Application of Brand-centered Experience Design In the Transformation of Traditional Enterprises

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ABSTRACT. *After 40 years of reform and opening up, China has become the world's second largest economy. With the rapid economic development, local traditional enterprises have gradually paid attention to and realized the importance of user experience for enterprise transformation. However, every traditional enterprise must consider how to integrate user experience into the enterprise's existing model and give play to the market value of user experience. This paper explores the relationship between brand, experience and design. And, combined with brand positioning theory, behavioral economics prospect theory and experience model of design psychology, this paper proposes a brand-experience-design integration strategy model, which has been initially verified in corporate practice.*

KEYWORDS: *Experience design; Brand; Integration*

1. Introduction

After 40 years of reform and opening up, China has become the world's second largest economy. Economic development and technological progress have affected people's needs and desires and consumers' consumption patterns accordingly. Economic development has moved from the past agricultural economy, industrial economy, and service economy to the current experience economy. The so-called experience economy is an economic form in which goods and services are used as carriers to meet people's ever-increasing spiritual needs, so that consumers can get emotional and self-realization value satisfaction and enjoyment. When people's material living standards reach a certain level, their psychological needs will become the main influencing factors of their buying behavior and consumption behavior, and "experience" becomes an economic commodity that can be sold.

Apple Inc. used IPhone to popularize the concept of user experience to Chinese companies and consumers, allowing Chinese consumers to truly feel the value and charm of experience in products. User experience immediately became a new yardstick for consumers to evaluate product satisfaction. In this wave of experience,

traditional Chinese companies have gradually paid attention to and realized the importance of user experience for corporate transformation. User experience immediately became a new yardstick for consumers to evaluate product satisfaction. In this wave of experience, traditional Chinese companies have gradually paid attention to and realized the importance of user experience for corporate transformation.

This paper explores the relationship between brand, experience and design. And combined with brand positioning theory, behavioral economics prospect theory and experience model of design psychology, this paper proposes a brand-experience-design integration strategy model, which has obtained preliminary verification in corporate practice.

2. Marketing-oriented Product Model

To help companies solve the problem of experience transformation, they cannot do without understanding the original model of the company. In the past, companies used technology to provide solutions from the perspective of the market, and then entrusted them to 4A companies to complete the marketing and packaging of their products, and then market them. The 4A company looks for creative inspiration based on the market's competing products, and creates attractive advertising and marketing programs for corporate programs. In this model, marketing becomes the core link of the entire process, and advertising becomes a key means to affect user consumption (Figure 1). As a result, companies can easily become dependent on 4A companies and ignore the value of brand and design. Since enterprises and 4A companies are driven by the market, the focus on consumers is almost entirely focused on the purchase link, and the emphasis on user experience is not emphasized. The basis of this model is mainly the lack of choice space caused by the information asymmetry between consumers and the market.

Fig 1. A market -centric model

3. Two Transformation Models

With the advent of the experience age, users' evaluation of product value is increasingly based on experience. At the same time, the rapid popularization of the Internet has made users no longer have a single channel for obtaining information. The era of persuading users to buy products and services by relying solely on advertising has begun to go away. Local traditional enterprises have also realized the value of user experience and have begun to try experience transformation. Local

enterprises mainly adopt two modes for transformation: product-core type and experience-core type.

The core product transformation model is to patch on the original model (Figure 2). The company is still driven by the market, but when forming product solutions, it not only considers technology, but also strengthens the emphasis on design, so that the presentation of technology has a certain "experience" without being cold and rigid. After that, it will also use marketing partners such as 4A companies to carry out publicity and brand marketing to bring products with a sense of experience to the market.
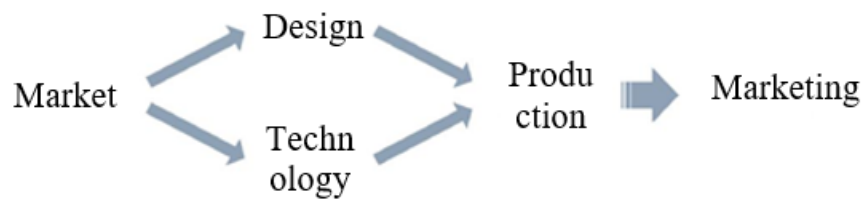
Fig 2. A product-centric model

As a result of the establishment of a design or experience department, the solutions provided by the company will be more three-dimensional than the original product model with pure marketing as the core. However, since it is still not out of the market-driven constraints, the experience design of the product is still just a little effort and cannot provide real user experience value.

Some companies have learned from the pain and tried to get rid of thinking about products in a market-driven way, and instead focus on user experience. This is the experience-core transformation model (Figure 3). From the perspective of experience, companies combine mature technologies to form product solutions tailored to user needs. This model can provide users with a good user experience and maximize the value of a single product, but it often ignores the branding of the company at the macro level.

Fig 3. An experience-centric model

The experience delivered to users in the product will gradually precipitate into the user's cognition of the company's brand (hereinafter referred to as "user cognition") as the time and contact points of user contact increase. Emphasis on user experience will enhance the market competitiveness of products, but if you are not talking about brand experience, consumers will focus too much on a single product

and weaken the precipitation of the company's brand. Under the experience-core transformation model, companies do not have a deep understanding of brand. The understanding of experience mainly stays at the level of better attracting users, and its purpose is still to serve marketing. Although it is possible to create a so-called "explosive item" in the short term, it is inherently difficult to build a competitive and sustainable brand. In the 2018 global brand value list released by Interbrand, only Huawei was the only Chinese company in the top 100, ranking 68th. [1] The difficulties of local traditional enterprises in the transformation can be seen.

4. The theory of Brand, experience and Design integration

The above-mentioned marketing-centered model, product-centered model, and experience-centered model have problems of one kind or another because of the lack of understanding of the brand. Apple, Google, Amazon, Microsoft and other world's most watched companies, all have deep accumulation in brand and are deeply embedded in their products.

We have realized that there is a consistent relationship between users' understanding of user experience and users' understanding of brand. [2] The relationship between user experience and brand is essentially the relationship between concrete and abstract. Brand is a metaphysical thought, and there is a certain distance between it and users. The user experience provides users with a physical presence that can be directly contacted and felt, and there is zero distance between them. This means that users can establish their expectations of user experience through their cognition of the brand, and they can also extract their cognition of the brand through the actual feelings of user experience. In theory, these two approaches should lead to the same goal by different routes. Whether starting from the brand or the user experience, the end result is the same for the user. Therefore, user experience is essentially the carrier of brand, reflecting the connotation of brand. The transformation from the abstract brand to the concrete user experience is done through design. This is also the true meaning of design.

Brand, experience and design is actually a multi-faceted form. Brand and experience are mutually cause and effect, and design acts as a bridge between the two. This is the core idea of The theory of brand, experience and design integration (Figure 4). For local companies, only by recognizing the relationship between user experience and brand can they truly master user experience, implement user experience in design, and give meaning to products or services.
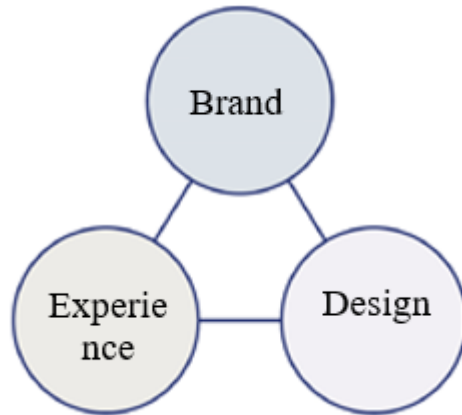
Fig 4. The relationship between brand, experience and design

Looking back at the models of local traditional enterprises, it is not difficult to find that they have a common problem, which is to look at products only from the perspective of enterprises. Regardless of whether marketing is the core or the product or experience is the core, what local traditional enterprises practice is to put "what I want to do" into products and sell them to users through marketing methods. Just thinking about products from the perspective of "I" obviously cannot really help companies achieve transformation. The characteristics of products in the experience age require companies to escape the perspective of "I" and turn to the perspective of "users" to examine products. The theory of brand, experience and design integration provides companies with two perspectives of "me" and "user" at the same time, and achieves a win-win situation between product and brand by keeping the two perspectives close.

Under the theory of brand, experience and design integration, the corporate model is transformed into a model with brand as the core (Figure 5). It conveys the connotation of the brand in the user experience of the product to the user through the corporate perspective, and at the same time abstracts the user's cognition in the experience to the height of the brand through the user perspective, realizing the closed loop of brand and experience. In this model, products with excellent user experience and even explosive products can be produced, and the success of these products can be precipitated on the corporate brand, forming continuous positive feedback, and driving the continuous growth of the company.
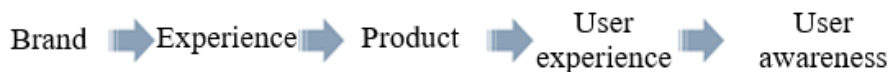

Fig 5. A brand-centric model

Theoretically, the theory of brand, experience and design integration requires that the brand recognition and experience feelings under the corporate and user perspectives are consistent (Figure 6). The greatest value of integration is only when the brand recognition and experience feelings are consistent. However, different viewing angles will inevitably have deviations. This means that when companies implement brand, experience, and design, they need to actively understand the situation of the user's perspective in order to minimize the deviation between the user's perspective and the corporate perspective and achieve the goal of successful corporate transformation. Therefore, the theory of brand, experience and design integration needs a set of operational methodology to be applied in practice.
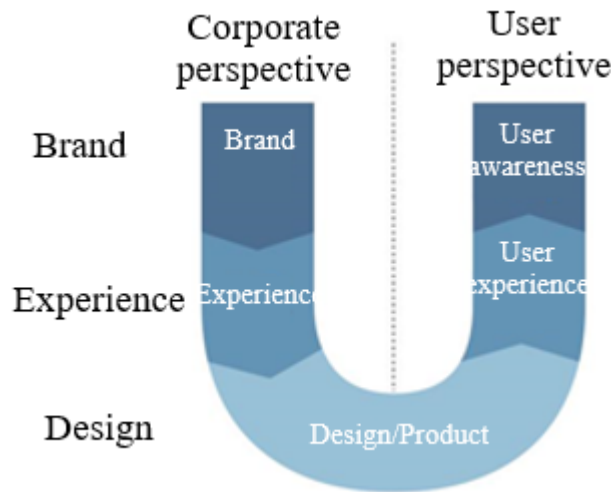

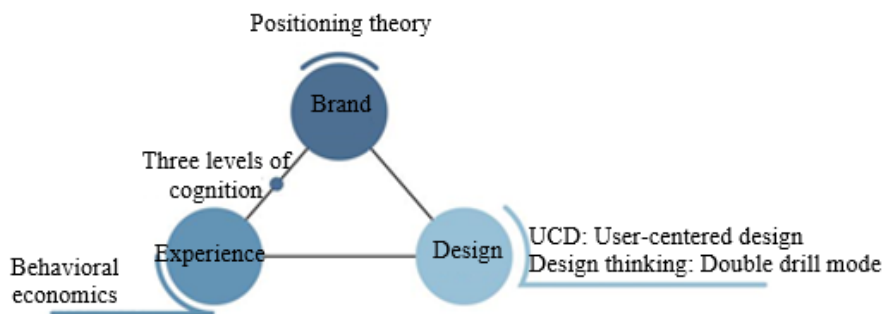*Fig 6. The relationship between brand, experience and design from two perspectives*

Fig 7. The relationship between theoretical basis and Integration

5. Practical methodology

From a practical perspective, the theory of brand, experience and design integration combines positioning theory, three-level cognitive model, prospect theory, user-centered design methodology, and the classic double-diamond model in design thinking to build an operable methodology (Figure 7).

"Positioning Theory" was put forward in June 1969 by Al Ries and Jack Trout, two well-known American advertising and marketing experts. They propose to position the minds of potential customers, that is, by taking certain actions, the company's products are determined in an appropriate and stable position on the psychological level of the target customers, so that the company can win the priority of customers in the competition. [3] Since the positioning theory was put forward, it has been widely used in the field of brand and marketing, and has achieved fruitful results. The brand positioning from the corporate perspective in The theory of brand, experience and design integration is undoubtedly inseparable from the guidance of positioning theory.

From the perspective of cognitive psychology, Donald Arthur Norman classified the levels of human perception of things into three levels: instinct, behavior, and reflection. [4] And he analyzed it from the perspective of experience design. [5] In Norman's three-level model, the design of the instinct level and the behavior level mainly reflects the product's thinking in terms of appearance and function, while the design of the reflection level rises to the user's spiritual feelings, which is in line with the theory of brand, experience and design integration are the same. With the help of Norman's three-level model, brand and experience can be refined separately under the same model, combined with positioning theory to formulate positioning strategies, and at the same time give corresponding experience goals in product definitions.

Experience is the interpretation of the connotation of the brand, and the feeling that a company hopes users will get through the touch points of a product or service. If an enterprise wants to effectively transmit the value of the product in the market competition and thus affect the user's choice, it must understand the user's behavior and decision-making. Kahneman (Daniel Kahneman) and Tversky (Amos Tversky) proposed prospect theory in 1979. [6] They combined psychology and economics to give a very powerful explanation for the user's purchase decision behavior, which is the most representative result in the field of behavior decision-making. Prospect theory points out that when people make decisions, they will calculate possible gains or losses based on their inner reference points to make choices. With the help of the loss aversion and peak-end law in prospect theory[7], it can help companies formulate more reasonable experience goals, so as to more effectively realize the experience and brand perception from the user's perspective. [8]

As a bridge connecting brand and experience, design is a very important part of integration theory. With the emphasis on users and the deepening of design thinking, the British Design Council formulated the Double Diamond Model as a standard design practice (Figure 8). [9] Double Diamond Model completes the exploration of

the problem space and the solution space through the process of two divergence-focusing, which corresponds to the exploration of the user perspective and the corporate perspective in the theory of brand, experience and design integration. In addition, the introduction of user-centered design (UCD) ideas can further strengthen the focus on the user's perspective, integrate the analysis of the user's perspective in the entire life cycle of the product, and continue to transform it into the product output from the corporate perspective.[10]
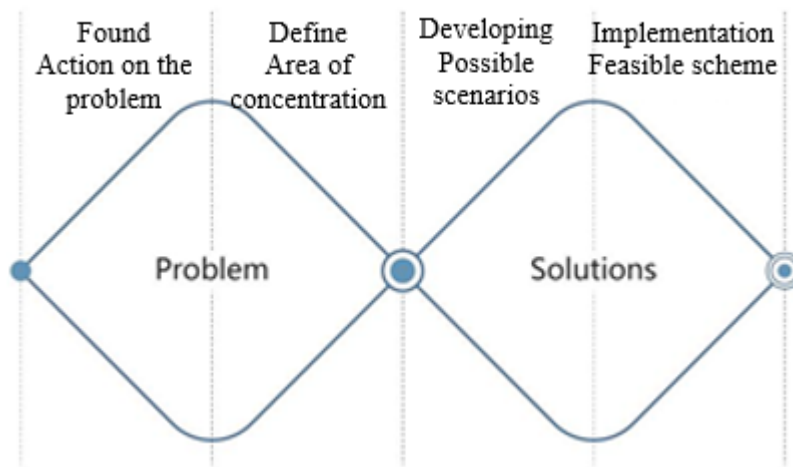

Fig 8. Double Diamond Model

Combining these theories and models, we form the methodological framework shown in the figure below (Figure 9).
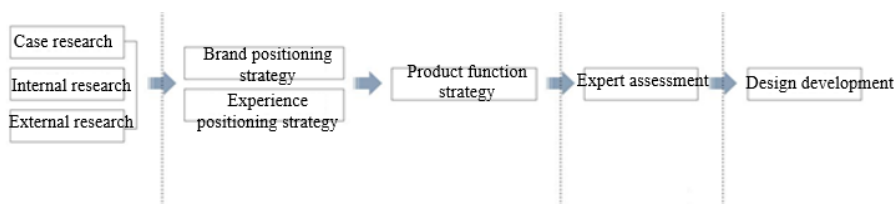

Fig 9. Methodological framework

Desk research can understand the competitive environment of the market, and qualitative and quantitative internal and external research can see the difference between corporate and user perspectives. Therefore, the brand positioning strategy and experience positioning strategy are formulated with the joint participation of

positioning theory, three-level model and prospect theory to reduce the deviation between the two perspectives. On the basis of the positioning strategy, determine the functional strategy of the product, refine the core functions and technical requirements, as well as the extensional functions and technical requirements. Then organize internal and external experts to evaluate the overall product strategy, and deliver the design and development after completion.

6. Verification and discussion

In order to verify the feasibility of the theory of brand, experience and design integration and methodology, the theory and practical methodology were actually used in the transformation project of State Grid Electronic Commerce Co., Ltd. in 2017.

In the research phase, external questionnaire surveys from first-tier to fourth-tier cities were completed. According to the questionnaire survey of ordinary employees in the company and the interview survey of key employees of the company's internal team, we found the key problems of the original product and the difference between the brand positioning and user perception.

In the strategy stage, the brand, experience, and design integration strategies were formed through the analysis of brand cognition and user behavior, the original product functions were adjusted, and the reference points and goals were determined for the core experience. For example, the poverty alleviation function of e-commerce has been added, which not only responds to the government's call, but also reflects the brand's "benefits" image, and at the same time a differentiated market opportunity for e-commerce positioning is found.

In the evaluation stage, experts in related fields such as brand, payment, e-commerce, and poverty alleviation were invited to participate to provide expert advice and supplements on brand, experience, and design integration strategies. And based on the final strategy, the reference design was completed (Figure 10).

Fig 10 Reference design

The overall implementation of the State Grid Electronic Commerce Co., Ltd. project and the formed brand, experience and design integration strategy have been highly praised by enterprises and experts. The theory of brand, experience and design integration and practical methodology have been initially verified.

In the implementation process, the support of enterprise management is crucial. The support of management is inseparable from the development of internal research and the guarantee of the project cycle. Therefore, for the theory of brand, experience and design integration to be implemented within traditional enterprises, it is first necessary to realize the education of management. Another thing that should be emphasized is that the background composition of the implementation team needs to have an understanding of user research, brand, market, product and many other fields, and form enough knowledge breadth and depth to effectively complete the output of the integration strategy.

7. Conclusion

With the advent of the experience age, the original model of traditional enterprises can no longer meet the increasing needs of users and the increasingly fierce market competition. "The theory of brand, experience and design integration" provides a new model for the transformation of enterprises in the new era. By clarifying the relationship between brand, experience and design, rebuild the product model with brand as the core and realize the smallest deviation between the corporate perspective and the user perspective, thereby helping the company complete the transformation and achieve the upgrade of corporate value. It is not only a theory but also an operational practical methodology. The preliminary verification has demonstrated its value and operability, and more practical cases are still needed to improve it in the future.

Notes:

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[5] Among them, the instinct layer is before thinking and consciousness, and is mainly related to the appearance and initial effect of the product. The behavior layer is the user's perception of its functions, performance and usability through the use of the product. The reflection layer is the highest level of cognition and understanding of people's consciousness and emotion. The three levels go from low to high, but they restrict and influence each other. For the analysis of the user experience level, we can also start from the perspective of cognition and divide it into sensory level experience, behavioral level experience and reflective level experience.

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