

# Research on Branding of SMEs Based on Integrated Marketing Communications Theory

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**Abstract:** *At present, the brand building in China's integrated marketing communication has not been given much attention by many enterprises, and relatively speaking, some enterprises have not conducted certain research on brand building. In fact, the brand building for the overall business success of the enterprise has a great significance to promote. For integrated marketing communication programs, there are a variety of flexible solutions to enhance the brand image of a company or product, which in turn enhances consumer recognition of a brand and promotes the further construction of small and medium-sized enterprises. This paper analyzes the problems in branding of SMEs in China, then puts forward some exploratory suggestions for the problems, and finally concludes the paper.*

**Keywords:** *Integrated Marketing Communications; Brand building; SMEs*

## 1. Introduction

The marketing mix theory proposed by Jerome McCarthy in the 1950s laid the framework for the development of marketing theory today, and the development of marketing theory and practice has essentially been a continuous dissemination, enrichment and refinement of this body of thought. Until recent years, increasingly fierce market competition has stimulated continuous innovation in business practices, thus expanding the connotation of traditional marketing. Especially since the 1990s, advanced marketing theories have continued to make new breakthroughs in developed countries. One of the most influential is Integrated Marketing Communications (IMC), referred to as integrated marketing. The purpose of integrated marketing communication is to make all the marketing activities of the company in the market for different consumers, "one-to-one" communication, the formation of an overall, integrated impression and emotional identity. This consumer segmentation to establish a relatively stable, unified impression of the process of branding, that is, to build brand influence and enhance brand loyalty.

The information age represents the advent of a new economy. Since the 1990s, economic globalization and information networking have become the world's development trend. Along with the construction of the Internet, network companies around the world have been established like a spring, and China is no exception. Since the reform and opening up, the development of China's information industry has made remarkable achievements, communication infrastructure and electronic product manufacturing have made great progress, the scale of computer networks has expanded rapidly, and information service business has grown exponentially, bringing vitality to SMEs.

But so far, China's enterprises to carry out the Internet marketing is still in its infancy, Many online companies have started up, but have closed down after hoping and struggling, while some traditional enterprises still do not know how to use the new medium and resources of the Internet to operate effectively. After China's accession to the WTO, enterprises will face huge challenges from international enterprises and the environment, and what marketing strategies should they adopt in today's heating up market competition? Compared with large enterprises, SMEs have the characteristic of "a big ship turns slow", and in some cases, their sensitivity to the market may be better than that of large enterprises. Everyone is equal in front of the Internet, and SMEs can take advantage of its interactive features to carry out one-to-one marketing at the right time. This is an unprecedented favorable condition, the key is how to take advantage of it. This issue is closely related to whether China's SMEs can survive and thrive in the information age.

At the beginning, integrated marketing communication was proposed as a product of consumer

orientation and further deepening of market segmentation, but with the development of integrated marketing communication theory, people gradually realized that integrated marketing communication should go out of marketing and enter the level of enterprise strategic management, and use it to recreate the enterprise organization and management model. In other words, integrated marketing communication is not only a new marketing concept and marketing model, but also a management idea and management system.

Since the introduction of the idea of integrated marketing communication in China, a number of enterprises and entrepreneurs have been actively exploring and applying this marketing model, and although this exploration has achieved some results, there are also many problems. This paper hopes that through the analysis and study of integrated marketing communication theory, we can have a deeper understanding of integrated marketing communication theory, which can be beneficial to the practice of Chinese enterprises in implementing integrated marketing communication.

## **2. Problems in branding of Chinese SMEs**

### ***2.1 Weak corporate branding awareness***

Small and medium-sized enterprises in China are generally small in scale, capital is not sufficient, the management level is relatively backward, enterprises do not pay attention to brand creation and development work. Some small and medium-sized enterprises believe that brand building costs a lot of money, with such a marketing short-term idea: Stopping when the products are still sold, they lack the vision for long-term development; some enterprises are still confused about the brand building work; some enterprises are not even considered or have no conditions for brand building problems<sup>[1-3]</sup>.

Our large enterprises are doing better in this area and can play a very good role as an example, But some small and medium-sized enterprises, because the level of governance is relatively backward, small scale, coupled with insufficient funds, enterprise production is still in the neglect of brand creation and operation of the work carried out. Brand building work is actually to enable companies to shape a brand image that is relevant to the needs of consumers in the target market segment, helping their corporate brand to establish a brand in the market that is different from their competitors' brands and at the same time meets the needs of their own corporate audience consumer groups, with the ultimate goal of leaving a good impression in the minds of consumers<sup>[4]</sup>.

### ***2.2 Improper use of integrated marketing communication strategies***

The so-called integrated marketing communication strategy can be explained as the brand marketing strategy developed by the company for its products. The improper use of this marketing strategy is a problem that exists in large numbers in the brand building efforts of SMEs and can be expressed in the following two aspects. First, some small and medium-sized enterprises in the brand building, always use the price method, that is, a lower price than the same industry and the same type of products to seize the market segment. On the surface, the price of the same product is lower, sales have increased, in line with the saying "small profits but quick turnover", but at the same time, the consumer demand for the brand has not increased. The effect of this behavior without consumer demand as the starting point for the development of marketing strategies is weak, for the majority of consumers more mature day by day, by reducing the price of the product this simple price advantage has long ceased to have any appeal, and sometimes make consumers feel that the product price reduction, whether the quality has also decreased?

Second, many corporate businesses feel that as long as more advertising, brand building will naturally develop, But they ignore the fact that if companies only carry out media campaigns and do not pay attention to establishing corporate brand image, they cannot actually make their products occupy a certain position in the minds of consumers. In order to achieve the goal of a good product brand, companies have to start with a good product<sup>[5]</sup>.

### ***2.3 Lack of integrated marketing communication brand innovation***

The vitality of the brand lies in whether the enterprise has carried out a good and orderly development of innovative activities. To consistently maintain their brand charm, enterprises need to carry out innovative work in the marketing of their products or business management model. China's small and medium-sized enterprises once had some very popular brand, but now has long faded in the

public eye, and even disappeared from the fierce market competition, an important reason for this situation is that the brand innovation work is not enough. The success of the domestic brand leader Haier Group mainly stems from its good innovation work. Haier does not apply for many technology patents every year, but it is always able to develop new products that cater to consumers' new consumer desires and needs. Therefore, for companies that do not pay attention to brand innovation, brand building is doomed to failure<sup>[6]</sup>.

### **3. Solutions for branding of small and medium-sized enterprises**

#### ***3.1 Do the basics***

Branding is a complex system project, and the foundation work is the root of brand development from general to strong. Branding from the founding of the enterprise has to require its products and services to have constant and good quality, requiring Enterprises have good management and innovation ability, pay attention to enterprise spirit and culture construction, build brand main culture through macro and micro all-round investigation and research, can flexibly integrate external culture into products and services, and realize the unity of products and services, connotation and appearance.

#### ***3.2 Optimize and upgrade organizational structure***

When a company creates a brand, it has to integrate the brand concept into each organizational department, set up a special brand management agency to guide the brand operation, build a consumer satisfaction evaluation system and model around customers, etc., always pay attention to and optimize the brand, and maintain the sensitivity and principle of the brand<sup>[7]</sup>; to provide reliable and sufficient theoretical and empirical evidence for continuous innovation of brands and avoid innovation risks; to build brand system, optimize brand portfolio and maximize corporate brand benefits.

#### ***3.3 Make good branding decisions***

In the face of macro and micro instabilities, branding often requires some choices, such as whether to do OEM or free branding at the start-up stage, and whether to do branding or sales in difficult times. These strategic issues require decision makers to make good decisions, study more on branding decisions, take scientific decisions to participate in the overall operation of the brand, and make the right choice at the critical moment with the current situation.

#### ***3.4 Improve the accuracy of brand positioning***

After the 21st century, China's mainstream consumer group's consumption is increasingly individual and diversified, personalized branding has gradually become the development trend, and brand positioning mainly addresses how to personalize the brand around the target consumer group<sup>[8]</sup>. Brand personality expresses the brand's self-function to customers and communicates with customers and potential customers emotionally, while brand positioning identifies target consumers, establishes a brand personality that demonstrates the brand's charm, and unifies the brand's own superior characteristics with the psychological needs of target consumers, which is the basis for successful branding<sup>[9]</sup>.

#### ***3.5 Choose the right brand management and marketing strategy***

SMEs should choose a strategy that is appropriate for their business, taking into account their own situation when conducting their branding strategy:

(1) Market Refinement. In an era of escalating competition, it is impossible for anyone enterprise to fully occupy the market, and SMEs can play a comparative advantage by adopting unique products and marketing strategies for each consumer group. For example, Haier Group has successfully increased its market share by continuously innovating Haier products based on adequate market research and segmentation variables such as consumer base preferences, identity, and geography<sup>[10]</sup>.

(2) Personalization. The competition has become increasingly homogeneous from quality to brand, making it increasingly difficult for consumers to identify the brand. When small and medium-sized enterprises are engaged in brand management, only by continuously optimizing the development of the

brand's distinctive features can they win by surprise in the competition<sup>[11]</sup>.

(3) Establish regional independent brands. The dream of becoming an international brand is impossible for the vast majority of SMEs, and choosing to narrow down their brand goals and build regional brands is a more realistic brand management strategy<sup>[12]</sup>. Industrial clusters enable a large number of enterprises producing the same type of products to gather in one place, and the differences in the products and the diversity of product functions of the enterprises in the cluster make the products and services provided by the whole cluster have obvious complementarity, which is conducive to the formation of industrial scale and the formation of professional markets to attract customers<sup>[13]</sup>.

(4) Develop rural markets. Small and medium-sized enterprises due to various aspects of "hard power" restrictions, even if they enhance their "soft power", when they first entered the market, their products or services are very difficult to compete with similar large brand products or services for market share. China's rural population is 1 billion, accounting for about 60% of the total population. Developing a large potential rural market will accelerate the promotion of products to the entire market and lay a solid foundation for the long-term sustainable development of the product or service<sup>[14]</sup>. Now the relevant small and medium-sized enterprises can take advantage of the national support "promoting household appliance in countryside" policy, in the expansion of sales at the same time, can quickly promote their own brands<sup>[15]</sup>.

(5) Focus on integrated brand marketing communication. Brand is the core of integrated marketing communications, brand integrated marketing will be the system concept and methods used in corporate marketing activities. It can integrate the various aspects, stages, levels and strategies of enterprise marketing into a systematic planning, so that the internal and external and internal aspects of the enterprise can become a net-like communication<sup>[16]</sup>.

(6) Focus on brand innovation. Innovation injects fresh blood into the brand, and companies should constantly give new functions to their products or services, starting from the interests of consumers and continuously enriching and giving new connotations to the brand from both "soft" and "hard" aspects to continuously attract consumers' attention<sup>[17]</sup>.

In summary, it is beneficial for SMEs to introduce the concept of modern integrated marketing communication theory. When SMEs are branding, they must have an integrated marketing communication mindset. Each marketing activity, each means of communication for the enterprise brand value to do the addition, or even multiplication, but scattered, intermittent marketing activities for the formation of corporate brand value, will only become more and more scattered, the value is diluted. Therefore, when small and medium-sized enterprises carry out brand marketing communication, they must do the basics well, optimize and upgrade the organizational structure, make good brand decisions, improve the accuracy of brand positioning, and at the same time, choose a suitable brand management and marketing strategy in conjunction with the enterprise's own situation, and carry out it continuously and consistently, so that after a certain period of time, the value of the brand can increasingly emerge<sup>[18]</sup>.

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