



Research Article

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**A new study on cultural branding from the perspective of brand ecosystem**

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**ABSTRACT**

*Recent years witness the prosperous development and marvelous achievements in cultural industries in China. Cultural brands have sprung up. However, they are still insufficient in terms of quantity and quality. Building cultural brand is a critical issue to be solved in the development of cultural industries in China. Based on theory of brand ecology, this paper is intended to explore an ecosystem model for cultural product brands, and thus puts forward strategic suggestions for building cultural product brand.*

**Key words:** cultural brand, cultural products, brand ecosystem

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**INTRODUCTION**

According to the statistic data from National Bureau of Statistics of China, in 2012, the value added of the legal entities in cultural industries was RMB 1807.1 billion, accounting for 5.5 percent of the GDP growth of the year. In comparison, in 2004, the value added was RMB 344 billion. This shows that the cultural industries in China have developed rapidly in recent years, and are likely to become a mainstay of national economy. In spite of the marvelous achievements, we should be conscious that cultural industries in China are still insufficient in terms of quantity and quality, few of which are internationally competitive. In order to prosper and develop cultural industries immensely, and to remain invincible among international cultural industries, branding is unavoidable and cultural brands with core competitiveness should be built. The rapid development of cultural industries makes it urgent to build cultural brand.

Cultural brand is the result of the branding of cultural industries (OuYang, 2009). Cultural brand can be further divided into cultural product brand, cultural enterprise brand, regional cultural brand and other categories. The basic element of cultural branding is cultural product brand, based on which cultural enterprise brand and regional cultural brand can be enhanced. Based on this, the research subject of this paper is cultural products. Based on theory of brand ecology, this paper is intended to explore a way to shape cultural product brand.

**Literature review**

**Relevant research on the concept of cultural products**

There are various definitions concerning cultural products. Corral & Poussin (2000) believe that cultural products are goods and services that can convey ideas, symbols and ways of life. Examples include books, magazines, multimedia products, software, recordings, films, videos, audiovisual programs, crafts and fashion design. United Nations Educational, Scientific and Cultural Organization (UNESCO) defines cultural products as the creative output of individual or groups, that encompass printed matter and literature, music, visual arts, films and photography, TV and radio, sports products, etc. Cultural products consist of tangible cultural products, intangible cultural products and cultural services.

Many researchers in China also make contributions to defining cultural products. Li DongHua (2006) considers

cultural products are cultural carriers and services produced by culturati and cultural industries, which embody culture, art and high culture content. Zheng HongTao (2012) sets about his study from early cultural products (i.e. historical relics, drama and other artistic forms) and believes cultural products are goods or services that satisfy people's spiritual needs, and are used to exchange. Zhao Ying (2013) defines cultural products in a broader sense, and considers culture can be manifested only by certain carriers, which are called cultural products, including objects or activities that convey human beliefs, ideas, history, custom, emotion, value and other spiritual factors. Feng et al. (2013) define cultural products from the perspective of cultural psychology, and hold that cultural products are the externalization of culture and all products bearing cultural symbols can be regarded as cultural products.

Although the definitions of cultural products differ among researchers, two points are emphasized: one is that cultural products are the output of the activities carried out by cultural industries; the other is that cultural products are the carriers of cultural components or creative content.

## EXPERIMENTAL SECTION

### Relevant research on the characteristics and attributes of cultural products

As compared with general goods, cultural products bear similar characteristics of goods, and at the same time possess some special nature of their own. Zuo Hui(2008) analyzes the external characteristics of cultural products, and examines the connotation, manifestation and ideological attributes of the externalization of cultural products. Zheng Hongtao(2012) holds that cultural products are characteristics of high-risk production, low-cost duplication, public goods, originality and the like. According to Zang Xiuqing & You Tao (2011), the attributes of cultural products fall into two categories, general attributes characterized by symbolization, creativity, ideology and immutability of value, and specific attributes bearing the characteristics of intangibility, public properties, entertainment, foresightedness and monopoly.

### Relevant research on cultural product brand

According to Bai Dingguo & Ouyang Youquan (2006), cultural brand is the brand of culture, art, entertainment, leisure, news, publishing, broadcasting and other related industries. Cultural branding covers 8 core domains and other related derived domains. The research achievements in China can be mainly manifested in the following three aspects.

The first achievement is based on the research report released by the Research Center of Chinese Cultural Industrial Brand of Central South University. The blue book, *Annual Report on Cultural Brands in China*, released annually, is comprised of general report, business report of cultural brands and cultural brands of the year. *China's Cultural Brand Value Rankings* carries out quantified value-based evaluation for China's cultural brands in terms of the ability to expand market share, the ability to create profits with extra value, and the development potential of brands. Based on the evaluations, overall ranking and ranking of related categories are worked out respectively.

Another achievement lies in the research results with regards to cultural brand. OuYang (2009) analyzes four features of China's cultural brands, indicates that China's cultural branding features inadequate total consumption, shortage of industry chain, lack of creativity, and low internationalization, and puts forward strategies such as carrying out cultural brand differentiation strategy, increasing government support, enhancing cultural creativity to shape cultural brands. *Creative Industries are Changing China* by Li Wuwei (2009) states the uniqueness of cultural creative brands that distinguishes them from general product brands and constructs two models for building cultural creative brand.

The research on cultural product brand is the third accomplishment. Few of the academic researches focus on the study of cultural product brand. Sun Yan & Kong Luyuan (2011) explore how the cultural resource brand can be transformed to cultural product brand on the basis of the cultural resources in Chengdu, Sichuan, China. Based on the current situation concerning the fostering of cultural product brands in Hubei Province, China, Shi Mengju (2012) constructs models for the fostering of cultural product brand consisting of brand authorization and positioning, brand planning and building, brand marketing and promotion, brand extension and stretching.

From what have been discussed above, current research results are abundant and the theoretical system is developed in terms of the definitions, attributes and characteristics of cultural products. With regard to cultural brand, one or two scholars make some positive explorations, with some achievements. But there are still limitations in the theoretical researches as follows: first, the authoritative research reports on cultural brands do not specialize in the cultural product brands. *Annual Report on Cultural Brands in China* and *China's Cultural Brand Value Rankings*

categorize the cultural brands by business types. In this manner, the cultural brands cover both cultural product brand, cultural enterprise brand and regional cultural brand and cultural zone brand. In addition, *Annual Report on Cultural Brands in China* discusses the successful experience of the selected cultural brands of the year by means of case study, in no attempt to refine and abstract theory. The second limitation is the lack of generic research on cultural product brand. The present researches focus more on the exploration of fostering regional cultural brands by exploiting cultural resources on the basis of the study of regional cultural resources. The well-developed brand theory is superficially applied to the cultural industries. In this case, this paper is intended to carry out a study of cultural products, apply the theory of brand ecology to cultural industries, and explore the fostering and development of cultural brands in China.

### **A structural model for cultural product brand ecosystem**

According to Wang Yuanxing (2008), if brands are regarded as animate business entity, brands can be examined by using the theoretical methodology of bio-ecology. The combination of the bio-ecology theory and brand theory, a new perspective for brand study, starts to be the new tendency to develop modern brand theory. Brand ecology theory manifests itself in brand life cycle, brand character, brand ecosystem, brand niche, brand community, among which the study of brand ecological system is typical (Peng Xinsha & Tian Dalun, 2011). Brands in macroscopic sense display more as an ecological system (Zhang Rui, 2003). The key to applying ecological metaphor methodology to the study of law of branding lies in the construction of ecosystem model for brands.

Brand ecological system is an open-ended system, closely linked with environment. Therefore, the factors of brand ecosystem encompass system member factors (also called brand ecological factors by some scholars) and environment member factors. Owing to the difference in research subject and research need, scholars differ in the recognition of the factors of brand ecosystem. Wang Yuanxing (2000) considers famous brand ecosystem consists of four members: famous brands and products, direct supporting member, direct sustaining member, and restrictive member. Zhang Rui (2003) believes brand ecosystem is comprised of four levels – brand, enterprise, related stakeholder and environment. Hu Wangming holds that brand ecosystem include enterprise, supplier, middleman, customer, government, competitor and other related organization. Sun Junhua (2008) thinks strong brand ecosystem comprises the enterprise ecosystem and the external ecosystem (micro & macro).

Undoubtedly, the diversity in the factors of cultural product brand ecosystem makes it impossible and unnecessary to study all the factors one by one. The recognition of the factors of cultural product brand ecosystem depends on the following points. First, product quality is the foundation of any product brand. As for cultural products, quality is referred to as the extent to which creative elements embodied in cultural products are in accordance with time, society and cultural needs of target consumers. Cultural connotation is of great significance to cultural products. Cultural creativity is the keystone to cultural product brand. Prompting cultural creativity is the manifestation of the ability of the enterprise operating systems to manage and allocate resources. Second, low-cost duplication is a feature of cultural products. The value enhancement of cultural product brand, whether cultural brands can produce economic benefits characterized by “one input, multiple output”, depends on an adequate culture-related industrial value chain. Finally, it is of high risk to build cultural product brand. Competitive markets, government policies, public opinions and many other external environmental factors will substantively influence – either promote or obstruct – the development of cultural product brand. A favorable external ecological environment is a must to build cultural brands. Based on the analysis of the previous studies, with the combination of the characteristics of cultural products, this paper is intended to construct an ecosystem of cultural product brand in terms of the enterprise ecosystem, cultural industries value system and the external ecosystem. (See Fig. 1.1)

### **The internal enterprise ecosystem**

The internal enterprise ecosystem is referred to as the in-house operating system to achieve various goals by resource management and resource allocation. The in-house operating system can be further divided into monetary capital system, human resources system, marketing skills system, institutional system, spiritual and cultural system, organization entity system (Zhang Rui, 2003). In the process of cultivating brands, the interaction of these sub-systems eventually manifests itself in brand resources and branding capabilities of the enterprises. Cultural production is the production of spiritual products, and its value-creation-based production is primarily and importantly oriented toward the production of “cultural productivity” (Yu Ping, 2010). As for cultural product brands, brand resources refer to all resources necessary to creative economy, including human capital, industrial capital, cultural capital and social capital. Branding capabilities are the brand operating ability to apply creative capital to content creation, promotion, dissemination and distribution. Thus, the differential advantage of the internal enterprise ecosystem to obtain and apply creative resources is the direct source of the competitiveness of cultural product brands.

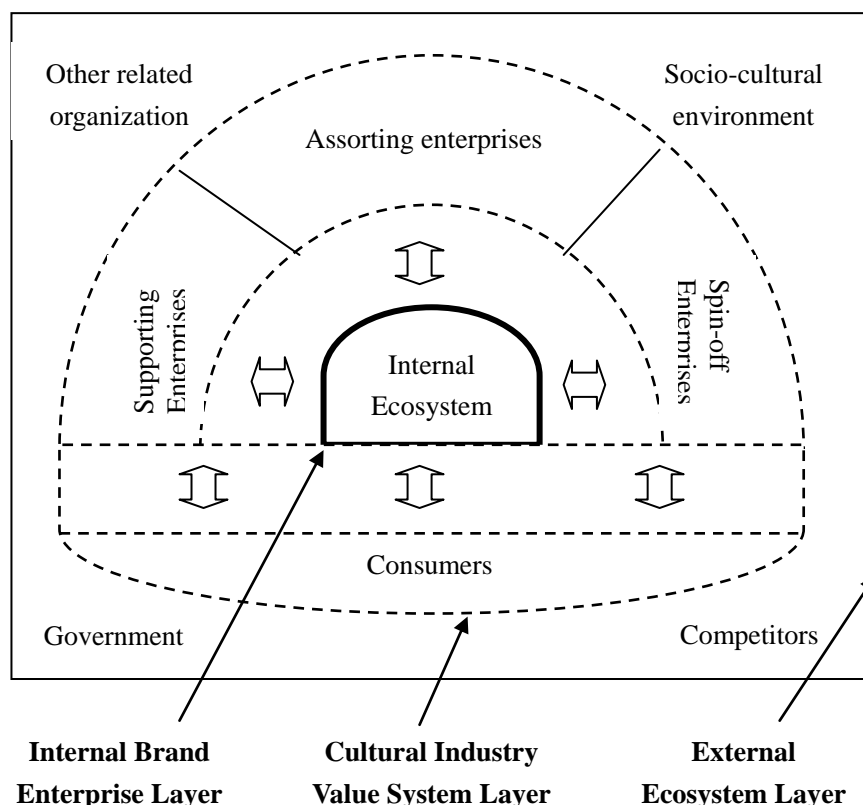


Fig. 1.1 ecosystem model for cultural product brand

### Cultural industries value system

The multiplier effect of the value created by cultural products comes from an adequate industry value system. (Li Wuwei, 2009). The foundation of cultural products lies in cultural creativity, while its value realization rests with the industry. Whether cultural creativity can be converted to economic gain, and whether the cultural products can maximize the value, are dependent on the vertical and horizontal expansion in the cultural industry chain. Li Wuwei (2009) constructs the panoramic industry value chain and an adequate creative industries value system. In an adequate creative industries value system, the core level is the cultural enterprises (cultural products), the extension level includes supporting enterprises, assorting enterprises, and spin-off enterprises, and the end users is the cultural consumers. The supporting enterprises are enterprises that directly support the production, development and dissemination of creative products. The assorting enterprises are referred to as enterprises that create a favorable environment and conditions for the entire cultural industries. The derivational enterprises are other related enterprises that regard the core creative achievements as factor inputs.

### The external ecosystem

External ecosystem includes government policies, competitors, socio-cultural environment, legal system and other related organizations. All these factors have supportive or obstructive impact on brand operation. Examples are the government policies concerning cultural industries, the support from the non-profit organizations, social value orientation and so on. Cultural product brand can do nothing to change the external environment, but to constantly cultivate the competitiveness of the brand in the course of ecological adaptation to environment.

### Strategic suggestions for shaping brands based on the ecosystem model

Based on the constructed model, this paper puts forward the following strategic suggestions from the internal ecosystem, the industries value system, and external ecosystem.

#### Build a favorable internal ecosystem for brand to promote creativity

First of all, as for cultural product brand, cultural creativity is the core. Innovation is the drive for cultural production and the very reason for its existence (Yu Ping, 2010). To boost creativity of cultural product brand, the key lies in the creative talents. The investment in creative human capital and the rise of the creative class is the key drive for high-speed development of creative industries. By fostering creativity as the core competitiveness of the brands, cultural brand enterprises should build a favorable internal ecosystem starting from talent introduction, talent

training, and tolerant creative atmosphere within organization, incentives and other aspects.

Secondly, cultural creativity is only a basic concept. The value realization and enhancement rely on marketing and branding. Focusing on cultural creativity, the internal subsystems like procurement, production, finance, and marketing conduct such activities as production, promotion, distribution and dissemination, activities that are important ways of marketization, industrialization and branding of cultural creativity. The enhancements of brand positioning, brand promotion, brand extension make it possible for cultural creative content of the cultural products to gain the recognition and resonance from the target market, so as to enhance the brand competitiveness.

#### **Build an adequate cultural industries value system**

An adequate cultural industry value system is the road to value creation of cultural product brand. First of all, the consumption and the culture-related aesthetic orientation of the consumers of cultural products fundamentally determine the generation and development of cultural product brand. Directed by consumer demand, cultural product brand should enhance the narrativeness and contagiousness of the cultural products and create more values such as notions, experience, and culture for the consumers.

Secondly, the ecological synergy between the assorting enterprises and supporting enterprises in the cultural industry system is the industrialization process where the value of cultural product brand is added. Science and technology, finance, media, advertising and other supporting enterprise can support production, development and dissemination of cultural products. The combination of science and technology and culture helps develop new cultural businesses. Finance is a strong driving force for the development of cultural product brand.

Finally, maximization of the brand value of cultural products relies on brand extension, i.e. the ecological synergy between cultural product brand and derivational industries. Regarding core cultural products as input factors, cultural industries can be extended to other industries, by making full use of such characteristics of cultural products as high permeability, high integration, high value-added, so as to achieve maximization goal of cultural product brand value.

#### **Promote and coordinate the ecological improvement of cultural product brand**

Brand growth will be affected by ecological environment factors like economy, politics and law, socio-culture, among which government plays the most important role in ecological environment. At present, the development of cultural industries in China is still in the stage of "government-oriented". The positive promotion on the development of cultural industries by the government plays important and supportive roles. In the process of promoting the branding of cultural products, the government should focus on fostering healthy cultural ecological environment.

First, we should reinforce the construction of training institutions where creative professional talents can be cultivated, for creative talents are the core of the cultural product brand.

Second, we should strengthen the construction of cultural infrastructure. The lack of cultural infrastructure will, to some extent, limit the range of cultural activities that the average people can participate, which would go against the intention of creating cultural atmosphere.

Third, we should build a diverse, open and tolerant socio-cultural atmosphere. The formation and the guidance and of socio-cultural atmosphere will encourage the average people's participation in cultural creativity. As a result, creative community will eventually be converted to creative society.

Fourth, we should strengthen the intellectual property management. The protective system for intellectual property is an important guarantee to realize marketization, industrialization and branding of cultural creativity, which has become the strategic focus to develop cultural industry in many countries and regions.

Fifth, we should rationally guide the synergy of cultural brands. The importance the local governments attach to cultural industry also brings about some problems. Examples are excessively rapid development regarding agglomeration of cultural industries and homogeneity of cultural industries. Therefore, we should design a reasonable layout of cultural brands, and solve the problem of niche overlap through brand niche differentiation and extension.

### **CONCLUSION**

On the basis of a critical review of relevant literature, this paper applies theory of brand ecology to building an

ecosystem model for cultural product brand according to the uniqueness of cultural product brand. Enterprise ecosystem, cultural industry value system and external ecological system comprise the model, in the hope that it will provide a new perspective for fostering and developing Chinese cultural product brand.

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