

Study on the Aging Activation Strategy of the Time-honored Brand Laofengxiang

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Abstract

It is a stand in the process of Chinese economic boom, the time-honored brand inherits and promotes Chinese national traditional culture and crafts, marking the development of China's industry and commerce. Laofengxiang Company Limited is a famous Chinese jewelry brand and a century-old national brand. However, in recent years, the company has experienced a serious problem of brand aging. Brand aging affects the brand's authenticity and spread, hindering consumers' perception of the brand's objective authenticity, constructive authenticity and self-authenticity. Recognition, therefore, based on previous research, this paper uses the theory of brand authenticity to study the reshaping of Laofengxiang brand. Firstly, it sorts out the domestic and international research status of the old brand aging and brand activation, elaborates the brand long-term management theory and brand authenticity theory, and introduces the history, the enterprise profile and the development of the brand, and analyzes the current situation by SWOT analysis. Secondly, it summarizes the phenomenon of the aging of Laofengxiang brand, and analyzes the reasons of the brand aging according to the aging phenomenon, including: the lack of differentiation of brand image positioning; the lack of fashion sense of brand image display environment design; the outdated products, the loss of customers; Less publicity; management is rigid. At last, from the perspective of brand authenticity, this paper puts forward the measures of Lao Fengxiang's successful activation of the brand, clearing and excavating the elements of authenticity, promoting and disseminating the authenticity elements, and activating the consumers through the elements of authenticity,

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achieving the purpose of activating the brand, and thus can provide reference for the activation of other similar brands.

〈Key Words〉 Laofengxiang, Time-honored brand, Brand aging, Brand activation

I. Introduction

1. Research Background and Significance

1) Research Background

The old brand itself is a business opportunity, its brand culture and value are immeasurable. At the same time, the inheritance of the old name also represents the inheritance of the Chinese national cultural heritage. In the history of development over the years, the reason why the old brand has become a brand lies in the affirmation and recognition of the consumers in the past. This is the basis of the old brand and the intangible wealth. It is a pity that in the rushing rivers of market competition, most of the old brands have long been submerged in the wave, and behind the times, only a few old brands survived. The development of the old brand is lagging behind and frustrated. It is an indisputable fact that most of the old brands have aged. How to solve the brand aging? According to Brown et al., brand activation as a special marketing strategy can attract consumers with stability and long-lasting. The specific reasons are divided into two parts: on the one hand, with the development of science and technology and the ability to imitate ascension, innovators may not always be in a good position, but old brands will be more likely to be favored by consumers; on the other hand, as the social environment changes so rapidly, people will naturally produce nostalgic feelings. According to He Jiayun, Li Yao's point of view, the best marketing strategy of the old brand is to focus on the "nostalgic" emotional card, and to innovate on this basis, it is easier to establish an emotional bridge with consumers. According to Xu Wei and others, the objective reality of the old name itself is more likely to trigger consumers'

recognition and trust in their value, thus prompting people to come to consume and enhance their own brand rights.¹⁾

2) Significance

(1) Theoretical significance

First of all, enrich the relevant research of the old brand, and promote the theoretical research of the old brand and brand activation. On the basis of considering the characteristics of the old brand, we will explore how we can rationally apply the aging and activation theory of foreign brands to the problem of Chinese old brands, and contribute to the specific research on Chinese old brands.

Secondly, it promotes the development of theoretical research and management practice. Because foreign research on brand aging and activation started early, the research results are rich, but the research in China in this area is very rare. Starting from the brand authenticity theory, through the analysis of the activation strategy of Laofengxiang brand, researching on the management construction of the old brand makes a certain contribution.

(2) Practical significance

First of all, many old-fashioned enterprises focus on the modern marketing and management strategies, but ignore the unique brand characteristics of the old brands. Through the research on the activation of Laofengxiang brand, it is suggested that the old brands should make full use of the authenticity of the brand when brand activation. Excavate the historical and cultural value of the brand, refine the essence of the brand, and implement the activation strategy in a targeted manner.

Secondly, the old brand should not only pay attention to itself, but also should deeply understand the characteristics of modern consumers' needs,

1) Xu Wei & Feng Linyan(2018), "Study on the Influence Mechanism of the Authenticity of the Old Fonts on the Intention of Word-of-Mouth Communication [J]", *Journal of Central University of Finance and Economics*, 1, 93-101; Xu Wei & Feng Linyan & Wang Xinxin(2016), "Review and Prospect of Brand Authenticity Research [j]", *Brand Research*, 5, 21-31.

and integrate the elements reflecting the modern consumption concept into the brand system construction of the old brand. Strengthen communication and resonance between brands and consumers, and establish a benign and interactive brand relationship with consumers.

2. Related literature review

1) Overview of the old brand

What is the specific meaning of 'old brand'? The interpretation of "Modern Chinese Dictionary" is 'opening a long-time shop'.²⁾ According to the "Notice of the Ministry of Commerce on Implementing the 'Revitalization of the Time-honored Project'", there is a clear definition of the old Chinese brand, a product that has been in business for a long time, from generation to generation, products, services or services, and is based on the traditional culture of the Chinese nation. More than 50 years of brand. The reason why the old brand has become a brand is that its product quality is very good, on the other hand, its business mode is unique, and it has maintained its credibility in the long process of growth.

The "old brands" is generally used only in China, but in terms of its meaning, there are also "old brands" in foreign countries, such as Coca-Cola and Toyota. These brands are not only founded in the past, but also in Interband World in 2016. The top five brands in the list of good brands, which shows the depth of its brand, is amazing. The World Brand Lab has had its own set of certifications in the past: "The best products left over from hundreds of years of commercial and industrial competition, and brands with more than 100 years of history can be considered old."

2) Overview of brand aging

The concept of 'brand aging' comes from the brand cemetery theory, which was proposed by David Aaker(1991). Because the domestic brand

2) Chinese Social Science Language Research Institute Dictionary Editing Room(2012), *Modern Chinese Dictionary* (6th Edition) [m], Beijing: The Commercial Press, 782.

aging problem emerges endlessly, this also promotes the exploration of relevant researchers in China, and in this process puts forward the concept of 'brand aging'. 'Cemetery theory' refers to the characteristics of a brand with high recognition and low reproducibility. Specifically, consumers know the brand, but ignore it when they consume it.³⁾ This kind of predicament is difficult to break through, because it has a high reputation, so it will be limited by it. Judging whether the brand is in the cemetery is known by changes in sales and market share. This theory proves that brand reproduction and cognition have equal status. Regarding the definition of brand aging, the views of the academic community are similar. Specifically, it refers to the reputation and popularity of a certain corporate brand in the market competition, accompanied by the decline of the market share and sales.

Marketing expert Li Guangdou once pointed out the four-point performance of the brand, the products are outdated, the products are not updated, and they remain the same; the advertisements are outdated, and advertising is the most powerful means of propagating products, but they are not valued by these companies. They often rely on them. Self-experience design advertisements, rarely analyze and combine the market status, do not know how to adapt to the trend of the times; the market shrinks, the rapid decline of the product sales market indicates that its brand is in the aging period; the propaganda means is simplistic, it will naturally form a dependence after most companies use advertising, thus ignoring the changes of the times and the renewal of consumer demand, and firmly believe that the old propaganda means that the propaganda purpose can be achieved only through advertising appeals, but actually it creates a waste of advertising.

3) Overview of brand activation

Brand activation refers to the use of various means of marketing to eliminate the signs of brand decline, making it a product that consumers are familiar with and play a role in the consumption process.⁴⁾ For the

3) Aaker David A(1991), *Managing Brand Equity* [M], New York: The Free Press; David Ake(2004), *Creating the first edition of a strong brand* [m], Beijing: China Labor and Social Security Press, 11-12.

enterprise, the brand is one of its intangible assets, and its value lies in the memory of people. Time is slowly draining, new information continues to enter people's horizons, and if the brand does not appear in people's field of vision in time, then it may be forgotten by people. People's forgetting about the brand means that the intangible assets lose their value, and their role cannot be reflected in the case of consumers buying. Scholar Lehu (2004) suggested that if a brand can't guarantee to continue to play its role for a period of time, it means that its brand utility is declining, and it becomes a brand with weak influence and aging.⁵⁾

3. Research ideas, methods and innovations

1) Research ideas and research methods

This paper combs the development process of Laofengxiang brand, analyzes the brand status of Laofengxiang with SWOT analysis method, especially studies the performance of Laofengxiang when it ages, which is manifested in four aspects, the differentiation of brand image orientation is still lacking; The loss of customers; the concept is backward, the propaganda is less; the management is rigid and the system is rigid. Through the performance of aging, four reasons for the brand aging of Laofengxiang were analyzed that brand positioning is not clear, brand marketing strategy is not clear, product update is not timely, and product sales channels are single. According to the above analysis, the strategy of activation of Laofengxiang brand is proposed from the perspective of brand authenticity. The theory of authenticity of the three aspects of objective authenticity, constructive authenticity and self-authenticity is used, from the mining of authentic elements, the dissemination of authentic elements and the reality. Three aspects of the identification of sexual elements to propose the strategy of the activation of Laofengxiang brand.

4) He Wenli(2012), *Research on brand activation of old brands* [d], Beijing: Tsinghua University.

5) Lehu J.(2004), "Back to life! Why brands grow old and sometimes die and what managers then do: An exploratory qualitative research put into the French context [J]," *Journal of Marketing Communications*, 10(6), 133-152.

(1) Literature method

The Laofengxiang brand has a rich historical and cultural tradition, and an in-depth understanding of the brand requires more research on literature and materials. References borrowed this time include HowNet, the author, journals, and some relevant materials in the library. There are foreign studies on old brands, as well as domestic brand activation studies, including economics and management, etc., and hope to make the literature accurate and complete. Through the review of the literature, collecting, identifying, collating and combing the research on the aging and activation of the old brand, this paper provides a solid theoretical basis for this article.

(2) Case analysis method

The case study method refers to a specific case in the market competition or focuses on a specific object. Through a comprehensive analysis of the Laofengxiang case, the simulation establishes a specific scenario and seeks solutions to the problem in the process. Through the investigation and analysis of the case of Laofengxiang brand development, the aging characteristics and the strategy of activating the brand are studied to provide arguments for the viewpoints in the article. And through the investigation and analysis of other cases of brand development.

2) Innovation

From the perspective of brand authenticity, this paper studies the reasons for the aging of the old brand, focuses on the performance and reasons of the old Fengxiang brand aging, and the brand strategy adopted by Laofengxiang at the present stage. According to the theory of authenticity, the Laofengxiang brand activation strategy is proposed and the conclusion is drawn. First of all, the authenticity of the brand is still in its infancy in theoretical research and practice. In this study, the above theoretical knowledge is incorporated into the research of the old brand brand Laofengxiang. Secondly, based on the consumer's nostalgic sentiment towards the brand, the author puts forward opinions and suggestions on the brand

aging and activation strategy. Compared with the previous scholars' research on brand activation, it is more targeted and implementable.

II. Theoretical basis of brand activation

1. Long-term brand management theory

'The factory will be rusted and collapsed, the packaging will be outdated, and the products will be eliminated, but the great brand can live forever (Cobb-Walgren, 1995).' The brand can be preserved and developed through long-term operation and maintenance. However, the development of the brand has inevitably alienated the consumer with the changes of the times and the changes in consumption habits. To maintain the brand's long-term viability, it is necessary to make corresponding changes to the brand to adapt to the consumers. This is constantly changing. The process of adaptation is the process of brand continuous activation. An important principle of long-term brand management is the principle of brand activation. Similar to brand activation, there are brand repositioning, brand rejuvenation, etc. These are collectively referred to as long-term brand management.

2. Brand authenticity theory

1) Brand authenticity

Scholar Goldstein(2003), compared with the objective reality of other tangible products of the enterprise, the brand exists is a subjective reality, the consumer's true awareness of the product, the brand is recognized by many researchers as the enterprise to use the brand activity. One way consumers convey the essence of the brand is the true evaluation and feeling of consumption. 'The authenticity of the brand refers to the consumer's true feelings and certification of the brand, and whether the origin and raw materials of the brand are authentic. It can also be understood as a subjective cognition based on the consumer's perception of a brand. Image

evaluation(Beverland, 2006).’

2) The impact of brand authenticity

The role of authenticity in the marketing industry is undeniable, including attitudes towards consumers, such as purchase intention, consumer satisfaction, etc., as well as the impact on the original brand, namely brand authority, brand equity and so on.⁶⁾Research has proven that brand authenticity can often bring the following effects to brands:

(1) Brand authenticity can enhance brand equity. The authenticity of the brand is an intangible asset for the company and can protect the long-term development of the brand.

(2) Brand authenticity can influence consumers’ brand attitudes. Brand authenticity can enhance the perceived value of individuals or organizations to the brand, as well as reduce perceived risk for individuals and organizations, individual and organizational attitude changes, and can increase the purchasing intention of individuals or organizations(Beverland et al., 2010; Newman et al., 2014; Rose et al., 2005).

III. Review of Laofengxiang’s development

1. Laofengxiang’s corporate profile

Shanghai Laofengxiang Co. Ltd. was founded by the development of Laofengxiang Yinlou, which was founded in 1848. The creativity of its trademark “Laofengxiang” is also derived from the name of Laofengxiang Yinlou. It is a classic jewelry brand that spans three centuries in China. Laofengxiang, which integrates science, industry and trade in one body,

⁶⁾ Feng Pengpeng & He Wanli(2016), “Brand Authenticity Connotation, Dimensions and Measurement [j],” *Business Economics Research*, 10, 41-43.

production, supply and marketing, has more than 20 subsidiaries including Laofengxiang Yinlou Co., Ltd., Laofengxiang Jewelry Research Co., Ltd., Laofengxiang Jewelry Co., Ltd., Laofengxiang Diamond Processing Center Co. Ltd., jewelry factory, silver factory, gift factory, profile factory four professional branches, as well as more than 60 chain silver buildings, more than 300 specialty stores and more than 1,000 dealers of large jewelry enterprise groups. With a complete industrial chain and diversified product lines, it is a brand with a profound cultural heritage across three worlds. It is a banner of the national industry of China's jewelry industry and a representative of outstanding enterprises. Its research institutes, museums, professional factories and more than 3,200 silver building stores across the country, as well as pawnshops and auction houses, constitute a large-scale industrial system of Laofengxiang, whose brand products have reached the full category of jewelry and traveled to tourism. Souvenirs, handicrafts, watches and glasses related industries and cross-border products are extended.

2. Laofengxiang brand introduction

1) Laofengxiang brand connotation

(1) Brand naming

The brand name is the core element of the brand and the basis for the formation of the brand concept. In general, brand names provide brand associations. Product names have a direct impact on product sales. "Laofengxiang" is a typical domestic name, which is very rich in Chinese characteristics and has obvious and profound meaning. Regarding the origin of the word "Laofengxiang", according to Mr. Fei Chengchang, a descendant of Laofengxiang Yinlou, the silver building signboard is like a human face, and it has to give people a good impression. Therefore, it is quite troublesome to give it a 'painted face'. The word 'Old Fengxiang' contains two meanings. "Old" means that the qualifications are profound enough to make people trust. "Fengxiang" is a symbol of beauty, and it shows that it brings good luck to people.

(2) Brand logo

A brand logo is a part of a brand that can be identified but cannot be expressed in words. It is also an element that constitutes a complete brand concept. The brand logo itself can create brand perception, brand association and consumer brand preference, which in turn affects the quality of the brand and the brand loyalty of the customer. The golden Chinese phoenix of Laofengxiang Silver House and the logo of the matching word are the combination of the pictographic signs in the morphological division and the symbolic symbols in the content division. The good interpretation represents the brand image of the century-old jewelry store.

(3) Brand extension

Brand extension refers to the entire process of using existing successful product brands for new products. Laofengxiang relies on the development of the original gold jewelry brand of the silver building. Based on this, the brand of Laofengxiang jewellery is developed. This marketing initiative is a typical brand extension. It not only opens up the old Fengxiang in the jewelry and souvenir industry. A new market has also increased the visibility of the original jewelry brand.

IV. SWOT analysis of Laofengxiang status and brand aging

1. SWOT analysis of Laofengxiang status

1) The internal advantages of the brand

(1) Brand advantage:

The brand is the core asset of Laofengxiang's healthy and sustainable development. The long history of the brand has formed a unique cultural connotation, exquisite craftsmanship and rich industry experience. On the basis of inheritance, Laofengxiang advocates innovation and development spirit. Brand awareness, reputation and loyalty have steadily increased year by year. It is in the leading position in the same industry and is a famous

brand that has maintained its vitality in the old Chinese brand. The company continues to dig deep into the brand of Laofengxiang, starting from the brand strategy, telling the brand story, showing the brand value, shaping the brand culture, and expanding the brand market. The brand honor is fruitful, in 2017, Laofengxiang ranked 13th among the top 100 manufacturers in Shanghai. It is ranked 13th among the world's top 100 luxury goods companies, Fortune magazine's top 500 Chinese companies, and Brand's 'Top 100 Most Valuable Brands in China'. It has been the world's brand laboratory 'China's 500 Most Valuable Brands' for 13 consecutive years.⁷⁾

(2) Channel advantage:

In the direction of marketing network construction based on Shanghai, covering the whole country and facing the world, Laofengxiang continued to put channel expansion in an important position in 2017. In response to new market changes, the company constantly adjusts its marketing model, optimizes and integrates marketing channels, and promotes the balanced layout of Laofengxiang stores in different regions. According to the market and enterprise development needs, after years of exploration, we have gradually established a multi-level, all-round 'five-in-one' marketing system including joint ventures, self-operated silver buildings, general distribution, specialty stores, and dealers (counters). By the end of 2017, Laofengxiang's distribution network had reached 3,174, including: Laofengxiang's self-operated silver and shop-stores, 165, Laofengxiang Yinlou chain stores, 1,418, and Laofengxiang's distribution network, 15,78. In addition, based on the original six stores in the United States, Canada, Australia and six stores in Hong Kong, Laofengxiang added four new stores in Hong Kong in 2017. As a result, the influence and radiation of the Laofengxiang brand have been effectively expanded, the sales scale has been expanded, and it has been steadily expanded overseas.

7) Laofengxiang Co., Ltd.(2017), *2017 Annual Report*, Oriental Fortune Network.

(3) Talent and skill advantages:

Laofengxiang attaches great importance to the training of talents and the construction of talent teams. Different types of different talents are managed and managed in different ways. At present, Laofengxiang has 7 Chinese arts and crafts masters, 10 Shanghai arts and crafts masters, 55 senior technicians and 230 high-skilled talents. The middle and senior technical talents are in the leading position in the jewelry industry. At the same time, the company attaches great importance to the cultivation of young and compound talents. Since March 2017, the company has launched the “Fengxiang Plan” for talent training, explored a new model for the selection and appointment of reserve cadres, and expanded the selection of talents. The company summarizes and inherits the traditional Chinese gold and silver culture, comprehensively sorts out the unique craftsmanship of refining the century-old brand, and cultivates the descendants of unique craftsmanship through the famous teacher with Gaotu and the master craftsmanship studio. Laofengxiang’s gold and silver craftsmanship skills are listed in the ‘National Intangible Cultural Heritage’ list, and the gold and silver jewelry inlaying skills are recognized as “Shanghai’s outstanding traditional skills”.

(4) Scale advantage

Laofengxiang purchased from the source to a relatively complete industrial chain of design, production and sales and large-scale production and manufacturing capabilities. The Laofengxiang Dongguan Sujin production base independently developed and developed the domestic first-class automatic jewelry machinery through independent innovation. The Laofengxiang Dongguan inlay production base with three production lines has introduced world-class German 3D jewelry printing equipment and Japanese precision casting machines to ensure product quality. The company has a relatively complete product line, in the ‘gold, platinum, diamonds, silver, white jade, jade, pearls, colored stones, enamel, k gold frames, gold inlaid jade, coral, arts and crafts tourism souvenirs’ and other product categories In 2017, new watches such as watches were launched. The annual update rate of the

company's new products has remained above 26%, effectively improving the company's ability to resist risks and profitability in the fluctuation of gold prices.

2) Internal shortage of the brand

(1) The differentiation of brand image positioning is still lacking. The external image of Laofengxiang brand corresponds to the market. The customer group is mainly middle-aged and old women. From its product design, price and even brand image spokesperson, it gives consumers such brand association. But in fact, 'Laofengxiang' is positioned with "inheritance of classics and innovative fashion". The old-fashioned culture is indeed reflected in the old Fengxiang brand image, but the fashion demand that dominates the current market demand has not met the target positioning requirements, achieving the organic combination of classic and fashion.

(2) The fashion sense of the brand image display environment design needs to be further improved. In order to achieve a retro fashion brand image, not only the product itself needs to be updated to meet the potential needs of the changing customer group, but also in the design of the display environment, it should also introduce a style consistent with the brand goal and brand positioning. Visiting the numerous old Fengxiang Silver Buildings and the counters in major shopping malls, most of the environmental display features are characterized by strong cultural atmosphere and lack of fashion. This display style is slightly old-fashioned for jewelry brands.

(3) Marketing strategy needs to be innovated. As a key part of business management, most old brands ignore this point. They simply think that they can continue to operate with a core product. Do not pay attention to changes in consumer demand, marketing means are unchanged, the consequences can be imagined, on the other hand, this is not conducive to the addition of new consumers. For the operation of the brand, the old brands also did not innovate, did not combine economic and social

development, and did not invest in the design and promotion of the brand. These will lead to the brand being out of touch with the times and thus abandoned by consumers.

3) Brand external opportunities

(1) The concentration of industry has gradually accelerated, and it has gradually shifted from high-speed growth to high-quality development. The current jewelry market is mainly composed of internationally renowned brands, Hong Kong-funded brands, domestic well-known brands and many emerging capitals and various small and medium-sized e-commerce, micro-business and individual practitioners. Some brand enterprises have stepped up supply-side structural reforms, actively complementing shortcomings, breaking problems, increasing vitality, and seeking development. Innovative means have emerged in an endless stream. Advanced customization, intelligent manufacturing, and cultural consumption have quietly emerged. After the market reshuffle, enterprise transformation, and industrial upgrading, the strong and strong, the entire market share further to the famous brand enterprises, industry concentration gradually accelerated. For gold jewellery companies, the stronger their financial strength, the more they can directly drive brand expansion, channel construction and product sales. It can be foreseen that the future development model of the jewelry industry will shift from quantitative growth to quality-effective growth. While the concentration of the industry is increasing, it will also gradually shift from high-speed growth to high-quality development.⁸⁾

(2) The trend of asset securitization and capitalization has been significantly strengthened. The gold and jewellery industry is a capital-intensive industry with a huge demand for capital. As the rapid growth of the entire industry is recognized by the society, the financing capacity of enterprises is also increasing. In recent years, many companies have achieved a leap in listing on the securities market and direct financing

8) Laofengxiang Co., Ltd.(2018), *2018 Annual Report*, Oriental Fortune Network.

from the capital market. At present, nearly 100 companies in China's jewelry industry have successfully listed in the a-share, new-three board, Hong Kong stocks and US stock market, and many more companies are seeking to enter the securities market. Mergers and acquisitions or direct holding of international jewelry brands among domestic jewellery companies will become the norm.

(3) 'Artisan spirit' continues to be a spiritual trait that is strongly advocated by the jewelry industry. 'Artisan spirit' best reflects the spirit of the gold jewelry industry 'excellence, attention to detail, the pursuit of perfection'. The company inherits the spirit of innovation and craftsmanship, and has repeatedly explored and widely reported the major media in the country, and also brought benchmarking effects for the healthy, sustainable and healthy development of the industry.

(4) Brand counterfeiting, trademark infringement, product similarity and excessive price competition are being reversed. At present, the Chinese gold jewellery industry is shifting from the category market to the brand market. Brand protection and intellectual property awareness have increasingly become important tasks for every enterprise, especially well-known brands. However, the long-term and arduous nature of brand rights protection cannot be underestimated. The phenomenon of product homogenization and price wars that are common in the industry is fundamentally not conducive to the promotion of brand, craft, culture, creativity and product added value.

(5) Consumer demand shows an improvement from the weight of the note to the pursuit of quality. With the rapid rise of consumption in the second, third and fourth tier cities and the emergence of a new generation of consumer groups, it is driving the preservation of investment, the need for weddings, the beautification of accessories, and the rise of new jewellery culture. In particular, the diversified, personalized and high-quality consumer demand of the new generation of consumer groups is continually spawning

new products, new retail, new services and new trends. Under the promotion of personalized consumption, experience marketing and customized jewellery have gradually become A fashion choice, consumers' love has also changed from traditional gold to more elaborate 18k gold or diamond-studded gold products, multi-purpose, diy, fashion jewelry, non- prime products. The proportion is on the rise. Jewelry jewellery also has a considerable consumer base. Consumer demand has shown a trend from weight to quality, from tangible products to cultural service innovation, from simplification and homogenization to diversification, individualization and high quality.

4) Brand threats

(1) Quality landslide, reputation declined. For old brands that do not lack visibility, quality can be said to be a key point affecting the survival of old brands. However, sometimes due to the impetuous atmosphere, the decline in product quality will eventually lead to self-sufficiency, causing the company to fall into the dilemma caused by its own reasons.

(2) The concept is backward and the propaganda is less. Although there is a saying that "the wine is not afraid of the deep alley", in today's fast-developing society, sometimes the historical popularity has neglected the current spread, resulting in fewer and fewer consumers knowing the brand. In the end, it led to the reduction or even disappearance of the source of tourists.

(3) The management mechanism is outdated. Many old brands of national brands are state-owned enterprises, which has led to the old brands being infected with the shortcomings of state-owned enterprises: lack of strain, systemic defects. Due to the low technical barriers and small investment scale, more and more emerging brands are participating in the competition. They compete with the old brands for customers. In the face of fierce market economy, it is difficult to be flexible, resulting in the loss of advantages. Even getting into trouble.

〈Table 1〉 Laofengxiang swot analysis chart

<div style="text-align: center;"> <p>External environment analysis</p> <p>Internal environment analysis</p> </div>		Opportunity(O)	Threats(T)	
		(1) Industry concentration degree accelerates gradually, changes from the high speed growth to the high quality development stage.	(1) Quality decline, reputation decline	
		(2) The trend of asset securitization and capitalization is obviously strengthened.	(2)(1) Concept is backward and the propaganda is less	
		(3) 'Craftsman spirit' continues to become the jewelry industry.	(3) Management mechanism is out of date.	
		(4) Consumer demand from the focus on quantity to the pursuit of quality improvement.		
Superiority(s)	(1) Brand has a long connotation	(S, O)	(S, T)	
	(2) Channels	Raw material authentic	Superiority Threat Strategy Strengthen the influence of brand in society Share through the network to meet the needs of consumers, to improve the reputation.	
	(3)(1) More talents and excellent technology	Genuine, quality first characteristic		
	(4) Large scale	Featured technology continues to innovation		
Weakness (W)		(W, O)		(W, T)
		(1) The differentiation of brand image positioning is still deficient	The fashion sense of brand display environment design needs to be improved	Management system constantly changes in order to adapt in the times Marketing strategy innovation
		(2) Insufficient fashion, old-fashion		
		(3) Single marketing		

2. Laofengxiang brand aging phenomenon

When Laofengxiang strengthened his competitive advantage, he was overly concerned about price competition, which caused a vicious circle of price positioning. At the same time, Laofengxiang brand also faces various problems, and the brand has an aging trend, which is manifested in three aspects: fierce market competition, endless fashion brands at home and abroad, shrinking market share; higher average age of consumers; The means are fixed and traditional.

3. The reason for the aging of the old Fengxiang brand

1) Brand positioning is not clear. Brand positioning can find a suitable market entry point for a single brand, and let it have a certain existence in the consumer group, so that consumers can immediately associate with the brand when generating consumer demand. After confirming the market goals, companies must build their own products, signs and corporate packaging to win the favor of the target audience. Since product sales

activities are the ultimate goal of market positioning, and the brand itself is the main reliance of enterprises to promote products and guide consumers to purchase activities, the brand itself has played a role in grafting the relationship between buyers and sellers, and its positioning has become The core performance of market positioning. Although Laofengxiang has a full range of products and a complete industrial chain, it is too diversified and it has lowered production efficiency. The scale of super large diversification has lost its core competitiveness.

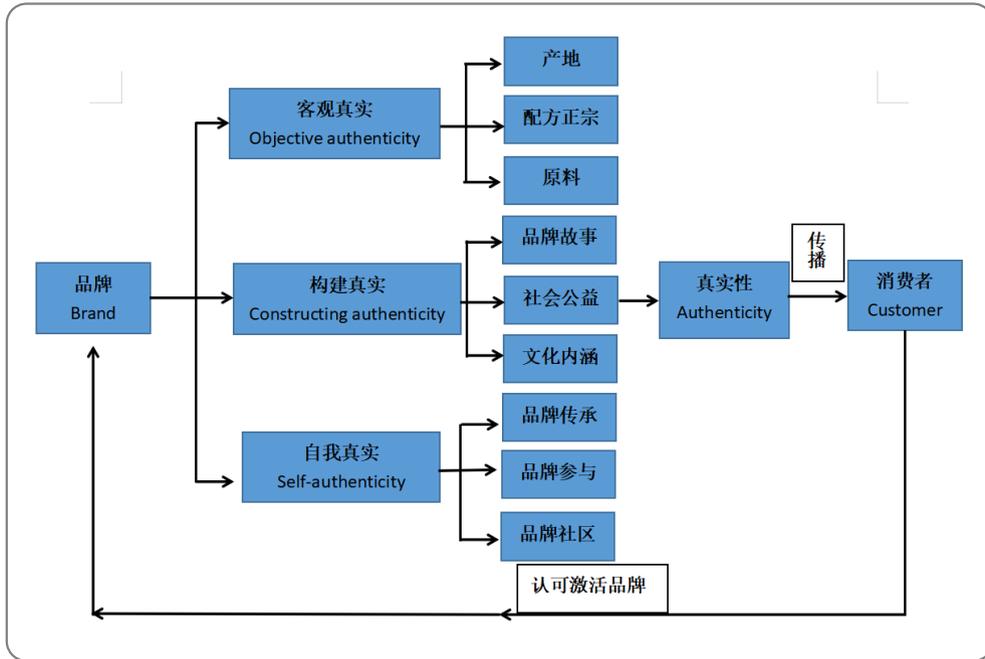
2) Brand marketing ideas are vague. Brand marketing is the derivation of brand code, inadvertently realize the broad-based unintentional marketing derivative and product push of the whole society. The key is to let the brand itself have different core values that make consumers truly touched. Consumers can really get acquainted with the personality of the brand through it. Laofengxiang's publicity and marketing, although it involves cultural content, is too superficial and abstract, and there is no specific story to impress consumers. It is not clear enough to promote value, so that consumers can't understand it on their own, so they can't get clear memories of the brand. In addition, Laofengxiang has a lot of content, spokespersons, tools and other issues that are out of touch with the times when doing brand promotion. Therefore, the changes in the consumer groups represented by the latest generation of consumers cannot be clearly captured.

V. Laofengxiang's brand activation strategy research

From the perspective of authenticity, brand aging is the embodiment of the brand's authenticity and communication, hindering consumers' positive feedback on the brand's objective authenticity, constructive authenticity and self-real cognition, through the actual brand effect. The brand activation of the old brand provides a new perspective. According to the intrinsic mechanism of brand activation, the brand activation strategy of Laofengxiang

is proposed from three aspects: authenticity mining, authenticity communication and consumer identification.⁹⁾

〈Figure 1〉 Use the theory of authenticity to activate the brand principle



1. Identify and mine the elements of authenticity

1) Mining objective authenticity elements.

Brand activation first needs to explore the objective and authentic elements of these brand products, especially to ensure the authenticity of raw materials, to ensure that the quality of products always has high-end consistency, actively invest in research and development funds, and actively

9) Xu Wei & Wang Xinxin & Liu Wei(2015), “The Real Concept, Dimension and Feature Perception of Old Brands - Qualitative Research Based on Grounded Theory [J],” *Journal of Finance and Economics*, 11, 80-87; Wu Shuilong & Huang Xiaoning & Zhou Yunjin(2009), “Activation of ‘Old Brand’ Brand Assets: Mechanism and Path [j],” *Modern Management Science*, 4, 73-75; Wu Shuilong(2008), “Research on Brand Activation Strategy: Taking ‘Old Brand’ as an Example [j],” *Modern Management Science*, 1, 49-51; Wansink(1997), *Making old brands new [J]*. American Demographics, 53.

improve product innovation in light of modern consumption trends. Consumers leave the impression of genuine value and value for money. Brand activation should also focus on the brand story and its long history, the cultural connotation formed in society, the honor (authority certification), the friendly image (focus on public welfare, employee status) and other 'constructual authenticity' elements to expand the brand in society.

2) Mining the elements of authenticity. Every old brand will have its own most famous historical legend in the process of inheritance and survival. The rendering of these legends can make consumers and manufacturers go closer, emotionally more familiar, and consumer brand awareness. More intense. Laofengxiang should make full use of the infectivity and inheritance of the brand story when brand activation. For example, in brand promotion, it is not just a simple brand slogan, which is embedded in the rich brand story of Laofengxiang, allowing consumers to understand the meaning of the story and explore the culture behind the story. Thereby bringing them closer to the consumer's emotional distance and deepening the consumer's brand awareness.

3) Tap the elements of self-authenticity. Brand activation in the wake-up of self-authenticity elements should be excavated from the consumer's feelings of physical and mental pleasure, self-change and exploration, self-satisfaction, show-off display, social identity and other 'self-reality', so that consumers feel 'Consistent inside and outside.' The brand group allows consumers to build their feelings for the brand through the idealized memories of the past. Laofengxiang represents not only the brand, but also the nostalgia and inheritance of past memories. Laofengxiang can build a variety of brand groups under the new media and independent commercial websites based on the characteristics of their own consumer groups. Consumers are more likely to interact and share because of these websites. The current popular microblogging circle of friends can make everyone go closer, and learn to use the vast network society to enhance consumers' brand reputation.

2. Promote and disseminate authenticity elements

1) Inherit the elements of objective truth.

Laofengxiang can use a variety of methods to convey to the consumers the old Fengxiang brand's high-end, healthy, unique and long-standing characteristics. Each brand has been inherited for hundreds of years, no longer just a brand, but also a cultural heritage, a history. For those old brands, consumers may not be the quality or reputation of the product itself, but the brand culture behind the brand. 'Old Fengxiang' has always adhered to the 'classic, beautiful, auspicious, atmospheric' design concept, closely linked to the 'Old Fengxiang', a well-meaning brand name, which is consistent with the traditional characteristics of the traditional gold and silver culture. Present authenticity to the consumer.

2) Innovate to build authentic elements.

Continuously refined and exquisite craftsmanship from the hand-made era to today's workshop production, 'Laofengxiang' has never stopped to pursue the pace of excellence in craftsmanship, has been constantly innovating. From the traditional four categories of 'gold, platinum, diamonds, silver' jewellery products to the new four categories of products such as 'white jade, jade, pearl, colored gemstones'; from the traditional 'record', 'welding', 'Blasting' and 'cutting' and other craftsmanship, to the integration of Western jewelry inlaying skills, 'Laofengxiang' has been innovating. In order to ensure the updating of technology and design, 'Laofengxiang' also took the lead in setting up the 'Original Design Master Studio' in the industry to ensure the product update, and the company was thus recognized as 'City Technology Center'. Of course, 'Old Fengxiang' has not abandoned the excellent classical techniques. The gold and silver craftsmanship that has been identified as the 'World Intangible Cultural Heritage List' has become a feature of 'Old Fengxiang'. While persisting in the unique skills and constant innovation, this has become a guarantee for the emergence of more and more masterpieces and masterpieces of 'Old Fengxiang', and has become a major feature to attract consumers.

The management system that keeps pace with the times In order to ensure that 'Old Fengxiang' can always occupy the market smoothly, the management system of 'Laofengxiang' has always changed with the changes of the times. Nowadays, in order to ensure the good operation of the company, 'Laofengxiang' has implemented a series of innovative management methods: in order to continuously strengthen the quality management system, establish a four-level quality management network for the company, professional factory, chain stores and team, and implement level-level monitoring. Layer-by-layer management; based on the local, to look into the world, according to the requirements of marketization and internationalization, to establish a business operation mechanism in line with the requirements of modern enterprise management; to adopt a staff incentive system, to promote the restructuring of personnel, to develop the chief designer, technician, The evaluation of the workmanship, salespersons and other series has mobilized the enthusiasm of the staff and motivated the staff; the most important point is to strengthen personnel training, improve the quality of employees, improve the overall quality of the company, and develop the company's benign Foundation.

3) Activate the elements of self-authenticity.

The eternal quality of 'Laofengxiang' has consistently adhered to the corporate tenet of "Quality First". Whether it is the hand-made workshop in the past or the production in the workshop today, the quality is always in the first place. In order to better guarantee the quality of the products of 'Laofengxiang', the company has established the gold jewellery product implementation standard in the same level as the international jewellery industry. "From the national standard, it is strictly in the national standard". At the same time, "Laofengxiang" has also established a four-level quality management network for the company, professional factories, chain stores and teams. The focus of the inspection is on the two parts of the product factory and the upper cabinet, and the layers are checked to ensure that each product is The most beautiful form and the best quality welcome the consumers.

The customer-oriented service “Laofengxiang” customer-oriented purpose is not written on paper, hanging on the wall, but really implemented and implemented. “Laofengxiang” and “Ten Major Service” are deeply rooted in the hearts of the people and become a bright spot to attract consumers. They solve the worries of consumer consumption, enabling consumers to consume without worrying too much. In addition, Laofengxiang VIP member club is divided into silver card, gold card, diamond card. Customers can enjoy the normal discount after spending in the old Fengxiang store, and then enjoy the corresponding level of discount. Laofengxiang will use the most intimate service, the highest quality goods, to let consumers feel the fashion and honor. Reward points, participate in the theme activities of the old Fengxiang vip members, invited to participate in the VIP exclusive activities such as the new product pre-sales in the season, birthday blessings and birthday gifts and other activities are Laofengxiang to allow each consumer to recognize and be happy to show themselves.

3. Use the authenticity factor to gain a sense of identity.

Brand activation can inject nostalgic elements into the authenticity elements of the old brand, and use the ancient content to actively trigger the consumer’s nostalgic complex, and thus achieve emotional connection with consumers, and to convey consumer feedback to the internal operations of the enterprise.¹⁰⁾ Digitalization is changing the relationship between business and consumers, and the way companies communicate with consumers is changing. Enterprises and consumers can communicate in two ways. Through social platforms, people who are interested in brands can be gathered. Consumer feedback can be heard. Many materials feedback from consumers become the material of corporate communication. Enterprises can quickly understand consumers’ brands. The real feeling.

10) Xu Wei & Feng Linyan(2018), “Study on the Influence Mechanism of the Authenticity of the Old Fonts on the Intention of Word-of-Mouth Communication[J],” *Journal of Central University of Finance and Economics*, 1, 93-101.

VI. Conclusion

This paper discusses the activation of the old brand by standing from the perspective of authenticity. It analyzes the activation of Laofengxiang brand by using the existing brand activation and authenticity theory, and provides a new perspective for the activation of Laofengxiang brand. For the brand-name activation, corporate brand managers should pay attention to mining and disseminating the authentic elements of the old brand “objective reality, constructing reality, and self-reality”, and gaining consumers’ sense of identity through the authenticity of mining and dissemination. Thereby activating the brand.

The age of the old name has become an open secret. The situation of the stagflation and even bankruptcy of the old-fashioned enterprises has intensified. The low level of familiarity and the over-age use of signboards have become a hard-to-break spell. This study combines the two theories of brand long-term management theory and brand authenticity, refines the principle of the authenticity of the old brand for brand activation, and proposes the strategy of Laofengxiang brand activation based on this principle. Finally, the use of authentic elements to stimulate the nostalgia of consumers, and establish an emotional bond with consumers, in order to gain consumer identity, and then activate the brand.

“본 논문은 다른 학술지 또는 간행물에 게재되었거나 게재 신청되지 않았음을 확인함”

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중국 老凤祥公司의 老字号노화현상에 대한 마케팅활성화전략의 연구

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요 약

본 연구는 중국의 장수기업 중 하나이며 전통 수공업분야를 대표하는 노봉상공사(老凤祥股份有限公司) 대상으로 하여 기업의 역사, 기업문화, 경영철학, 내부고객 유인정책, 브랜드 노화 현상에 따른 전략 등을 연구해 보았다. 일반적으로 중국에서는 상당기간의 역사가 있으며 충성심있는 고객을 지속적으로 확보 및 유지하고 있는 브랜드를 노자호(老字号)라고 칭한다. 이러한 현상은 중국의 경제발전 과정 중 등장한 하나의 상징적인 현상으로 중화민족의 전통문화와 수공예를 계승, 발전시키는 과정에서 나타났다.

본 연구에서 대상으로 하는 노봉상주식회사 역시 노자호(老字号)기업의 하나로 중국의 대표적이며 유명한 보석 장신구 브랜드이자 백년이상의 역사를 가진 기업이다. 그러나 최근 몇 년간 노봉상주식회사는 브랜드가 노화되기 시작하는 심각한 문제를 겪고 있으며 이로 인해 충성심 있는 고객의 이탈과 시장에서의 많은 어려움을 겪고 있다. 따라서 본 연구에서는 노봉상 브랜드 노화의 원인을 마케팅과 기업문화라는 측면에서 다루어 보고 이와 더불어 기업의 고객가치의 창출에 대한 과정이 어떻게 진행되었는지에 대한 분석을 실시해 보았다. 연구 결과 마케팅 측면에서는 중국경제의 급속한 발전에 따라 변화하는 소비자의 트렌드를 파악하지 못해 브랜드 노화현상이 발생했으며 또한 내부고객인 종업원의 동기부여와 관련된 유인요인을 제공해 주지 못함으로써 시장환경에 부응하는 기업문화를 건립하지 못했다. 이러한 복합적인 요인들은 충성심 높은 소비자의 이탈을 초래했으며 이로 인해 기업경영에 상당한 어려움과 더불어 중국의 전통적인 노자호(老字号)라는 가치도 상실하는 상황을 직면하게 되었고, 이러한 측면에서 노봉상공사(老凤祥股份有限公司)의 글로벌전략과 관련된 마케팅 활성화방안을 수립해 보았다.

〈주제어〉 노봉상, 노자호, 브랜드 노화

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