

# Adding Value to Company Branding from the Perspective of Service Design Using X-company Corporation as an Example

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**Abstract.** Because of the rapid change of global economic pattern, the enterprises of Taiwan OEM have realized the importance of branding. Applying the concept of the service design can help the enterprises to develop their own brands. This study explores the essential conditions of branding in an enterprise based upon the user-centered design thinking and customer journey to enhance the user's experience and their satisfaction and trust to the enterprise's brand image so as to uplift the brand equity in an enterprise.

Based on these theories, X-company, the biggest shoe manufacturer in the world, is used as an example to examine how to apply service design in the practical operation of branding. The purpose of this study is twofold: (1) to explore the key points of develop branding by service design with respect to footwear manufacturer, (2) to implement and verify a suitable model for the practical operation of branding.

Through the case study, we have reached the following conclusions:

(1) It is suitable to apply service design, customer journey, touch point, and service blueprint tools for the formation of customer's experience of enterprise brand.

(2) It is possible to apply service design and experiential design to help to transform user's positive brand experience into brand trust and brand satisfaction.

(3) User-centered service design and experiential design is the key operational elements to the accumulated brand equity in enterprises.

**Keywords:** Branding, Service Design, Added-Value by Design.

## 1. Introduction

Traditional Taiwanese enterprises make their profits by OEM (Original Equipment Manufacturer) primarily based on the low cost labor of mainland China or Southeast Asian countries. With the global economic development, the labor-intensive industry has switched to Africa or developing countries in Central or South America. To keep profit in the competitive global markets, it is necessary for Taiwanese enterprises to develop their own brands from the viewpoint of smiling curve. Because of the rapid change of economic pattern, the enterprises of OEM have realized the importance of branding. But it is not an easy job for them to develop their own brands because of the shortage of understanding of the knowledge and core techniques in branding.

X-company, the biggest Taiwan shoe manufacturer, is facing the problem described above. Since the concept of the service design can help the enterprises to develop its own brands, X-company is analyzed and used as an example to examine how to apply service design in the practical operation of branding.

## 2. Literature Review

### 2.1. Brand Equity

The positive brand experience in five senses and cognition can add values to brand equity in an enterprise (Yoo & Donthu, 2011) (see figure 1). The five sensory experience includes the process of feeling by eyes, ears, nose, tongue and body, which can be facilitated by the process of service design operation. More importantly, such kind of customer experience can help uplift brand loyalty and brand trust (see figure 3), adding value to an enterprise brand.

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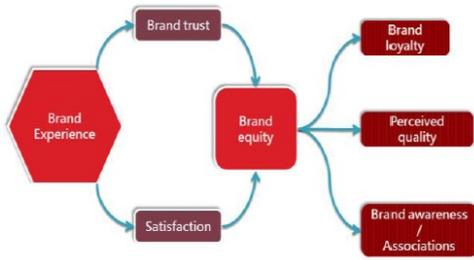


Fig. 1: From brand experience to brand equity.

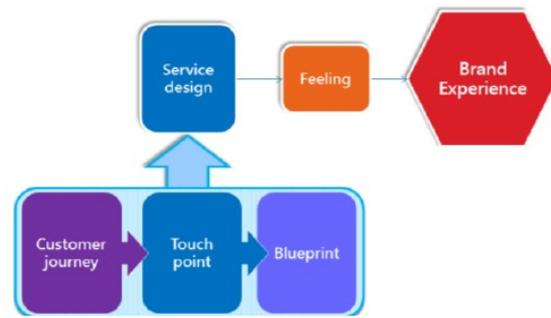


Fig. 2: Operation of the design by the viewpoints of the service design.

## 2.2. Service Design

Service Design is the design of the process and strategy to provide overall experience of a service. Service Design include 4D-Discover, Define, Develop & Deliver. The four D involve understanding client, organization & market, develop ideas, translate them into feasible solutions and to help implementing them. Service Design is involved in the ongoing life-cycle of services and offers continuous evolution. Services can be constantly changing in time. (Stefan Moritz, 2005)

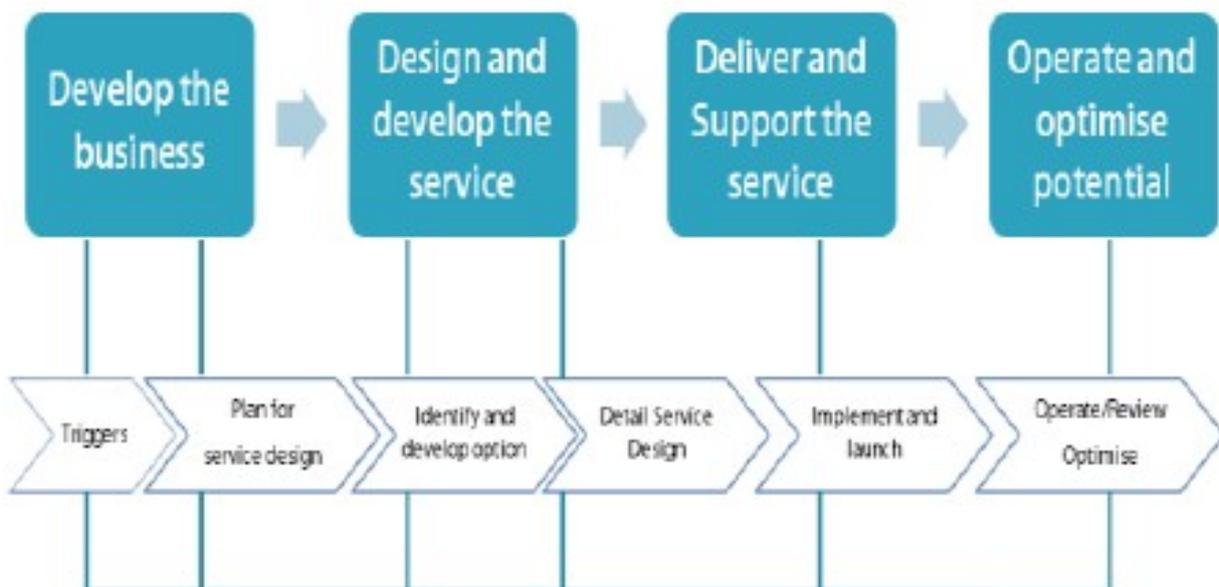


Fig. 3: The social interaction and depicts elements of emotion

## 2.3. Customer Journey

The customer journey map is a Visualization diagram that describes the process of how users engaging with your company, product, online experience, or a service, or any combination. It is representing the different touchpoints that characterize his interaction with the service (Richardson, 2011).

## 2.4. Touch Point

The experience behind every segment of customer journey can be transformed into a touchable product or service. The form of touch point may be an advertisement, a card, a cell-phone, a retail store or a salesman. If a service system has enough touch point, they can offer diversity of designed customer experience, and the touch point possesses its unique value. (Moggridge, 2006)

## 2.5. Service Blueprint

Experience blueprint shows a frame that how to deal with details of social interaction and depict elements of emotion. The purpose of service Blueprint is to combine client experience with commercial potential. Every tiny detail can destroy a relation. Only a few details can make a chance for you to create a unique, good feeling and memorable experience.(Brown, 2009)

### 3. Method

In this study, Case study is applied as a research method. Single or numbers of cases are selected as the subjects of study. By collecting multiple data and analyzing detailed contextual information, logic and rules could be revealed. Case study is a logical thinking process to provide the solutions for problems. (Gerring, J,2004).

In this study, X-company, the biggest shoe manufacturer in the world, is analyzed and used as an example to examine how to apply service design in the practical operation of branding.

In X-company case, Action Research method (Tacchi, J., Foth, M., & Hearn, G., 2009) is applied to identify problems on the subject of interest. We invited a group of design professionals and experts to make activity plans and identify problems.

There are 3stages of the case study:

- To investigate the footwear market in GuangDong , China, and analyze background of the market.
- To diagnose the problem of aX-company’s self-ownbrand—“Y-brand”, from the perspective of service design.
- To apply service design and experiential design to help build up user’s brand experience interms of brand trust and brand satisfaction.

### 4. Results and Analysis

As the self-own for X-company, which hope to utilize its Top one OEM experience in the world, ” Y-brand” is created as the pioneer to construct the operational experience in brand building, and focus on the retailed channel own by X-company in Guang Dong, China. After expert investigated the problem of “Y-brand”by the diagnosis framework of corporation activities, service design operationswereoffered according to the requirements in the enterprise.

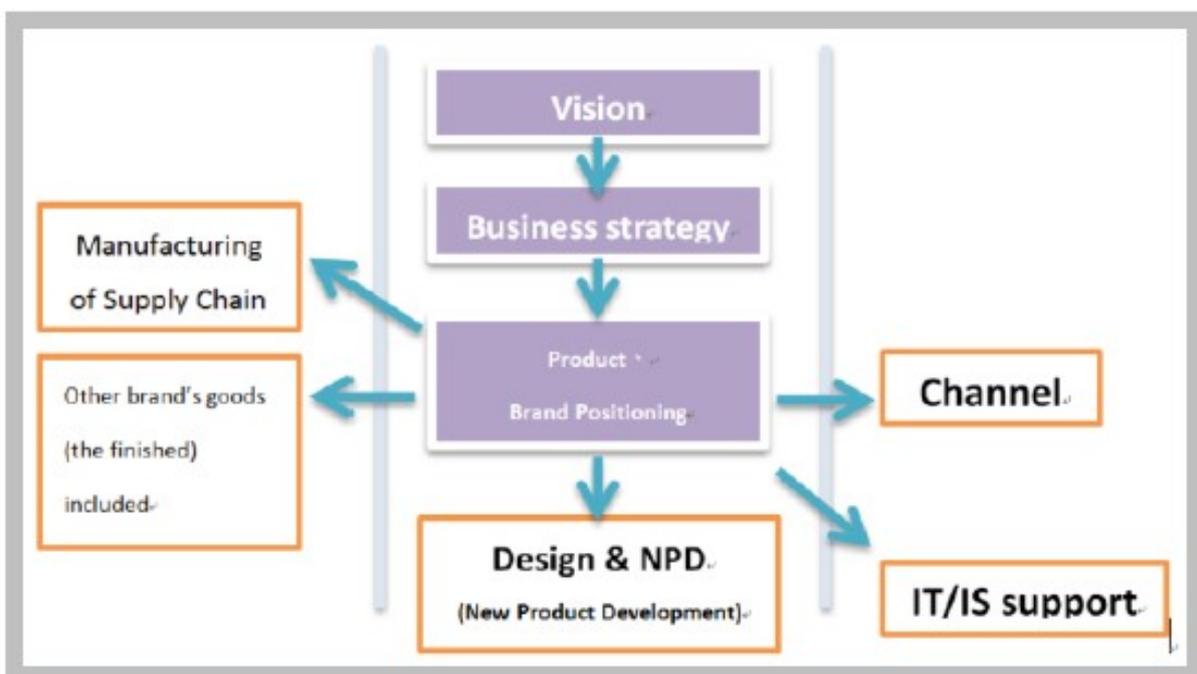


Fig. 4: Diagnosis framework of corporation activities.

Table 1: Experts diagnosis results for brand equity of X-company.

	After the diagnosis	Service Design Operation
<b>Theory of Business</b>	<ul style="list-style-type: none"> <li>• The brand positioning</li> <li>• Undefined brand location</li> <li>• The confusion between Distributional and Commercial Brand</li> <li>• Unclear responsibility of corporate section</li> </ul>	<ul style="list-style-type: none"> <li>• Recreate &amp; define brand mind</li> <li>• Clarify Distributional brand concept (not only offer the product but service)</li> <li>• Early store developing strategy (experimental store→The standard store→The flagship store)</li> <li>• Organization integration (synergies)</li> </ul>
<b>CIS</b>	<ul style="list-style-type: none"> <li>• Undefined CIS</li> </ul>	<ul style="list-style-type: none"> <li>• Define vision of business</li> <li>• Define CIS of brand</li> </ul>
<b>Operation System</b>	<ul style="list-style-type: none"> <li>• No standard management plan for single store</li> <li>• No customer management &amp; No neighborhood relationship development</li> </ul>	<ul style="list-style-type: none"> <li>• Create training program for shopkeeper is operation key point.</li> <li>• Develop knowledge management system to assist retailstore management.</li> </ul>
<b>Store Development</b>	<ul style="list-style-type: none"> <li>• SOP is required.</li> </ul>	<ul style="list-style-type: none"> <li>• Creating an assessment criteria for single store.</li> <li>• Create specific goals for development phases.</li> <li>• Emphasize the importance of innovative concepts.</li> </ul>

To demonstrate the design process of service design, including all the developing stages from brand image building to final product production, numbers of proposals are created.

One of the proposal - "rain or shine" shoes are selected exclusively for self-own "Y-brand".

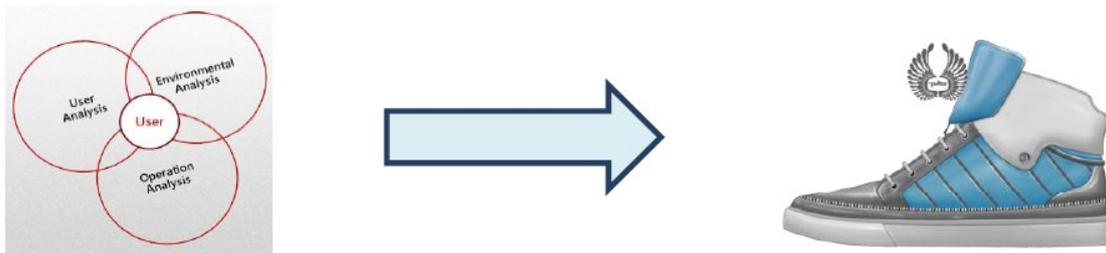


Fig. 5: Concept Sketch ...Final Decision.

By Customer Journey, three touch points are discovered. This is shown in Figure (6~8). When the customers enter the store, they first see a special sale exhibition POP (Figure 6); then they can try putting on the shoes (Figure 7); if satisfied, then they can carry home a whole set of package (Figure 8), including a shopping bag, a storage box, and the specially-designed shoes. From such kind of customer journey, they will be surprised by a totally new experience, which will help build up their brand trust and brand satisfaction for improving the brand equity.

These processes verify the successful application of service design concepts in new product design.

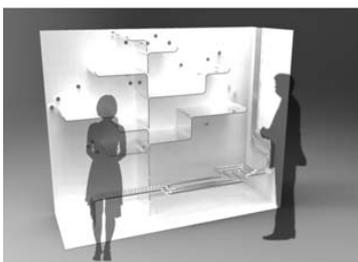


Fig. 6



Fig. 7



Fig. 8

## 5. Conclusions

Though the case study, we have reached the following conclusions:

- (1) It is suitable to apply customer journey, customer experience, and service blue print tools for the formation of customer's experience of enterprise brand.
- (2) It is possible to apply service design and experiential design to help transform user's brand experience into brand trust and brand satisfaction.
- (3) User-centered service design and experiential design is the key operational elements to the accumulated brand equity in enterprises.

## 6. Acknowledgments

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