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RESEARCH OF SUSTAINABLE PRODUCT SERVICE SYSTEMS ON CHINESE MINORITY BRAND CONTEXT

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ABSTRACT

The purpose of this study is targeted poverty alleviation for the Youzhou Miao Embroidery by the service design which aims for analysing the potential customer and developing new retail marketing strategy. This study use design thinking and methods of service, through the analysis of stakeholders, business SWOT (Strengths Weaknesses Opportunities Threats) model, to extract users' potential preference and promote the transformation of corporate positioning. It is proposed that Youzhou Miao Embroidery should transform from a physical store model that focuses on the production and sales of local tourism market into a new retail model that integrates online and offline. Through the research of the Sustainable product service system for minority brands, the same type of enterprises can absorb in quantity of ethnic minorities women and disabled employees who live in a depth of poor rural, by which the local economy and sustainable development in Ethnic Areas can also be promoted.

Key Words: service design; minority brand; user experience; new retail

1. INTRODUCTION

China is a multi-ethnic country with 56 nationalities with rich cultures and long history. The development of modern society has had a game-changing effect on economy in this ancient area, Although the sustainable development of national culture has received a growing amount of research attention by the community and the government, it is still an open research question whether and how national culture transform resources into products and services.

The following case study come from Youyang Minority Areas in Chongqing, China and authors of this paper was intensively involved in setting up the collaborations with ethnic partners and implementing a unique design process with minority cultural associations. By analysing and locating potential new user groups, this project considers the “Youzhou Miao” brand in Chongqing Youyang as an example to formulate new retail marketing strategies, and conducts research on minority brand sustainable product service systems. The paper is structured as follows:

Section 1 researches the significant changes of minority culture under the environment of information and service economics.

Section 2 discusses a theoretical framework and methodologies with service design and brand management.

Section 3 describes the key findings related to the improvements of Youzhou Miao Embroidery.

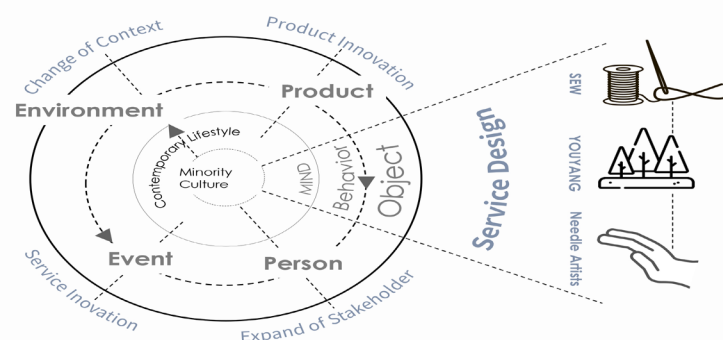
Section 4 presents the sustainable product service system(SPSS) of the minority culture.

Located in the south-eastern part of Chongqing, the Youyang Tujia and Miao minority is the area bordering Liang and Jingzhou. It’s the juncture of the states of Ba and Chu during the Spring and Autumn period; it belongs to Qianzhong County around Qin dynasty and the Youyang County in Han dynasty. In the hinterland of Wuling Mountain. Given this factors of the long history, there are 18 ethnic groups gathered in Youyang dominating by Tujia and Miao.

In order to inherit national folk traditional arts and crafts of local extinction in Youyang, the company, Youyang Ziyue Miao Culture Communication Co., Ltd., has found opportunities for the local thriving tourism industry, by producing cultural products such as Miao embroidery and XilanKapu, a kind of Tujia brocade. It is a brand of minority products of “Zhuzhou Miao Embroidery” which integrates production, processing, publicity and marketing.

2. RESEARCH FRAMEWORK

Youyang Miao Culture Company was established in March 2013, aiming to excavate and inherit the Tujia and Miao cultures with local characteristics of Youyang. Most of the employees of the company are female needleworkers and the physically challenged from poverty-stricken villages in Youyang, which is this employment allowed them to practice as professional art workers according to that poverty relief definition – they supported themselves monetarily through artistic work without government aid. Since the company was established, hiring and teaching these workers to do needlework has made significant contribution to the social and economic development in traditional handicraft industries. The company was also highly commended by the SEAC (State Ethnic Affairs Commission of China) for what it plays an exemplary role in poverty alleviation in the cultural industry and in inheriting traditional culture.



[Figure 1] Analysis of Science of Human Affair in Youzhou Miao Embroidery

2.1. Service Design Strategies

With the methods of service design thinking and Science of Human Affair (Liu, 2018), this paper explores how traditional culture's creation design in the context of modern life changes the use scenario and presents a new form of service mode, which changes as the expansion of stakeholders; how to actually do service design to improve the quality and the interaction between service providers and customers (Stickdorn et al.,2018). Learning Science of Human Affair theory, which takes the products of embroidery as the object, Youyang Ancient City as Usage scenarios and needleworkers as participant, has great theoretical and practical significance for the construction of establishing Zhangzhou Miao embroidery brand sustainable product service system.

The existing service framework of the brand is interpreted in the study by analyzing the value structure of products. Based on the methods of service design thinking, we clarified the stakeholders of the “Youzhou Miao Embroidery”

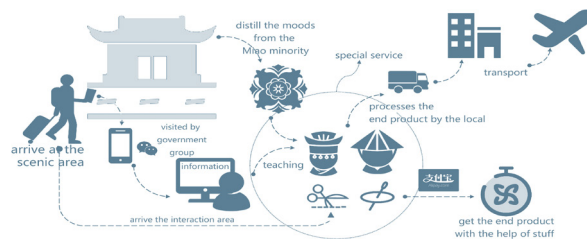
brand and defined the company's product positioning and consumer Personas, which can be useful for keeping the storyboards focused on a very specific user involvement in the process and user context and goals, including both consumers and producers. Collectively, use context, scenarios, and personas constitute a powerful design approach for consumer-centric analysis and design.

The activities of tourists and female-run embroidery agencies have been systematically digested to the design a map of the user journey experience of the existing brand services. The essence of the user journey map is to recombine ancient city tourism resources and knowledge-structure. It is also the essence of innovation for traditional industry. The core of Youzhou Miao Embroidery product is the handmade embroidery cultural product which is different from the machine embroidery product and exquisite workmanship in the market. It is very competitive in the tourism market.

2.2. Strategic Brand Management

The notion of the stakeholder is intimately linked to a conception of the business firm as an entity founded on negotiated governance, in which the maximization of value for the shareholder is not the ultimate criterion (Bonafous-Boucher & Rendtorff, 2016). The relationship of the stakeholders has been clearly clarified by the impact an interests of the "Youzhou Miao" brand. The company's employees and different types of consumers are internal stakeholders; government and scenic spots management organizations are connected stakeholders; social welfare organizations are external stakeholders. The three elements of products include user, usage scenarios and the value that can bring to the user. "Youzhou Miao" brand products mainly serve the internal stakeholders, who are interested in traditional national culture and tourist souvenirs.

Social innovations are changing the world as these changes unfold--an expansive open co-design process in which new solutions are suggested and new meanings are created by diffuse design performed by everybody and expert design performed by those who have been trained as designers (Manzini, 2015). The needleworkers can design traditional patterns of embroidery, while expert designers can support these collaborations--making their practice easier, their diffusion and their convergence in the Internet are more effective.



[Figure 2] Tourist Experience Trip of Youzhou Ancient City

For the users, embroidery not only meets their needs for manual embroidery and traditional culture, but also has the value of collection and use. The pre-brand product positioning mainly focuses on tourism products, and the recent sales of high-end products have increased. Target consumers are mainly targeted at middle-aged people, mainly women. Based on the investigate and survey above, we draw the user experience map of Youzhou Miao embroidery brand.

3. DESCRIPTIVE FINDINGS

Through SWOT analysis of internal and external factors of Youzhou Miao Embroidery brand enterprise, we find out pain points and opportunities of product service in the existing service system of the brand, and sort out the problems faced by consumers during their consumption in the current commodity trading model.

3.1. Disorder Product System

Youyang Miao Embroidery has more than 600 kinds of products, divided into fashionable accessories, hand-woven fabrics, hand-woven fabrics combined with Miao embroidery, Tujia brocade and seedlings. There are 15 series of products such as embroidered home accessories etc. Classification of products is not standardized and product hierarchy is confused. The lack of comprehensive combing of various needs of users causes the development of new embroidery products are incoherent and unsystematic, which failed to devote to delivering premium shopping experience to young consumers, and satisfy demands of various users in different scenarios.

3.2. Non-unified VI (visual identification) System

According to different product categories, the company has applied for registration of "Youzhou Miao Embroidery", "Ziyue", "Zhuzhou Bizika", "Tao Embroidery", "You Embroidery" corporate trademarks. Too many trademarks make Youzhou Miao embroidery lack a unified image. According to the survey, the products of Chongqing Youzhou Gucheng Store and Hunan Zhangjiajie Store are marked with "Zhangzhou Miao Embroidery", and the "Qin Embroidery" logo is adopted for the requirements of the scenic spot in Chongqing Taohuayuan Scenic Spot. The brand

lacks overall and systematic planning, which is difficult to form a unified brand image of the company. From the perspective of consumers, it is not conducive to their understanding of Youzhou Miao Embroidery and build loyalty and connecting with this brand. In particular, in highly competitive marketplaces, brands are often be linked to other entities, for example, people, places, things, or other brands, as a means to improve their brand equity(Keller, 2003).

3.3. Indistinct Customer Types

In the time when the online sales are attracting widespread interest in fields such as retail and shopping for information and service economy made the Internet related industries a viable remunerative business, numbers of connections to the internet world access to a market for traditional brands. This phenomenon was demonstrated by the advent of the information age and service economy, the new generation of consumers who have grown up in the mobile Internet environment have brought new opportunities to the development of minority brands.

“Youzhou Miao Embroidery” needs to pay more attention to the changes of consumers in a timely manner. By Analysis of the impact of the user demand diversity on the traditional handicraft platform, the paper put forward the demand fashion trends, social focus. A steady growth in the popularity of the young’s love for the derivatives of characteristic national culture will combine the traditional products with their lives.

3.4. Adjustment of Market Strategy

The company has rich experience in offline sales channels, however the relatively single marketing model restricts consumers and tourists who arrive at off-line stores. The scale of users is not too large, the user’s overall consumption experience supported by the traditional enterprises is not enough to meet the needs of users in different scenarios. Faced with the threat of e-commerce impact on off-line stores, the brand of “Zhangzhou Miao Embroidery” needs to adapt and adjust in time. On the one hand, existing market strategies and sales methods are still insufficient supply to meet demand, and it is difficult to effectively increase sales volume; on the other hand, Channel selling strongly support online selling based on the young’s new consumptive habits and the Internet, moreover, expanding online sales can create better user experience. So the transforming the Chinese traditional handicraft industry from commodity trading to brand service will be furthered by means of this kind of brand upgrading based on new retail (online and offline sales) that takes place through flexibly.

After entering the commodity market, most embroidery products are transformed into tourism products sold in local tourist attractions, attracting tourists with traditional embroidery techniques and ethnic patterns. With the development of information age and service economy, the “new retail” mode integrating online and offline has been developed, which brings challenges and opportunities for national brands.

The target users of the “new retail” model are expanded from tourists to the post-80s and 90s of the “new middle class”, who have higher requirements on the quality of life. Compared with price, they attach more importance to quality. The “science of human affair” of products and services for consumers will inevitably change as the consumption situation changes.

4. MINORITY CULTURE IN SPSS

“New middle class” is the main consumer group of Youzhou Miao embroidery brand positioning after upgrading, and most of them accept the cashless consumption mode, and pay more attention to the experience consumption in physical stores and online shopping. The main character of Affaiology is to emphasize the relationship, notelements; the whole, not the parts; the process, not the status. therefore, according to the user changes and the situation of use, the overall experience of “ human affair” planning and design, is the key to the new retail bureau of Youzhou Miao embroidery. The management and culture can be optimized by building a clear brand identity and system and it is conducive for enterprises to enhance corporate reputation and image in public or consumers’ mind, which leads the enterprises to adapt to the ever-changing market environment.

4.1. Brand System Upgrading

Brand perception is based on consumer psychology and marketing science combined to form a level of trust as rather than a basic trademark (Goodson, 2012). Due to the self-operated products and the cooperation with other brands, we classify and sort out the products of “Youzhou Miao Embroidery” brand, which can categorize the handicraft products according to whether products are produced independently by the company or not, Products are classified into three categories: high-grade double-sided embroidery, middle-low-grade tourism products and Tujia brocade; products produced in cooperation with other companies can be divided into three categories of furnishings, wearing apparel and luggage products. On the basis of category, the brand image has been streamlined and redesigned from the 15 existing trademarks. Three trademarks were selected to represent products of different grades and categories.

The company should plan the brand system and adopt the unified brand image of “Youzhou Miao Embroidery” brand to increase brand recognition. The high-end Miao embroidery products are mainly used in the “Youzhou Miao embroidery” brand while the low-end tourism products in “Qin Embroidery” brand to meet the requirements of the dynamic changing market and personalized products for different consumers. In addition, the company will expand its product portfolio with other brands and product categories continuously, adopt multi-brand strategy, and use the “Ziyue” brand as the expansion brand to build the Youzhou Miao embroidery brand system.

4.2. New Retail in Service Development

Traditional substantial economy has been strongly impacted by e-commerce, however, in recent years, due to the widespread popularity of the Internet and mobile Internet terminals, the user growth and traffic dividend of traditional e-commerce have gradually shrunk, while the “new retail” mode of online and offline integration has been developed (Du&Jiang, 2017). The new retail is aimed at the “new middle class” of the post-80s and 90s, who have higher requirements for the quality of life. Compared with the price, they pay more attention to quality, they usually use the cashless consumption mode and also pay more attention to the experience of consumption in physical stores, “new middle class” is the main consumer group of upgraded Youzhou Miao embroidery. Therefore, the overall experience of the planning and design, is the key to Youzhou Miao embroidery new retail bureau.

Due to the sharp decrease in the number of tourists, these stores have been transformed from a traditional physical sales store relying on tourism into a place for display and production, which is in urgent need of expanding new products and services. Thus, according to the store’s geographical location, convenient transportation, accommodation features, we further expand the traditional culture collection, display, experience, education and training function.

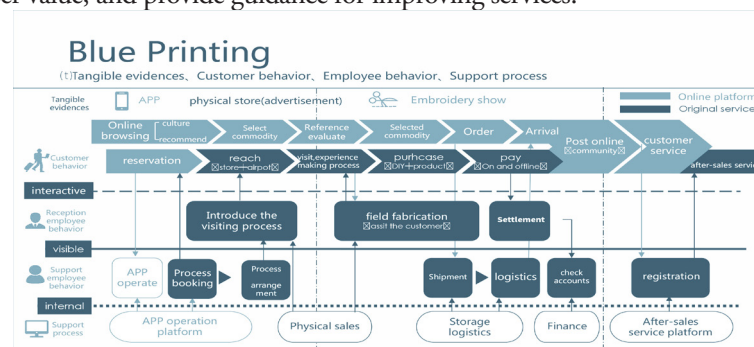
Often these goods are in the form of a tangible product that must be manufactured and moved to the user the traditional retailing business, yet China’s commodity circulation into the new retail era that go far beyond tangible products, and incorporate various services, information and even culture into the scope of retail enclosure. Goods are tangible products, while services are intangible products. The boundaries between products and services are blurring (Schneider & Stickdorn, 2012) and this an iterative design process and innovation in service content can also exactly meet the actual needs of new consumers at the level of user value.

From the traditional physical store sales model to online-to-offline service delivery, Youzhou Miao embroidery derives customized services not only focus on the product itself, but also based on different users and consumption scenarios, giving the diversification and individuation of consumers. On the whole, consumers represented by the “New Middle Class”, groups of the urban, the young and the culture-loved, live in an age of connectivity, mobility and individuation, which have become the important features of the daily life and work to them. As achieving what we proposed above, our team has designed a Wechat applet and APP demo for Youzhou Miao embroidery to provide one-stop service for consumers. The Wechat program has the “Miao culture community”, users can enjoy the collection of the enterprise Museum online and understand the Miao culture; buyers can see other’s selection in this community when making decisions on whether to buy.

4.3. Brand Sustainable Product Service System

Based on the service design thinking, the consumers are positioned precisely after the brand upgrading, what the consumer became the core in the service supply chain, and promote the transformation of the national enterprise from commodity trading to brand service. Wechat applet and APP demo can be the connection between the consumers, needleworkers and Patterns Designers. Online Customer Experience Service will be the extension of Offline Entity Store Service.

By creating online and offline linkages of personalized products, the online connection of physical stores will achieve a unified data platform to support the online, wholesale, different sales channels. After the upgrade of user experience is completed, consumers can not only visit the production process of traditional embroidery boutiques in physical stores, but also learn embroidery technology and participate in customizing their own products. This evolving object of participatory design is potentially binding different stakeholders together (Bjögvinsson & Hillgren, 2012) The integration of online and offline experience is far greater than pure product sales. At the same time, the Internet can also help companies accumulate user data, dig deeper into user value, and provide guidance for improving services.



[Figure 3] The Blueprint of the New Service System

5. CONCLUSIONS

The research on the sustainable product service system of Youzhou Miao embroidery brand have addressed the importance of exploring how national brands can attract young consumers. Expounding the product strategies for them in different stages of life cycle from the perspective of users can promote digital upgrades of national brands through service design. In service economy era, minority enterprises transformed the service model of new retail and built a sustainable product service system. Drive off-line physical stores through the Internet, so as to optimize the

supply chain to achieve brand transformation and upgrading. Through the Internet, offline store can optimize the supply chain to achieve transformation and upgrading; expand the production and sales scale of ethnic enterprises. This service system can encourage the traditional national enterprises such as “Youzhou Miaoixiu” absorb more the physically challenge and workers in poverty-stricken area, that targeted poverty alleviation policy will be effectively implemented.

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