

Brand Creation Timing, Differentiation Tools, and Brand Equity—Paradigm Analysis of the Nature of Brand Function from The Perspective of Enterprise Development

Zhou Yun, Jiang Ruixue*, Han Qing, Fang Yuying, and Zhao Ruifang

North China University of Technology, Beijing, China
Email: 15560386681@163.com (J.R.X.)

*Corresponding author

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Abstract—Brand is a marketing tool, a management tool and an intangible asset, even some people think that the brand is dispensable, and some people think that it is the whole of the enterprise, it is too lack of comprehensive understanding of the brand. But as long as sum up why the brand recognition is unclear, the lack of a unified paradigm may be considered the main reason. The exploration of brand is still in the ascendant. However, because brands are in different industries, the market is different; different stages of development results in the environment is greatly different; different types have different effects etc, the above reasons cause the brand appearance of the complex. And it seems difficult to give a unified paradigm that covers all the influencing factors to distinguish and explain the variety of brands. Based on the perspective of enterprise development, this paper summarizes the role of brand in the paradigm, explores the role nature of brand in different stages of enterprises, and explains the conditions for brand to become a marketing tool, management tool and brand equity, as well as confirm the opportunity of brand creation.

Keywords—brand, paradigm, tool, assets

I. INTRODUCTION

Thomas Kuhn, a famous contemporary American philosopher of science (Thomas s. Kuhn) published in 1962, *The Structure of Scientific Revolutions* illustrates his general pattern of the development of science thought (Kuhn, 1962), thought any subject before the formation of opinions, debate, form different schools, later produced some famous scientific achievements, school number decreased dramatically, usually less to one, this will form a unified theory, viewpoint and method, the “paradigm”. Scientists in the field will study it again in this paradigm, and the formation of this paradigm marks the period of science. Only with a common paradigm can any discipline can be called science. Whether there is a unified paradigm is the standard for dividing science and non-science. At the same time, paradigm is also a necessary condition for a discipline or a sign of maturity.

The understanding of the brand can be said to be a blind man like an elephant. There are many schools of thought in the academic field, forming a climate of heated discussion and a hundred school of thought contention. At the same time, there are also unfounded brand theories. Therefore, the key to whether the brand management science can re-establish a mature theoretical research framework lies in whether it can form a unified scientific paradigm again.

And unified scientific paradigm need to comb analysis of words, find out the connection, this paper is from the time to

create brand test slightly, along the change of the brand role in the process of enterprise development, the comparative research and systematic review, clarify the logical relationship between concepts and differences, for the study of brand management in the field of scientific demarcation.

II. THE ROLE AND NATURE OF THE BRAND FROM THE PERSPECTIVE OF ENTERPRISE DEVELOPMENT

The role of brand on enterprises in different stages is different, and the nature of its role is also different (Kuhn, 1962). The most important functions are the three different properties of marketing function, management function and assets. Therefore, brand is regarded as the three main different understandings of “marketing tools, management tools and brand assets”, see the Fig. 1.

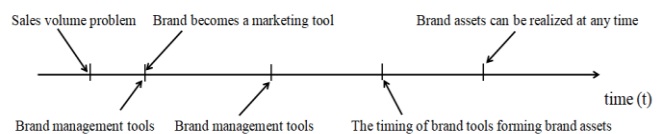


Fig. 1. Time sequence chart of brand development.

The occurrence and development of the brand is closely related to the enterprise management stage, the smaller enterprise is still in the period of survival and development is unfavorable to create a brand, at best need brand consciousness, there are some trademarks need to be registered for the necessary protection, until to afford to create the higher cost, brand is likely to create effective demand. In the following text, from the establishment of the brand, until the brand has become the most important intangible asset of the enterprise, the process and mechanism of the different functions and nature of the brand timing are expounded.

A. The Timing of the Brand Creation

The timing of the enterprise establishment, in fact, is when the enterprise has the need to create a brand.

As a newly established enterprise, it faces the problem of survival, which needs profit and cash flow. Through cost compression, sales promotion, and even credit sales, it is all for the survival of the enterprise. At this time, enterprises can not carry out large-scale brand building activities, and they do not encourage enterprises to put a lot of energy on building and managing brands at this time, because brand building not only requires a lot of resources, but even has extremely high and unforeseen risks. Only by solving the problem of sales volume, and enterprises can achieve profits that they have the necessary conditions for creating a brand.

First of all, we should explain that “enterprise have a demand for brands” and “entrepreneurs germinate a demand for brands” are two different things. When a company truly needs a brand is not determined by the entrepreneur’s ideas, and choosing the wrong timing to create a brand is not a good thing for businesses, inappropriate forced to create a brand will bring extremely heavy burden to enterprises, even affect the development and survival of the brand. When enterprises have quality requirements for marketing, there will be a demand for brand creation, and this is the time for brand creation.

Quality can not be understood in a narrow sense as the quality of the product, many terms have the concept of quality, such as the quality of development, quality of life and so on. Similarly, marketing also has quality problems, The quality of marketing can be reflected in the profit margin, payment collection cycle, repeated sales rate and so on.

The demand of enterprises for brand is often when there is a demand for higher marketing quality, brand is one of the means to solve the low marketing quality, and it is the lowest threshold means, so a considerable number of enterprises began to create the practice of brand. When it should be noted that the brand is distinguished from the product and represents the value commitment. Brands can inspire beliefs, evoke emotions, and promote behavior.

B. The Vast Majority of Companies See Brands as Marketing Tools

At the beginning, brand is a tool to solve the quality problems of enterprise marketing, and enterprises with brand demand will realize the role of brand marketing. So in the eyes of most operators, the brand is a marketing tool. Only a few people will realize that the role of a brand is far from limited to marketing. However, very few enterprises that can continue to do the brand and manage and operate to the brand asset stage, and very few enterprises will see the brand become an asset. Because of this, the vast majority of enterprises only regard brand as marketing tools, and do not realize or do not see the other role of brand.

From the enterprise legally obtains an exclusive trademark, the enterprise enters the stage of creating the brand until the brand begins to have a certain influence on consumers. When the trademark of an enterprise has a certain popularity and recognition in the market, the brand begins to play a role in marketing. At this time, the role nature of the brand is a marketing tool.

C. The Turning Point from Marketing Tools to Business Tools

The role of a brand is not limited to marketing, which occurs in a period when an enterprise brand matures (Zhou, 2019). When enterprises find that the brand can not only promote sales and be beneficial to marketing, but also is beneficial in other functions, the brand is no longer a simple marketing tool, but gradually becomes a complex business tool.

Business tools generally refers to the tools can play a role in enterprise management, not refers to the role of a function. Brand from marketing tools to management tools is an important symbol of brand growth, excellent brands will not only stay in the marketing function, but do their best to generalize the role of the brand, and fully explore the internal

and external role of the brand. Even enterprises that use the brand as a marketing tool will start to extend across industries at the right time and give full play to the value of the brand.

Brand by marketing tools to business tools turn inside and outside two conditions, internal condition is to fully understand the brand role and value consciousness, can also have will be the brand management throughout the enterprise management system. The external condition is that the brand still becomes a brand deeply recognized by consumers, and various brand indicators such as popularity, recognition, reputation and loyalty reach a certain number.

However, when both the internal and external conditions are available and the influence of the brand affects the internal enterprise from the external, and the internal employees have the sense of honor and behavioral loyalty to the enterprise due to the brand, the role of the brand takes a transition from a marketing tool to a business tool, and then the role of the brand becomes a business tool.

D. Brand Becomes a Key Condition for the Asset

An asset (including cash) is called an asset because it has the nature of income, and the reason why the brand can ultimately be called an independent intangible asset is because the brand has a clear nature of income, and is no longer a simple, auxiliary and valuable tool (Zhou, 2019).

First of all, the nature of income is a necessary condition for the brand to become an asset (Kotler and Gertner, 2022). Brand asset consists of five dimensions: brand awareness, brand association, perceived quality, perceived value and brand loyalty. When the brand of an enterprise is enough to attract other operators or enterprises to invest or join, the brand asset will have a clear, independent and profitable property. Secondly, independence is also a necessary condition for a brand to become an asset. If a brand does not have independence characteristics, it can only rely on a specific enterprise or product, then it can only be a tool, marketing tool or business tool. If a brand becomes an asset, it must be able to separate from the original dependent enterprise or product and become an asset that can be traded independently.

Until the brand has the profitability independent of the enterprise or product, the nature of the brand becomes the brand asset. Brand equity generally refers to a series of assets and liabilities associated with the brand name and logo, which can increase or reduce the value of the products or services provided to the customer.

III. THE PARADIGM OF THE NATURE OF THE BRAND OF ACTION

Although the brand is just one of the differentiation strategy, but it is to the enterprise development stage, resource requirements are higher management means, create a brand is a risky decision, because the uncertainty, time span may be very long, need to constantly improve investment, and need to ensure the quality of all goods or services, and not all industries all enterprises are suitable for a brand. However, it is necessary to create a brand. No matter for enterprises, industries or countries, the brand will enhance its competitiveness and should be under external pressure to achieve sustainable development. Once the brand is created, the benefits will be multiplied.

The relationship between brand and quality is very close. A brand without quality is a castle in the air. We should enlarge

the meaning of quality, so that consumers can feel its changes to people's lives.

And, more importantly, the role of the brand reflected in all aspects of the whole management system, far more than marketing, such as in human resource management, research show that in the enterprise employees with the brand than the brand enterprise loyalty, and can tolerate lower wages. The enterprise also gradually realized that the brand has the responsibility and ability of strategic planning, and consciously combined with the advanced ideas of the system theory, so as to realize that the brand is an increasingly important asset in the enterprise operation. At this time, the brand has gradually become a business tool. Brand is the long-term accumulation of assets formed by enterprises under the premise of ensuring sufficient profits. It is difficult for enterprises without added value to form brand results.

To sum up, this requires a complete research paradigm to regulate it.

A. Brand Paradigm Element Design

The paradigm needs to design a set of descriptive indicators to determine the clear difference of the nature. The correlation between the timing of the nature of the brand and the time series of business development forms the basic framework of the brand paradigm.

a Definition of paradigm elements

F_t — The nature of the brand covers the concepts of brand influence and popularity; generally, the ratio of the brand income to the overall income of the enterprise

T_t — The timing of enterprise development, the process from weak to strong, covering the quality of enterprise operation, market share, profitability, development quality concepts; generally measured by the market share of the industry, the value (0,1)

t — time, business cycle

b The definition of the nature of the brand

F_0 — No brand or the brand has no influence stage, the brand contribution is zero

F_1 — Marketing tool stage, the starting point of F_1 is that the enterprise appears the quality requirements for marketing, and choose to start creating a brand. Brand begins to have a role in marketing, that is, into the marketing work stage, until the emergence of non-marketing effect.

F_2 — In the stage of business tools, the brand has a non-marketing role. Besides marketing, other functions begin to apply the brand, (F_2) at the beginning of the brand non-marketing role, brand gradually become a comprehensive, widely used business tools. Until the brand has the ability to achieve independent profitability.

F_3 — In the brand asset stage, the brand has independent profitability. The brand is not only used as a business tool, At the beginning of F_3 , the enterprise manages the brand to a certain scale, which can bring economic benefits to the enterprise until the brand can be operated as capital.

F_4 — Brand capital operation stage. The sign of an enterprise entering the type of capital operation is that it no longer produces, relies on the strong influence of the brand asset, sells products with OEM or collects the franchise fee to complete its basic operation. The main profit income of the enterprise comes from the brand asset, F_4 is the beginning of this stage until the emergence of other core competitiveness of the enterprise. If the brand is always

maintained as the core competitiveness, F_4 Will be the norm.

c Definition of enterprise development

T_0 — In the start-up stage, the enterprise began to face the problem of survival after its establishment. Marketing belongs to the stage of sales volume accumulation, and it has no time to pay attention to the quality of marketing, often under cash pressure, credit sales and promotion.

T_1 — Stable development stage, the enterprise completed the volume accumulation, began to appear the quality requirements for marketing. Although there is no survival worries, but in the industry or in the region.

T_2 — Enterprise operation is stable and sustainable development, each management function is clear, and has some influence in the industry or region.

T_3 — The enterprise has entered the mature stage of operation, with obvious competitive advantages, and has a strong competitiveness, and has a strong influence in the industry or region.

T_4 — The enterprise has fully entered the leading operation stage, with a solid capital base or technical strength, mature management, and has a strong industry influence.

B. Formation of the Brand Paradigm

The brand classification regulated by the brand paradigm is the classification of the role nature of a brand in the development stage of a specific enterprise. It is the orderly organization of all brand types according to “the timing of enterprise development” and “the role nature of brand”. Therefore, according to the definition of the above brand paradigm elements, the two are planned into two-dimensional quadrants, the horizontal axis is “the time sequence of enterprise development”, the vertical axis is “the nature of brand”, and the time sequence of enterprise development is a function of time.

As follows, the process of the brand paradigm is detailed.

Gradually reducing the investment in heavy assets, the proportion of intangible assets exceeds tangible assets. Trademark brand, patent technology and goodwill account for an absolute share of intangible assets, and the vast majority of the income comes from the business related to capital intangible assets.

a Brand paradigm framework

First of all, according to the corresponding combination of “time sequence of enterprise development” and “nature of brand”, 25 different brand types are constructed. After the code, that is, the framework of the combination of the brand paradigm. See Table 1.

Each of the identified areas in the paradigm table represents a specific brand type, in the perspective of enterprise development, all brand types can be exhausted, that is, it can be a complete framework to analyze the nature of the role of the brand.

Table 1. Brand paradigm table
(Source: compiled by the author)

Ω_{40} (F_4, T_0)	Ω_{41} (F_4, T_1)	Ω_{42} (F_4, T_2)	Ω_{43} (F_4, T_3)	Ω_{44} (F_4, T_4)
Ω_{30} (F_3, T_0)	Ω_{31} (F_3, T_1)	Ω_{32} (F_3, T_2)	Ω_{33} (F_3, T_3)	Ω_{34} (F_3, T_4)
Ω_{20} (F_2, T_0)	Ω_{21} (F_2, T_1)	Ω_{22} (F_2, T_2)	Ω_{23} (F_2, T_3)	Ω_{24} (F_2, T_4)
Ω_{10} (F_1, T_0)	Ω_{11} (F_1, T_1)	Ω_{12} (F_1, T_2)	Ω_{13} (F_1, T_3)	Ω_{14} (F_1, T_4)
Ω_{00} (F_0, T_0)	Ω_{01} (F_0, T_1)	Ω_{02} (F_0, T_2)	Ω_{03} (F_0, T_3)	Ω_{04} (F_0, T_4)

b Brand paradigm diagram

Secondly, the left and right side lines of Table 1 are extended into vectors to become the horizontal and vertical axis, thus forming the brand paradigm chart. The elements of the brand paradigm are all based on the development elements of time T, and the vector unit is all time, which can be year, month, Sunday, or a business cycle.

The brand paradigm diagram is a two-dimensional diagram designed based on the paradigm framework table, which is used to accurately describe the location of the brand development and the trajectory of the development. The evolution process is shown in Fig. 2.

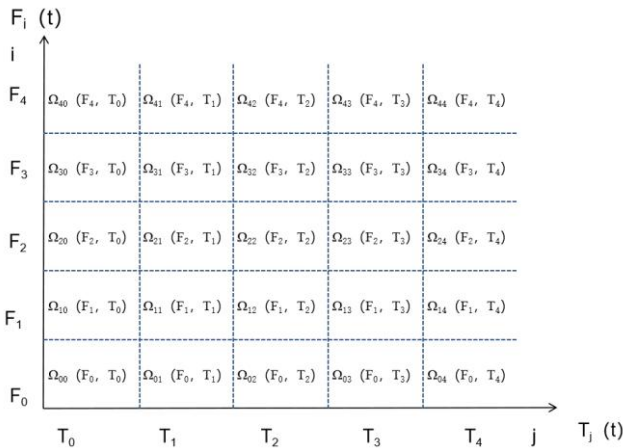


Fig. 2. Brand paradigm diagram. (Source: compiled by the author)

The paradigm elements are transformed into two horizontal and vertical axes. The ordinate is the time sequence of enterprise development, and the ordinate is the nature of the brand. The left and lower lines of the paradigm table are converted into the coordinate axis of the time T series, and the upper right line is removed to show the sustainable operation of the enterprise and the brand, see Fig. 2 above.

c Brand track

Mark the location of a particular brand as: $\Omega_{ij}(F_i, T_j)$. And continuously recorded, it constitutes the development trajectory of this particular brand within the framework of the brand paradigm. The brand trajectory is the development process of the brand. For a period of time, the brand trajectory can be either a point or a line segment, and most brands will show irregular curves.

The starting point of the brand trajectory begins with the enterprise acquiring the brand ownership (trademark ownership), which can be any position (creation or purchase, transfer), and the end point is the current position, indicating the role of the brand in the specific development stage of the enterprise.

As shown in Fig. 3, it is the ideal development trajectory of a brand in the paradigm framework. It has experienced a process of an enterprise from scratch to have, from weak to strong, at the same time, the brand is also from scratch, from weak to strong process.

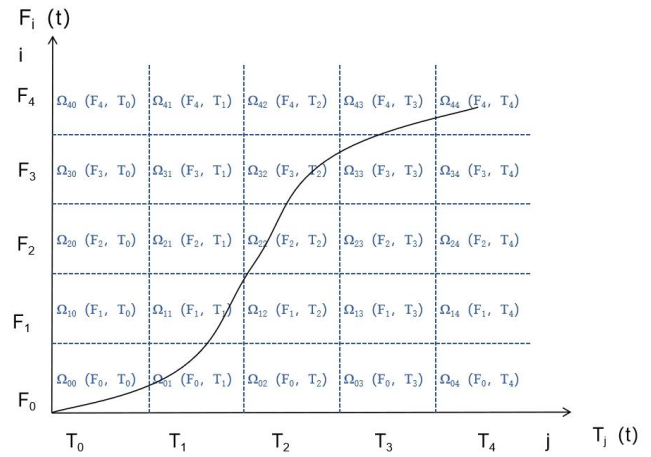


Fig. 3. Ideal track diagram of the brand. (Source: compiled by the author)

Any point on the trace shown above can be determined by the coordinate $\Omega_{xy}(F_x, T_y)$. Accurately mark, simplify the paradigm mark, and retain the key points to form a complete standard track of brand development, as shown in Fig. 4.

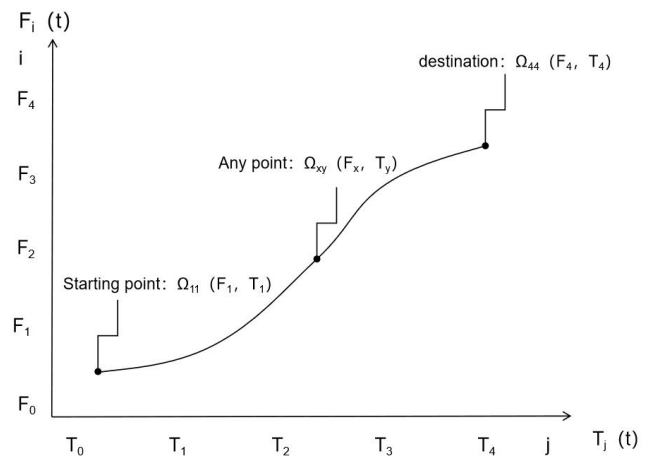


Fig. 4. Brand trajectory diagram. (Source: compiled by the author)

The track shown in the above figure is: an enterprise that has just entered the stable development stage, completes the volume accumulation, appears the quality requirements for marketing, and chooses to start building the brand, and $\Omega_{11}(F_1, T_1)$ Brand status. Enterprise brand has a role in the beginning of marketing, that is, into the marketing stage, until the brand equity stage, the end of the brand trajectory is the status quo $\Omega_{44}(F_4, T_4)$, Will go through the brand marketing tools and business tools and other stages. Specific to a specific period, the performance is $\Omega_{xy}(F_x, T_y)$.

Each brand experiences different times and locations, so their trajectories are very different. The following article will further discuss the brand trajectory in combination with the brand standard paradigm, which will not be repeated here.

IV. INTERPRETATION AND APPLICATION OF BRAND STANDARDS PARADIGM

In theory, the brand paradigm includes 25 different types, while a brand can go through 5 different stages at most.

Limited to space, this paper only describes the types of paradigm experienced by the trajectory of a brand standard.

The standard development process of a brand is: the brand develops with the development of the enterprise, from the no-brand Ω in the accumulation stage of sales volume00, Marketing tool stage of the brand Ω_{11} , Brand Ω of the business tool stage Ω_{22} . To the brand equity stage of the brand Ω_{33} . Until the brand capital operation stage of the brand Ω_{44} , the brand changes with the change of the enterprise. Along the path of the brand path become standard trajectory, in practice, the starting point, process and end of the brand, according to the different stage of enterprise development and the nature of the brand role, divided into 25 brand type, each area of the framework of the above is a specific brand type, as follows on the Ω_{00} , Ω_{40} , Ω_{22} , Ω_{04} , Ω_{44} . These five key or special positions are elaborated and read one by one. The rest of the positions are all transitions between the five positions described above.

A. $\Omega_{00}(F_0, T_0)$

In general, enterprises and brands are in this position is the initial stage, the enterprise in this stage, after the establishment of the enterprise, marketing belongs to the stage of sales volume accumulation, still have no time to pay attention to the quality of marketing, often under cash pressure, credit sales, promotion. The enterprise in this position also has no brand influence. Even if there is a trademark, the brand has no influence stage, and the brand contribution is zero.

The awareness of the brand in this position is zero, and other indicators are out of the question. For enterprises with brand awareness, they may register a trademark, but the brand has not played any effective role in marketing.

A large number of small-scale or entrepreneurial enterprises belong to this stage. After a period of development, the enterprise will leave a brand development trajectory. Due to the different attention and awareness of the brand, the trajectory is also very different. There are generally vertical segments, horizontal segments, points or curve, etc.

The reason for the trajectory of the vertical segment is generally that the enterprise is developing, but there has been no corresponding brand development, and the development of the enterprise may come from marketing, technological progress or other reasons;

The reason for the trajectory of the horizontal line is generally that the enterprise has not developed, but the brand is developing, or the situation of the enterprise has not changed, but the focus of the operation is shifting to the development of the brand.

The explanation for the emergence of a point is that both the company and the brand are stuck in place, and no progress.

The curve in any direction other than the above situation indicates that both the enterprise and the brand are developing, only in Ω_{00} . The stage of the enterprise is still in the initial stage, and the brand still has no role.

B. $\Omega_{40}(F_4, T_0)$

This is a typical purchase of a brand or a company from a brand. The company may accidentally acquire a highly influential brand, thus directly entering the brand capital

operation stage. Although the enterprise is in the initial stage, but it has gained effective brand support. The symbol of an enterprise entering the type of capital operation is that the operation depends on the strong influence of brand assets, selling products or charging franchise fee, and the main profit income of the enterprise comes from the brand assets.

With the development of the enterprise, the brand trajectory of this position is generally presented as the development process of the point to the horizontal line segment.

Enterprises in the stage of sales volume accumulation have not yet completed the survival and accumulation of enterprises, but a brand can have a variety of properties and functions. Of course, the vast majority of enterprises without a brand, and it is rare to have a brand at this stage.

C. $\Omega_{22}(F_2, T_2)$

The enterprise operation is stable and sustainable development, each management function is clear, and the operation is relatively mature. In the stage of management tools, the brand has a non-marketing effect. Besides marketing, other functions begin to apply the brand, (F2) at the beginning of the brand appears a non-marketing role, the brand gradually becomes a comprehensive, widely used business tool, until the brand appears independent profit ability.

The brand trajectory at this location is the most complex and the most uncertain.

D. $\Omega_{04}(F_0, T_4)$

The enterprise has fully entered the leading operation stage, with a solid capital operation foundation or technical strength, mature management, and a strong industry or regional influence. The profit of the enterprise may come from scale operation, from channels, from technological innovation, etc., but in the stage when the enterprise has no brand, or the brand has no influence, the brand contribution is zero.

The enterprises that can reach this stage are the leading enterprises with strong influence in the industry or region, and have formed the core competitiveness of non-brands, and there is almost no possibility to start the brand strategy. Therefore, the track left is a horizontal line section and keeps the development state of no brand.

E. $\Omega_{44}(F_4, T_4)$

Enterprises in this stage have fully entered the mature period of operation, with great industry or regional influence, and the brand has also entered the asset stage. It can be said that the enterprise enters the stage of brand capital operation. The enterprise has realized the scale of brand capital operation, with the solid brand asset foundation, and most of the income of the enterprise comes from the business related to brand authorization.

The symbol of an enterprise entering the type of capital operation is that the operation depends on the strong influence of brand assets, selling products with a brand name or charging franchise fees. The main profit income of the enterprise comes from the brand assets, (F4) it is the beginning of this stage until the emergence of other core competitiveness of the enterprise. If the brand is always maintained as the core competitiveness, (F4) will be the norm.

V. CONCLUSION

The trajectory of a brand can be a point or scatter, or it can

be a line, line segment or curve, recording the process of brand development. Any point or point track describes the status quo of a specific brand, the nature and role of the brand in the specific development stage of a specific enterprise. Point trajectory analysis is a tool of section analysis, which is a normative analysis category of exploring the internal development quality from the development status of brands and enterprises. The linear trajectory analysis is the time series analysis of development, which is the prediction of the status quo of any point on the trajectory, and belongs to the category of empirical analysis.

Thus, the whole brand trajectory is the panel data containing cross section and time series. This paper starts from the role of brand in the development of enterprises, analyzes the causes of different effects of brand layer by layer, and analyzes the results of these causes, and finally forms a paradigm based on the nature of brand in the process of enterprise development.

The function of this paradigm is to cluster these brands with the same nature and function again, so that brand management can become a more universal science with a research paradigm in a unified paradigm.

CONFLICT OF INTEREST

The authors declare no conflict of interest.

AUTHOR'S CONTRIBUTION

Zhou Yun provided the logical idea of the whole paper and

wrote 80% of the content; Jiang Ruixue conducted the literature review according to the content of the paper, mainly to supplement the literature and write the fourth part; Han Qing and Fang Yuying made charts according to the content of the paper and reviewed the structure of the article again; Zhao Ruifang finally adjusted the format of the paper and checked the missing content; all authors had approved the final version.

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