

Analysis on Regional Branding Power and Path of Henan's Cultural Industries along the Yellow River

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Abstract: Henan is extremely rich in cultural resources along the Yellow River, but its resource advantage is far from competitive advantage, which is mainly reflected in the lack of influential regional brand. Under the background of the Yellow River National Strategy, it is of great significance to explore the development of Henan's CIAYR from the perspective of industrial regional branding. The regional branding power model is systematically constructed. The model consists of six forces, i.e., the promoting force of production factors, the pulling force of market demand, the internal driving force of corporate strategy, the assisting force of related industries, the governmental lifting power and the industrial environmental opportunity. Based on the theory of Three-Elements of Brand, the Trinity Road Map for the regional branding of Henan's CIAYR is proposed.

1. Introduction

With the continuous improvement of people's income level and the yearning for a better life, the cultural industries will usher in a broader space for development. As the main birthplace of Chinese civilization, Henan's area along the Yellow River has unique cultural resource advantages. Especially along with the proposal of the Yellow River national strategy, Henan's cultural industries along the Yellow River (CIAYR) has ushered in a good development opportunity. However, how Henan's CIAYR transforms its resource advantages into competitive advantages, and how to build a regional brand with strong influence, are still urgent.

2. Developmental characteristics of Henan's CIAYR

2.1 With the middle and lower reaches of the Yellow River as concentrated distribution

Most of the areas with quite developed cultural industries in Henan are concentrated along the Yellow River, forming a Y-shaped zone with the Yellow River as the central axis, up to Sanmenxia and down to Puyang and Shangqiu, spanning 9 cities, about 100 KM wide and about 400 KM long.

2.2 With the Yellow River Culture as the core of the industry

As mentioned above, Henan's cultural industries are centrally distributed along the Yellow River. As the mother river of Chinese nation, the Yellow River gave birth to the brilliant Yellow River Culture, the mainstream of Chinese culture. As the root culture, the Yellow River Culture provides a good soil for the development of cultural industries.

2.3 With cultural tourism as the forerunner and leading industry

With the increasing cultural confidence of Chinese people, the culture strategy has attracted much attention. Henan's area along the Yellow River has bred a number of cultural industries, e.g., *culture+tourism* is the most prominent. The rectangle of 150KM×100KM, spanned by Zhengzhou, Luoyang and Kaifeng, is rich in Yellow River cultural resources. Now the Yellow River cultural

tourism belt that *connects the three cities, stretching for three hundred Li, and spanning three thousand years* has formed.

2.4 With the outstanding advantage of location and transportation

Henan's cities along the Yellow River, located in the golden section of the confluence area of the middle and lower reaches of the Yellow River, has outstanding location advantages and have formed a seamless three-dimensional transportation network composed of aviation, high-speed rail and highway.

3. Model of regional branding Power of Henan's CIAYR

Henan's CIAYR has developed into an industrial cluster with certain market competitiveness, and has entered a new stage of regional branding. It needs the support of various forces. Drawing on Porter's Diamond model, the branding power model of Henan's CIAYR is constructed, that is, the *Six Forces Model* (see Fig. 1).

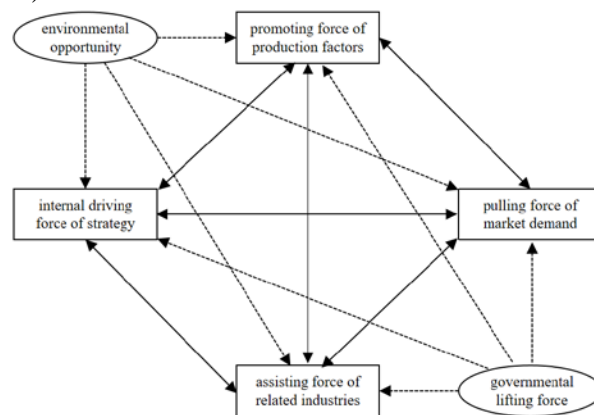


Fig.1. Regional branding power model of Henan's CIAYR

3.1 The Promoting Force of Production Factors

Production factors are the basic driving force for industrial regional branding. The production factors of the industry include two major categories: basic elements and advanced factors. For Henan's CIAYR, the basic elements include history, culture, location and population, while the advanced elements include intelligence, knowledge, information, etc. At present, Henan's CIAYR development has a good basic element, including rich and diverse historical and cultural resources, superior location and transportation conditions, huge population and market size, etc.; but the high-level elements are relatively scarce, and the root cause is the lack of talents, especially high-level talents. The cultural industries is a typical intellectual and innovation-intensive industry. Xiang Yong divides cultural industries talents into seven categories, i.g., creativity, technology, research, management, marketing, channel operation and management. Henan has obvious shortcomings in research and talent training about cultural industries. Especially the ability to cultivate senior cultural and creative talents, high-end cultural operation and management talents still needs to be improved.

3.2 The Pulling Force of Market Demand

Market demand is an important pulling force of industrial regional branding. According to the *Three-Factor Theory of Demand*, a large population size, willingness to shopping and purchasing power constitute demand.

First of all, the total population of Henan ranks third in China. With Zhengzhou's "*" type high-speed railway network close to completion, the 500KM area around Henan covers about 20% of China's population, forming a 2-hour high-speed rail core circle; the surrounding 1,000KM area covers 80% of China's population, forming a 4-hour high-speed rail tight circle.

Secondly, fulfillment of needs for material drives consumption upgrade. Consequently, people's

needs for a better cultural life are increasingly strong. Taking cultural tourism as an example, according to Cultural Industries Research Institute of Renmin University of China, whether it is willingness to spend money or to pay for time, Chinese consumers' willingness to consume is significantly greater than the actual expenditure.

Finally, with the economic development of Henan and neighboring provinces, people have the ability to meet the needs for a better cultural life. But the level is still relatively low. According to the experience of developed countries, when per capita GDP reaches \$7,000, people's cultural and entertainment consumption will begin to rise. But it's not the truth for China and Henan. According to Fig. 2, in recent years, the per capita level of cultural and entertainment consumption in China and Henan has stagnated; and the downward trend in the proportion of cultural and entertainment consumption is more obvious. The reasons may lie in low income level, unclear awareness of cultural consumption, weak attractiveness of cultural products and insufficient conditions for cultural consumption. It shows that cultural and entertainment consumption in China and Henan is low, and there is still much room for improvement. Therefore, in order to transform willingness of cultural consumption into behavior of cultural consumption, it is not only necessary to improve people's income and cultural products' attractiveness, but to take supporting measures to activate people's cultural consumption.

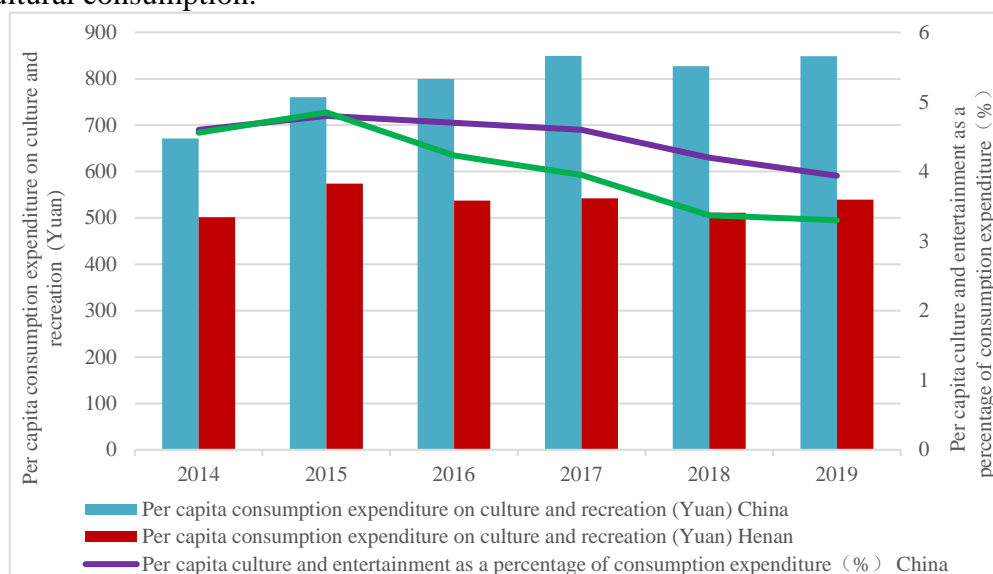


Fig.2. Per capita consumption expenditure on culture and recreation of China and Henan

Source: *Chinese Culture and Related Industry Statistical Yearbook 2020*.

3.3 The Internal Driving Force of Corporate Strategy

The strategic performance of enterprises and the strategic synergy between enterprises are the fundamental driving force of industrial regional branding. Respecting the basic attributes of culture, cultural industries enterprises needs to formulate scientific and effective corporate strategies. According to Li Siqu's 3P model, cultural industries can be investigated from three aspects, i.g., *power of creativity*, *power of influence*, *transformative power of cultural capital*.

First, power of creativity. Creation and creativity are core characteristics of cultural industries. At present, Henan's CIAYR has taken shape, but to a certain extent, there are still problems of *industry without culture* and *culture without creativity*. Henan's CIAYR enterprises need to enhance the sense of innovation, the originality of cultural creativity and the creative content of products. For example, Henan TV's program of Tang Palace Night Banquet was unexpectedly popular. The reason is that the unique cultural creativity and novel expression of ingenuity have activated excellent traditional culture and stimulated people's cultural self-confidence.

Second, power of influence. The influence of the cultural industries is mainly reflected in the popularity, reputation and loyalty of cultural brands. Henan's CIAYR has formed some well-known cultural brands, such as Shaolin Temple, Longmen Grottoes, Martial Arts, Henan TV's Wonderful

Tour Series, etc. However, in general, Henan's cultural industries are relatively weak, especially lacking cultural enterprises with high brand value. According to China Provincial and Municipal Cultural Industries Development Index, although Henan's development index in 2019 has been improved from *weak* to *ordinary*, it is not *strong*. According to 2020 Top 50 Chinese Cultural and Tourism Enterprise Brand Value, there was only one brand (Zhongyuan Media) from Henan on the list, ranking only 37th; and brands from the emerging cultural industries, such as digital cultural industry, are still rare. Therefore, Henan's CIAYR needs to strengthen brand building to form a regional brand with strong influence.

Finally, transformative power of cultural capital. The transformation of cultural capital is the capitalization of cultural resources. It can be expressed by the utilization rate of cultural value, the contribution rate of cultural industries and the influence of cultural brands. Even if a country, region or enterprise has rich cultural resources, it cannot achieve economic value without strong transformative power of cultural capital. Henan's cultural resource endowment is the best nationally, but the main economic indicators of cultural industries are very poor (see Table 1).

Table 1: Main economic indicators of culture and related industries above designated size of Henan

(10 000 YUAN)					
Indicators	Number of enterprises (unit)	Engaged persons at year-end (person)	Total assets	Total revenue	Total profit
Gross	2866(8)	345543(10)	3052. 98(12)	2357. 46(11)	207. 51(10)
Mean	/	120.57(14)	1.07(29)	0.82(21)	0.07(17)

Source: Compiled according to *Chinese Culture and Related Industry Statistical Yearbook 2020*.

Note: National ranking given in parentheses.

Consequently, Henan's CIAYR needs to use 3P strategy to improve power of creativity, power of influence, transformative power of cultural capital, and build brands with 3P. Specifically, it is recommended that Henan's CIAYR closely focus on the core elements of Yellow River, Emperor Huangdi, Yellow Land and Yellow Skin, and use the unique cultural aesthetics, creativity and design to promote cultural tangible display, strengthen the influence of the regional brand of *Henan: Hometown of Chinese*, and enhance the transformative power of cultural capital.

3.4 The Assisting Force of Related Industries

The development of related industries is a necessary auxiliary force for industrial regional branding. The development of the cultural industries involves many industries, a wide range and many links. According to the classification of *Statistical Indicators of Cultural Industries 2018*, cultural industries include six core areas and three related fields, and covers three industries of the national economy. Because the cultural industries involve so many industries, it is bound to be constrained by them. At the same time, the cultural industries have great advantages of strong correlation and positive externality, so they can drive the development of other related industries.

Development of Henan's CIAYR reflects the interaction among cultural and related industries. Taking the cultural tourism industry as an example, as previously mentioned, Henan's transportation industry is highly advanced. Moreover, in recent years, the catering and hotel industry in Henan's area along the Yellow River have also been improving, and a series of *hometown taste* series of cuisines and special theme hotels have been launched to meet the needs of cultural tourism consumers. The development of transportation, catering, hotels and other industries provides good conditions for cultural tourism. However, Henan's higher education industry is still insufficient compared with developed regions, especially lacking the ability to independently cultivate high-end cultural talents. In addition, Henan's development of creativity, content creation, design, choreography and other subdivisions is insufficient, resulting in weak capabilities of creative transformation and innovative development, thus restricting the development of Henan's high value-added cultural tourism industry along the Yellow River. Last, the development level of Henan's characteristic tourism and shopping industry along the Yellow River is not high.

3.5 The Governmental Lifting Force

Government is an important support for industrial regional branding. In the process of industry resource allocation and development, the role of government is indispensable due to market failures. According to Lin's theory of *new structural economics*, the formation of a regional branding requires both *efficient market* and *promising government*. The role of government is mainly reflected in the implementation of industrial policies in industries with potential comparative advantages. Lin(2017) argues that industries with potential comparative advantages refer to industries in which factor production costs have advantages in open and competitive market, but due to imperfect soft and hard infrastructure, the cost of transactions is too high, making the total cost uncompetitive in the market. The role of the *promising government* is to provide perfect soft and hard infrastructure for industries with potential comparative advantages.

Obviously, Henan's cultural industries belongs to industries with potential comparative advantages. In order to shape CIAYR's potential comparative advantages into comparative advantages and competitive advantages, and to promote the regional branding, Henan Province has provided a series of soft and hard infrastructure. Hard infrastructure includes highways, high-speed railways, intercity railways, airports, the Internet, etc.; soft infrastructure includes a series of industrial policy support, involving fiscal taxation, investment finance, land, education and talent training, foreign trade, insurance and other preferential policies. All of these provides an important government support for the regional branding of Henan's CIAYR .

3.6 The Industrial Environmental Opportunity

The industrial environment is a necessary condition for industrial regional branding. At present, Henan's CIAYR regional branding is facing a good industrial environment. First, the high attention of governments at all levels and a series of supportive industrial policies provide a good policy environment. Second, the economic environment is quite good, including the rapid rise of the cities along the Yellow River in Henan, especially the construction of Zhengzhou National Central City and the coordinated development of Zhengzhou & Kaifeng. Third, the proposal of the *Yellow River National Strategy* has made the development of Henan's cultural industries along the Yellow River and the revival of the Yellow River Culture a social consensus and public expectation. Fourth, the awareness of green, low-carbon environmental protection and the concept of sustainable development have become the consensus of the whole society. The cultural industries are the best choice that is in line with this consensus. Fifth, the fourth S&T revolution have provided unlimited possibilities for *culture+technology*.

Meanwhile, in the VUCA era, Henan's CIAYR regional branding also faces some unfavorable environments. First, the haze of COVID-19 pandemic has not dissipated, and the global economy is facing great uncertainty, which has seriously affected people's income and cultural consumption. Besides, a cultural innovation environment that encourages innovation and tolerates failure has yet to be formed, and awareness of intellectual property protection needs to be strengthened.

4. Regional branding PATH of Henan's CIAYR

According to the *Three-Element Brand* model, a brand is composed of carrier elements, tangible elements and intangible elements. Based on this, Henan's CIAYR regional branding path is proposed as follows.

4.1 Tamping carrier elements

Carrier element refers to the brand's products and services. They are the foundation of the brand. Henan's CIAYR should build a *culture+technology+creativity* trinity development model, make full use of modern S&T and innovative creativity, dig deep into the convergence of the Yellow River Culture and the spirit of the times, tell the Central Plain Story, and spread the Yellow River Culture. It is recommended to integrate the rich cultural resources along the Yellow River in Henan,

optimize the product portfolio, and launch a variety of culture+product mixes, such as culture+ancestor worship, culture+collection remains, culture+martial arts, culture+tourism, culture+landscape, culture+traditional craftsmanship, culture+fine arts, culture+media, culture+film & TV drama, culture+performing arts, culture+creative design, culture+technology, culture+exhibition, culture+costumes, culture+dining etc.

4.2 Highlight tangible features

Tangible elements are important signs that distinguish one brand from others, including brand name, brand identity, and brand slogan. Tangible elements should conform to Miller's law and Restorff effect of memory theory. According to Miller's Law, in short-term memory, people can only remember 7 (± 2) information chunks on average without repetition. According to Restorff effect, among the series of similar memory items, the most unique items are most accessible and maintained. Therefore, tangible elements should be not only concise and easy to remember, but also novel and special. Among them, brand name is the key element of consumers' primacy effect and psychological association. Brand identity is a visual literal translation of brand name and brand culture, aiming to deepen consumers' brand memory and stimulate brand association. Brand slogan is the expression of brand name and USP, and is a powerful weapon for brand communication. Brand slogan should be concise.

In summary, it is suggested that the tangible elements of Henan's CIAYR regional brand can be *Culture Along The Yellow River* as the brand name, *Dragon-Shaped Yellow River* as the brand identity skeleton, *Yellow Color* as the brand background, and *Chinese homeland, Chinese roots* as the brand slogan, to create a distinctive and internationally renowned regional brand of cultural Industries.

4.3 Strengthen the intangibles

Intangibles refer to brand personality and brand culture that marketers give to the brand and can be perceived and accepted by consumers. Aaker (1997) argues that brand personality refers to a set of personified traits associated with a brand. Wang Haizhong (2014) believes that brand culture is a synthesis of unique beliefs, values, rituals, norms and traditions related to a brand shared among the owners, purchasers, users or aspirers of the brand. In short, brand culture is the values and worldview that a personified brand has. Brand personality is the basis for the formation of brand culture, and brand culture is the result of the development of brand personality. According to the personality dimension of Chinese brands proposed by Huang Shengbing and Lu Taihong (2003), it is recommended that *benevolence*, *wisdom* and *courage* be the brand personality of Henan's CIAYR regional brand. In the Yellow River Culture, *benevolence* is kindheartedness, integrity, loyalty and diligence, *wisdom* means intelligence, reliability, deep planning and calmness, and *courage* equals braveness, decisiveness, pioneer and innovation.

5. Conclusion

It is of great significance to discuss the development of Henan's CIAYR from the perspective of industrial regional branding. Regional branding power model and Trinity Road Map provide important theoretical support and reference for increasing CIAYR's industrial competitiveness, and build a well-known regional brand, thus accelerating the implementation of the *Yellow River National Strategy* in Henan's CIAYR.

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