honored brands to actively cater to new changing needs, through innovative product quality and packaging design, fresh new media communication, and sales channels close to their lives, so as to revitalize brand effectiveness and promote the sustainable development of time-honored brands.

Declarations

Ethical Approval

Written informed consent for publication of this paper was obtained from the Zhejiang Gongshang University Hangzhou College of commerce and all authors.

Competing interests

We declare that we have no financial and personal relationships with other people or organizations that can inappropriately influence our work.

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Availability of data and materials

Data availability is not applicable to this article as no new data were created or analyzed in this study.
References


**Figures**

**Figure 1**

the implementation and dialectical relationship between brand inheritance and brand innovation
Figure 2

the content and internal logic of brand equity inheritance

Figure 3

the content and internal logic of brand equity innovation
the blending and unification of "DAO" and "SHU" in brand management and revitalization

Figure 4